

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



福田實業(集團)有限公司

Fountain Set (Holdings) Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 420)

**FINAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

The Board of Directors would like to announce that the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2014 are as follows:

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

FOR THE YEAR ENDED 31 DECEMBER 2014 截至2014年12月31日止年度

			2014 2014年 HK\$'000 千港元	2013 2013年 HK\$'000 千港元
		Notes 附註		
Revenue	營業額	2	6,891,133	6,942,807
Cost of sales	銷售成本		(6,176,316)	(6,188,170)
Gross profit	毛利		714,817	754,637
Other income	其他收入		78,672	45,573
Other gains and losses	其他收益及虧損		(26,201)	23,497
Distribution and selling expenses	分銷及銷售費用		(171,917)	(182,787)
Administrative expenses	行政費用		(440,515)	(518,103)
Finance costs	融資成本	3	(34,983)	(36,419)
Gain on disposal of subsidiaries	出售附屬公司之所得收益		4,694	—
Share of loss of an associate	應佔一間聯營公司之虧損		(738)	—
Profit before taxation	除稅前盈利		123,829	86,398
Income tax	所得稅	4	(28,068)	14,290
Profit for the year	是年度盈利	5	95,761	100,688
Profit for the year attributable to:	應佔是年度盈利:			
Owners of the Company	本公司擁有人		90,590	91,304
Non-controlling interests	非控股權益		5,171	9,384
			95,761	100,688
			HK cents 港仙	HK cents 港仙
Earnings per share	每股盈利			
Basic and diluted	基本及攤薄	7	7.5	7.6

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

FOR THE YEAR ENDED 31 DECEMBER 2014 截至2014年12月31日止年度

			2014	2013
			2014年	2013年
		Note 附註	HK\$'000 千港元	HK\$'000 千港元
Profit for the year	是年度盈利	5	95,761	100,688
Other comprehensive income, net of tax	其他全面收益 (經扣除稅項)			
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損 益之項目：			
Exchange differences arising on translation of foreign operations	換算海外業務產生之 匯兌差額		(2,286)	18,045
Reclassification adjustment of translation reserve upon disposal of a subsidiary	出售附屬公司時 匯兌儲備之 重新分類調整		(1,435)	—
Other comprehensive (expense)/income for the year	是年度其他全面 (開支)／收益		(3,721)	18,045
Total comprehensive income for the year	是年度全面收益總值		92,040	118,733
Total comprehensive income for the year attributable to:	應佔是年度全面收益 總值：			
Owners of the Company	本公司擁有人		88,125	107,575
Non-controlling interests	非控股權益		3,915	11,158
			92,040	118,733

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

AS AT 31 DECEMBER 2014 於2014年12月31日

		At 31 December 2014 於2014年12月31日		At 31 December 2013 於2013年12月31日
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
Non-current assets	非流動資產			
Investment properties	投資物業		55,094	33,800
Property, plant and equipment	物業、機器及設備		1,520,174	1,624,510
Prepaid lease payments – non-current portion	預付租賃款項 – 非流動部份		104,763	107,784
Other intangible assets	其他無形資產		27,646	30,284
Interests in an associate	於一間聯營公司之權益		15,466	–
Investment in life insurance policies	人壽保險保單之投資	8	37,850	37,346
Deferred tax assets	遞延稅項資產		28,204	34,043
			1,789,197	1,867,767
Current assets	流動資產			
Inventories	存貨	9	1,301,897	1,636,772
Trade and bills receivables	營業及票據應收款項	10	1,387,513	1,265,935
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項		124,419	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		2,573	4,282
Short-term bank deposits	短期銀行存款		509,513	346,889
Bank balances and cash	銀行結餘及現金		448,011	803,074
			3,776,536	4,264,878
Current liabilities	流動負債			
Trade and bills payables	營業及票據應付款項	11	801,396	1,001,781
Other payables and accruals	其他應付款項及應計費用		269,688	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		1,686	–
Tax payable	應付稅項		17,338	9,555
Bank and other borrowings – due within one year	銀行及其他借貸 – 一年內到期		784,831	838,946
Bank overdrafts	銀行透支		1,439	–
			1,957,936	2,271,639
Net current assets	流動資產淨值		1,818,600	1,993,239
Total assets less current liabilities	資產總值減流動負債		3,607,797	3,861,006

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

AS AT 31 DECEMBER 2014 於2014年12月31日

		At 31 December 2014 於2014年12月31日	At 31 December 2013 於2013年12月31日
		Note 附註 HK\$'000 千港元	HK\$'000 千港元
Non-current liabilities	非流動負債		
Deferred income – non-current portion	遞延收入－非流動部份	62,218	63,676
Bank and other borrowings – due after one year	銀行及其他借貸－一年後到期	213,669	516,598
Deferred tax liabilities	遞延稅項負債	6,287	2,085
		282,174	582,359
Net assets	資產淨值	3,325,623	3,278,647
Capital and reserves	資本及儲備		
Share capital: nominal value	股本：面值	12	240,609
Share premium and capital redemption reserve	股份溢價及資本贖回儲備		621,602
Share capital (2013: Share capital and statutory reserves)	股本（2013年：股本及法定儲備）	12	862,211
Other reserves	其他儲備	2,320,317	2,255,009
Equity attributable to owners of the Company	本公司擁有人應佔權益	3,182,528	3,117,220
Non-controlling interests	非控股權益	143,095	161,427
Total equity	權益總值	3,325,623	3,278,647

NOTES 附註

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

(a) Adoption of new/revised HKFRSs – first effective on 1 January 2014

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

The adoption of these amendments has no material impact on the Group's financial statements.

1. 採納香港財務報告準則（「香港財務報告準則」）

(a) 採納新訂／經修訂之香港財務報告準則—於2014年1月1日首次生效

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

採納該等修訂本對本集團的財務報表並無重大影響。

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

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

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

HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle ²
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle ¹
HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle ³
Amendments to HKAS 1	Disclosure Initiative ³
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ³
Amendments to HKAS 19 (2011)	Defined Benefit Plans: Employee Contributions ¹
Amendments to HKAS 27	Equity Method in Separate Financial Statements ³
HKFRS 9 (2014)	Financial Instruments ⁵
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations ³
HKFRS 15	Revenue from Contracts with Customers ⁴

¹ Effective for annual periods beginning on or after 1 July 2014

² Effective for annual periods beginning, or transactions occurring, on or after 1 July 2014

³ Effective for annual periods beginning on or after 1 January 2016

⁴ Effective for annual periods beginning on or after 1 January 2017

⁵ Effective for annual periods beginning on or after 1 January 2018

1. 採納香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則

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

香港財務報告準則（修訂本）	2010年至2012年週期之年度改進 ²
香港財務報告準則（修訂本）	2011年至2013年週期之年度改進 ¹
香港財務報告準則（修訂本）	2012年至2014年週期之年度改進 ³
香港會計準則第1號之修訂本	主動披露 ³
香港會計準則第16號及香港會計準則第38號之修訂本	折舊及攤銷可接受方法的澄清 ³
香港會計準則第19號之修訂本（2011年）	定額福利計劃：僱員供款 ¹
香港會計準則第27號之修訂本	獨立財務報表的權益法 ³
香港財務報告準則第9號（2014年）	金融工具 ⁵
香港財務報告準則第10號及香港會計準則第28號之修訂本	投資者與其聯營公司或合營公司之間的資產出售或注資 ³
香港財務報告準則第11號之修訂本	收購合營業務權益的會計處理 ³
香港財務報告準則第15號	客戶合同收入 ⁴

¹ 於2014年7月1日或之後開始之年度期間生效

² 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

³ 於2016年1月1日或之後開始之年度期間生效

⁴ 於2017年1月1日或之後開始之年度期間生效

⁵ 於2018年1月1日或之後開始之年度期間生效

2. REVENUE AND SEGMENT INFORMATION

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

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

2014

		Hong Kong	The PRC	Taiwan	Korea	Sri Lanka	America	Europe	Others	Segment total	Eliminations	Consolidated
		香港	中國	台灣	韓國	斯里蘭卡	美洲	歐洲	其他地區	分類總值	對銷	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Revenue	營業額	1,494,114	1,321,674	857,416	1,094,666	686,119	420,585	150,703	865,856	6,891,133	-	6,891,133
External sales	對外銷售											
Inter-segment sales	分類間銷售											
(note)	(附註)	4,944,412	2,531,113	-	-	386,361	112,848	-	176,289	8,151,023	(8,151,023)	-
Total segment revenue	分類營業額總值	6,438,526	3,852,787	857,416	1,094,666	1,072,480	533,433	150,703	1,042,145	15,042,156	(8,151,023)	6,891,133
Results	業績											
Segment profit	分類盈利	133,252	87,660	74,915	96,269	42,741	37,038	13,196	76,499			561,570
Interest income	利息收入											17,903
Unallocated income	未分配收入											2,917
Depreciation and amortisation	折舊及攤銷											(210,024)
Other unallocated expenses	其他未分配支出											(217,510)
Finance costs	融資成本											(34,983)
Gain on disposal of subsidiaries	出售附屬公司之所得收益											4,694
Share of loss of an associate	應佔一間聯營公司之虧損											(738)
Profit before taxation	除稅前盈利											123,829

2. 營業額及分類資料

本公司董事會（即主要營運決策者）根據客戶所在地區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。

以下為本集團於是年度源自製造及銷售色布、縫紉線、紗及成衣按可申報分類劃分之營業額及盈利以及業績所作之分析。

2014年

2. REVENUE AND SEGMENT INFORMATION (Continued)

2013

		Hong Kong	The PRC	Taiwan	Korea	Sri Lanka	America	Europe	Others	Segment total	Eliminations	Consolidated
		香港	中國	台灣	韓國	斯里蘭卡	美洲	歐洲	其他地區	分類總值	對銷	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Revenue	營業額											
External sales	對外銷售	1,557,143	1,182,204	898,638	1,088,893	861,736	338,137	203,499	812,557	6,942,807	–	6,942,807
Inter-segment sales	分類間銷售											
(note)	(附註)	4,970,384	3,049,991	–	–	533,229	73,899	–	125,695	8,753,198	(8,753,198)	–
Total segment revenue	分類營業額總值	6,527,527	4,232,195	898,638	1,088,893	1,394,965	412,036	203,499	938,252	15,696,005	(8,753,198)	6,942,807
Results	業績											
Segment profit	分類盈利	136,667	96,877	87,643	106,873	53,832	22,377	19,963	76,066			600,298
Interest income	利息收入											7,411
Unallocated income	未分配收入											50,607
Depreciation and amortisation	折舊及攤銷											(262,113)
Other unallocated expenses	其他未分配支出											(273,386)
Finance costs	融資成本											(36,419)
Profit before taxation	除稅前盈利											86,398

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

2. 營業額及分類資料 (續)

2013年

		Hong Kong	The PRC	Taiwan	Korea	Sri Lanka	America	Europe	Others	Segment total	Eliminations	Consolidated
		香港	中國	台灣	韓國	斯里蘭卡	美洲	歐洲	其他地區	分類總值	對銷	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Revenue	營業額											
External sales	對外銷售	1,557,143	1,182,204	898,638	1,088,893	861,736	338,137	203,499	812,557	6,942,807	–	6,942,807
Inter-segment sales	分類間銷售											
(note)	(附註)	4,970,384	3,049,991	–	–	533,229	73,899	–	125,695	8,753,198	(8,753,198)	–
Total segment revenue	分類營業額總值	6,527,527	4,232,195	898,638	1,088,893	1,394,965	412,036	203,499	938,252	15,696,005	(8,753,198)	6,942,807
Results	業績											
Segment profit	分類盈利	136,667	96,877	87,643	106,873	53,832	22,377	19,963	76,066			600,298
Interest income	利息收入											7,411
Unallocated income	未分配收入											50,607
Depreciation and amortisation	折舊及攤銷											(262,113)
Other unallocated expenses	其他未分配支出											(273,386)
Finance costs	融資成本											(36,419)
Profit before taxation	除稅前盈利											86,398

附註：分類間銷售之價格乃參照當時之市場價格而釐定。

2. 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 expenses, directors' emoluments, bank charges, etc.), depreciation and amortisation, interest income, loss on disposal/written-off of property, plant and equipment, net (loss)/gain from derivative financial instruments, finance costs, gain on disposal of subsidiaries, etc.. This is the measure reported to the board of directors of the Company for the purposes of resource allocation and performance assessment. No analysis on segment assets and liabilities is disclosed as it is not presented to the board of directors of the Company.

Revenue from the Group's products

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

2. 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開支、董事酬金、銀行費用等），折舊及攤銷、利息收入、出售／註銷物業、機器及設備之虧損、衍生金融工具之（虧損）／收益淨值、融資成本及出售附屬公司之所得收益等。此乃為資源分配及績效評估而向本公司董事會匯報之基準。對分類資產及負債並沒有作出分析披露，因該資料沒有向本公司董事會呈列。

本集團產品之營業額

以下為按產品劃分本集團來自外部客戶營業額之分析：

		2014	2013
		2014年	2013年
		HK\$'000 千港元	HK\$'000 千港元
Production and sales of dyed fabrics, sewing threads and yarns	製造及銷售色布、縫紉線及紗	5,918,787	5,976,440
Production and sales of garments	製造及銷售成衣	972,346	966,367
		6,891,133	6,942,807

2. REVENUE AND SEGMENT INFORMATION (Continued)

Geographical information

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

		At 31 December 2014	At 31 December 2013
		於2014年12月31日	於2013年12月31日
		HK\$'000 千港元	HK\$'000 千港元
The PRC	中國	1,501,882	1,570,681
Hong Kong	香港	46,745	51,097
America	美洲	134	188
Sri Lanka	斯里蘭卡	173,598	173,791
Others	其他地區	784	621
		<u>1,723,143</u>	<u>1,796,378</u>

Note: Non-current assets excluded deferred tax assets and investment in life insurance policies.

2. 營業額及分類資料 (續)

地域資料

於報告期終，本集團之非流動資產（附註）按地域位置之分析如下：

附註：非流動資產不包括遞延稅項資產及人壽保險保單之投資。

Information about major customers

No revenue from individual customer contributed over 10% of the total revenue of the Group for the year ended 31 December 2014 and 31 December 2013.

有關主要客戶之資料

截至2014年12月31日止年度及截至2013年12月31日止年度期間，均無來自個別客戶之營業額佔本集團營業總額超過10%。

3. FINANCE COSTS

Finance costs on:

Bank and other borrowings wholly repayable
within five years

融資成本：

須於5年內全部償還之
銀行及其他借貸

3. 融資成本

2014	2013
2014年	2013年
HK\$'000 千港元	HK\$'000 千港元
<u>34,983</u>	<u>36,419</u>

4. INCOME TAX

4. 所得稅

		2014	2013
		2014年	2013年
		HK\$'000 千港元	HK\$'000 千港元
Current tax:	是年度稅項：		
Hong Kong	香港	278	2,721
The PRC	中國	12,111	13,612
Other jurisdictions	其他司法地區	4,758	1,876
		<u>17,147</u>	<u>18,209</u>
Under/(over) provision in prior years:	過往年度撥備不足／(超額撥備)：		
Hong Kong	香港	(20)	612
The PRC	中國	(330)	(758)
Other jurisdictions	其他司法地區	1,230	(264)
		<u>880</u>	<u>(410)</u>
Overprovision 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>
		<u>18,027</u>	<u>9,759</u>
Deferred tax:	遞延稅項：		
Hong Kong	香港	(133)	206
The PRC	中國	5,795	(24,372)
Other jurisdictions	其他司法地區	4,379	117
		<u>10,041</u>	<u>(24,049)</u>
		<u>28,068</u>	<u>(14,290)</u>

4. INCOME TAX (Continued)

Hong Kong Profits Tax is calculated at 16.5% (31 December 2013: 16.5%) of the estimated assessable profit for the year.

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. Since then, the tax rate of Sri Lanka income tax is 12%.

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

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

4. 所得稅（續）

香港利得稅乃按是年度之估計應課稅盈利以16.5%（2013年12月31日：16.5%）之稅率計算。

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。此後，斯里蘭卡之所得稅稅率為12%。

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。

4. INCOME TAX (Continued)

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

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

During the year ended 31 December 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 year ended 31 December 2013.

4. 所得稅 (續)

就2003/04課稅年度之保障性評稅合共18,390,000港元之金額，當中兩張保障性評稅金額各4,375,000港元分別發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。

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12月31日止年度期間，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課稅年度期間的少收稅務總額約為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份總稅款，並以現金償付餘下部份。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12月31日止年度期間總結總稅款及計入稅項超額撥備。

5. PROFIT FOR THE YEAR

5. 是年度盈利

		2014	2013
		2014年	2013年
		HK\$'000 千港元	HK\$'000 千港元
Profit for the year has been arrived at after charging:			
是年度盈利已扣減下列各項：			
Auditors' remuneration	核數師之薪酬	3,044	3,678
Cost of inventories recognised as expenses	確認為費用之存貨成本	6,176,316	6,188,170
Depreciation of investment properties	投資物業之折舊	2,198	246
Depreciation of property, plant and equipment	物業、機器及設備之折舊	202,084	259,258
Employee benefits expense (including directors' emoluments)	僱員福利支出（包括董事酬金）	953,404	953,548
Loss on disposal/written-off of property, plant and equipment and prepaid lease payment #	出售／註銷物業、機器及設備 及預付租賃款項之虧損#	2,187	12,483
Net exchange losses #	匯兌虧損淨值#	3,212	14,172
Net loss from derivative financial instruments #	衍生金融工具之虧損淨值#	23,737	-
Release of prepaid lease payments	預付租賃款項轉出	2,609	2,609
Amortisation of other intangible assets	其他無形資產攤銷	3,133	-
and after crediting:			
及已計入下列各項：			
Amortisation of deferred income*	遞延收入的攤銷*	1,458	1,458
Interest income*	利息收入*	17,903	7,411
Net rental income from investment properties*	投資物業的租金收入淨值*	7,762	2,370
Net gain from derivative financial instruments #	衍生金融工具之收益淨值#	-	47,907
Impairment loss reversed on trade and bills receivables, net #	營業及票據應收款項之 減值損失淨值撥回#	2,935	2,245
Compensation income for factory demolition *	廠房拆除之賠償收入*	8,930	-
Government grants (note) *	政府補貼（附註）*	7,349	766

* 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

Note: Government grants for the year ended 31 December 2014 mainly represent grants of HK\$5,696,000 received from the PRC local government authority as subsidies to the Group for acquiring certain property, plant and equipments for energy saving scheme and environmental protection scheme implemented by the PRC local government.

There were no restrictions with the use of such government grants.

附註：截至2014年12月31日止年度之政府補貼主要指收取來自中國當地政府機構授出的5,696,000港元作為本集團為中國當地政府實施之節能計劃及環保計劃而購置若干物業、機器及設備之補貼。

該等政府補貼並無使用限制。

6. DIVIDENDS

6. 股息

		2014	2013
		2014年	2013年
		HK\$'000 千港元	HK\$'000 千港元
Dividends paid during the year:	是年度已付股息：		
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 was paid or proposed for both periods.

於兩個期間並無已付或擬派中期股息。

The final dividend of HK 4 cents in respect of the year ended 31 December 2014 (2013: HK2 cents) per share, amounting to approximately HK\$48,122,000 (2013: HK\$24,061,000) in total, has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

本公司董事建議派付截至2014年12月31日止年度之末期股息每股4港仙（2013年：2港仙），合共約48,122,000港元（2013年：24,061,000港元），並須待股東於應屆股東週年大會上批准。

7. 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:

		2014	2013
		2014年	2013年
		HK\$'000 千港元	HK\$'000 千港元
Earnings	盈利		
Profit for the year attributable to owners of the Company	就計算每股基本盈利及攤薄盈利		
for the purposes of basic earnings and diluted earnings per share	所用之本公司擁有人應佔是年度盈利		
		90,590	91,304

		2014	2013
		2014年	2013年
Number of shares	股份數目		
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	1,203,046,960	1,203,046,960

The computation of diluted earnings per share for the year ended 31 December 2014 and 31 December 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 year.

8. 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 shifting the life insured quota to other key member(s).

7. 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：

		2014	2013
		2014年	2013年
		HK\$'000 千港元	HK\$'000 千港元
Earnings	盈利		
Profit for the year attributable to owners of the Company	就計算每股基本盈利及攤薄盈利		
for the purposes of basic earnings and diluted earnings per share	所用之本公司擁有人應佔是年度盈利		
		90,590	91,304

		2014	2013
		2014年	2013年
Number of shares	股份數目		
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	1,203,046,960	1,203,046,960

由於根據香港會計準則第33號「每股盈利」計算之本公司尚未行使購股權之經調整行使價高於股份於是年度之平均市價，因此計算截至2014年12月31日止年度及2013年12月31日止年度期間之每股攤薄盈利時並無假設該等購股權已獲行使。

8. 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，本集團正將受保人名額轉為其他主要成員。

9. INVENTORIES

9. 存貨

		At 31 December 2014	At 31 December 2013
		於2014年12月31日	於2013年12月31日
		HK\$'000 千港元	HK\$'000 千港元
Spare parts	備件	63,935	70,657
Raw materials	原料	531,633	829,755
Work-in-progress	半製品	336,041	334,255
Finished goods	製成品	370,288	402,105
		<u>1,301,897</u>	<u>1,636,772</u>

10. TRADE AND BILLS RECEIVABLES

10. 營業及票據應收款項

		At 31 December 2014	At 31 December 2013
		於2014年12月31日	於2013年12月31日
		HK\$'000 千港元	HK\$'000 千港元
Trade receivables	營業應收款項	1,169,921	1,009,495
Bills receivables	票據應收款項	238,978	285,866
Less: allowance for doubtful debts	減：呆賬撥備	<u>(21,386)</u>	<u>(29,426)</u>
		<u>1,387,513</u>	<u>1,265,935</u>

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

本集團提供30天至60天信貸期予其客戶。營業及票據應收款項根據付款到期日（經扣除呆賬撥備）的賬齡分析如下：

		At 31 December 2014	At 31 December 2013
		於2014年12月31日	於2013年12月31日
		HK\$'000 千港元	HK\$'000 千港元
Not yet due	未到期	873,404	838,616
Overdue 1-30 days	逾期1-30天	239,743	214,253
Overdue 31-60 days	逾期31-60天	130,519	101,191
Overdue >60 days	逾期超過60天	<u>143,847</u>	<u>111,875</u>
		<u>1,387,513</u>	<u>1,265,935</u>

11. TRADE AND BILLS PAYABLES

11. 營業及票據應付款項

		At 31 December 2014	At 31 December 2013
		於2014年12月31日	於2013年12月31日
		HK\$'000 千港元	HK\$'000 千港元
Trade payables	營業應付款項	482,710	515,406
Bills payables	票據應付款項	318,686	486,375
		<u>801,396</u>	<u>1,001,781</u>

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

營業應付款項按付款到期日的賬齡分析如下：

		At 31 December 2014	At 31 December 2013
		於2014年12月31日	於2013年12月31日
		HK\$'000 千港元	HK\$'000 千港元
Not yet due	未到期	394,750	458,408
Overdue 1-30 days	逾期1-30天	41,069	42,833
Overdue 31-60 days	逾期31-60天	21,784	6,450
Overdue >60 days	逾期超過60天	25,107	7,715
		<u>482,710</u>	<u>515,406</u>

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

於報告期終，本集團之所有票據應付款項均未到期。

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

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

12. SHARE CAPITAL

12. 股本

		At 31 December 2014 於2014年12月31日		At 31 December 2013 於2013年12月31日	
		<i>No. of shares</i> 股份數目	<i>HK\$'000</i> 千港元	<i>No. of shares</i> 股份數目	<i>HK\$'000</i> 千港元
Authorised:	法定股本：				
At beginning of the year	於是年度開始時	1,400,000,000	280,000	1,400,000,000	280,000
The concept of authorised share capital was abolished on 3 March 2014 (Note)	已於2014年3月3日廢除之法定股本概念 (附註)	(1,400,000,000)	(280,000)	-	-
At the end of the year	於是年度終結時	-	-	1,400,000,000	280,000
		At 31 December 2014 於2014年12月31日		At 31 December 2013 於2013年12月31日	
		<i>No. of shares</i> 股份數目	<i>HK\$'000</i> 千港元	<i>No. of shares</i> 股份數目	<i>HK\$'000</i> 千港元
Issued and fully paid:	已發行及繳足股本：				
At beginning of the year	於是年度開始時	1,203,046,960	240,609	1,203,046,960	240,609
Transfer from share premium and capital redemption reserve upon abolition of nominal value under the new Hong Kong Companies Ordinance effective on 3 March 2014 (Note)	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 (附註)	-	621,602	-	-
At the end of the year	於是年度終結時	1,203,046,960	862,211	1,203,046,960	240,609

Note: The Hong Kong Companies Ordinance, Cap. 622 (the Ordinance) came into effect on 3 March 2014. Under s.135 of the Ordinance, shares in a company do not have a nominal value. Accordingly, the concept of authorised share capital is abolished. The no nominal value regime applies to the Company. Following the transitional provisions in the Ordinance, any amount standing to the credit of the share premium account and capital redemption reserve at the beginning of 3 March 2014 became part of the Company's share capital.

The use of share capital from 3 March 2014 is governed by s.149 of the Ordinance. However, the application of the amount transferred from share premium account at the beginning of 3 March 2014 is governed by the transitional provision in s.38 of Schedule 11 to the Ordinance.

附註：第622章香港公司條例（條例）於2014年3月3日生效。根據條例第135條，一間公司之股份並無面值。因此，法定股本的概念被廢除。無面值制度適用於本公司。根據條例之過渡性條文，股份溢價賬及資本贖回儲備之任何進賬額自2014年3月3日起成為本公司股本之一部份。

自2014年3月3日起，動用股本受條例第149條規管。然而，於2014年3月3日開始時，動用自股份溢價賬轉入之款項受條例附表11第38條之過渡性條文規管。

MANAGEMENT DISCUSSION & ANALYSIS 管理層討論與分析

BUSINESS REVIEW

Overview

In 2014, a year witnessing generally volatile global economy, the textile industry could not keep itself at bay. Fountain Set (Holdings) Limited maintained steady growth in financial performance during this financial year, mainly attributable to its focus on operation and management improvements including continuous cost reduction and control initiatives to boost operating profitability. The streamlined management structure and business processes also led to significant gains in operational efficiency.

The Group is a knitted fabric manufacturer with products mainly marketed in the U.S., Europe and China, which are supplied to end-buyer customers primarily consisting of renowned international brands and retailers. The Group's production capacity maintained at about 25 million pounds of fabric dyeing per month which was diversified among four fabric mills in both China and Sri Lanka.

In the current financial year, the Group has successfully optimized production allocation to improve the mill utilization. The upgrade of equipment has leveraged the advantages of the integrated production & supply chain of knitting, dyeing and printing as well as the feature of rapid response, in addition to higher efficiency and lower energy consumption. In respect of lowering controllable costs, the Group has implemented the following measures: deregistrating inactive or non-profitable companies and business to reduce administrative costs, integrating the garment business to reduce operating costs, focusing on high value-added orders to ensure sufficient orders and greater competitiveness, and further implementing the methods of energy saving and emission reduction to comply with the government requirement on environmental protection and reduce the overall energy consumption of the production mills. These measures have achieved notable results, enabling the Group to allocate funds to other appropriate use. Last but not least, the Group has optimized the work allocation of employees, which helped to improve the management structure and operation procedure. By clearly identifying the work division of each department, the execution ability of the overall management was significantly enhanced.

業務回顧

概述

整體而言，2014年為一個全球經濟波動的一年，紡織業亦受到相當程度的影響。福田實業（集團）有限公司於本財政年度財務表現仍然維持平穩增長，這主要由於集團在經營和管理上作出針對性措施，包括繼續實行降低成本、控制費用等一系列舉措，值以提升經營效益；管理架構和營運流程的優化亦使集團年內之運營效率大大提高。

作為針織面料生產商，集團的面料產品主要於美國、歐洲及中國等市場售賣，而最終買家大多為國際知名的品牌及零售商。集團共經營4個面料廠房，分別設立在中國和斯里蘭卡，總印染產能維持在每月約為2千5百萬磅。

於本財政年度，集團的廠房使用率因成功優化產能配置而提高；透過設備更新，不單提升效能及降低能源消耗量，更發揮出織造、染色、印花一體化生產供應鏈的優勢和快速反應的特點。在降低可控成本方面，註銷已無營運或虧損的公司和業務，使行政管理成本得以降低；整合成衣業務減少營運成本，集中高附加值訂單，確保訂單充足，及更具競爭力；進一步推行節能減排方案，既可符合政府對於環保的要求，亦減少整體生產廠房的能耗；由於以上措施帶來顯著的成效，令原有成本得以撥作資金投放於其他合適用途上。最後優化僱員的工作配置，既改善管理架構和作業流程，亦使各部門分工更為清晰明確，大大增強整體管理的執行能力。

Customers

As a fabric manufacturer, the Group's direct customers are garment factories which have actual business transactions. At the same time, the Group has also developed a long-lasting and strong cohesiveness relationship with the retailers and brand owners since our establishment back in 1969. These so called "end-buyer" customers are commonly the ones to dictate, select and negotiate fabric contents, volume and price directly with the Group. The Group is also committed in developing new and innovative fabric for our customers with over four-decade of our expertise and craftsmanship in the circular knitted fabric industry. Our end-buyer customers consist of renowned international and domestic brands.

Products

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

1. Performance series: "UV-Protection", "Anti-Mosquito", "Nano water and oil repellent"
2. Eco series: organic cotton, complete cotton (made by blending combing noils and virgin fibers) and original bamboo
3. Moisture management series: our own brands "Invisi.dri™" (with the ability of picking up moisture from the skin but without showing any "water stain" marks on the fabric surface), "Comforton™" (utilizes the "push-and-pull" method to wick perspiration away), Dr Dry® and "Sukool™" (powerful finishing provides superior moisture management); use of patent technology of US Cotton Inc., interweaving design of waterproofed cotton and general cotton, as well as "TransDry", self developed cotton products with quick moisture absorption capability
4. Fresh series: our own brand "ActivFresh™ C, B and S" for odor management and anti-microbial fabrics
5. Synthetic series: durable water-repellent (DWR) fleece, and compression jersey with different stretch performance

客戶

作為面料生產商，集團的直接客戶為擁有實際業務往來的成衣製造商。同時，自1969年建立初始，集團亦與零售商及品牌商建立並保持長期緊密穩定的關係。這些所謂的「最終客戶」通常都直接與集團提出要求，挑選、交涉面料品質、數量及價格。集團亦以在圓筒針織面料行業超過40年之專業技術經驗保證為客戶不斷開發創新面料。我們的最終客戶均為在國際及國內享有盛譽的知名品牌。

產品

集團一直積極開發提供各種以我們統一品牌「紡特適™」為商標的針織面料。我們的優質和創新產品包括如下：

1. 功能系列：「防紫外線」、「防蚊」以及「納米防水防油」
2. 環保系列：有機棉、環保棉（由落棉及新棉混紡而成）以及天然竹原纖維
3. 排汗系列：我們的自主品牌「Invisi.dri™」（能快速的把水份從皮膚上帶走，但不會在面料的表面留下任何水漬），「Comforton™」（採用「推一拉」原理把汗水帶走），Dr Dry®和「Sukool™」（超凡的排汗功能），使用美國棉花公司(Cotton Inc.)專利技術，設計防水處理的棉紗與普通棉紗交織組織，開發並生產全棉成份的吸濕快乾產品「TransDry」
4. 防菌系列：我們的自主品牌「ActivFresh™ C、B及S」為吸味及防菌面料
5. 化纖產品：持久防水功能起絨織物，和設計不同拉伸彈性的壓力衣布

Capital Investment

The Group is committed in continuous investing in infrastructure, machinery and information systems according to the operation needs and future development plan. With more than ten mills and factories within the Group, regular infrastructure maintenance and machinery upgrade are necessary to ensure continuous improvement in operations. The Group plans to continue fine-tuning the enterprise resource planning system SAP during 2015. It is expected that the overall operational efficiency and productivity will be improved as a result of the full implementation of new system.

Dividend

In view of the financial results and cash flow situation of the Group, the Board has recommended to pay a final dividend of HK4 cents per share for the year ended 31 December 2014. The total dividend for the year would be HK4 cents per share as compared with HK2 cents per share for the year ended 31 December 2013.

Subject to the approval of Shareholders of the forthcoming annual general meeting to be held on 24 June 2015, it is expected that the payment of final dividend will be made on or before 21 July 2015 (Tuesday).

資本投資

集團根據經營需要及未來發展計劃致力於持續投資於基礎設施、機械和資訊系統。集團擁有超過10家廠房，為確保能持續改進營運，定期維護基礎設施和機械升級是非常有必要的。集團計劃於2015年內繼續優化企業資源的規劃系統SAP，預期整體營運效率和生產力會因全面實施新系統而有所提高。

股息

鑒於集團之財務業績及現金流情況，董事會建議就截至2014年12月31日止年度派發每股4港仙末期股息。本年度總股息為每股4港仙，相對截至2013年12月31日止年度總股息為每股2港仙。

待在即將於2015年6月24日舉行的股東週年大會上獲股東批准後，末期股息預期於2015年7月21日（星期二）或之前派付。

FINANCIAL REVIEW

The key operating and financial indicators of the Group for the year ended 31 December 2014 are set out below:

財務回顧

本集團截至2014年12月31日止年度之主要經營及財務指標呈列如下：

		2014 2014年	2013 2013年
Statement of Profit or Loss Items	損益表項目		
(All amounts in HK\$ thousands unless otherwise stated)	(除特別註明外所有金額均以千港元列示)		
Revenue	營業額	6,891,133	6,942,807
Gross Profit	毛利	714,817	754,637
EBITDA	息稅折舊及攤銷前利潤	363,665	375,546
Profit for the year	是年度盈利	95,761	100,688
Profit attributable to owners of the Company	本公司擁有人應佔盈利	90,590	91,304
Basic earnings per share (HK cents)	每股基本盈利(港仙)	7.5	7.6
Key Financial Ratios	主要財務比率		
Profitability ratios	盈利能力比率		
Gross profit margin (%)	毛利率(%)	10.4%	10.9%
EBITDA margin (%)	息稅折舊及攤銷前利潤率(%)	5.3%	5.4%
Expenses as a % of revenue	開支佔營業額比率		
Distribution and selling expenses	分銷及銷售費用	2.5%	2.6%
Administrative expenses	行政費用	6.4%	7.5%
Finance costs	融資成本	0.5%	0.5%
Asset efficiency	資產效率		
Inventory turnover period (days)	存貨周轉期(日)	77	97
Trade and bills receivables turnover period (days)	營業及票據應收款項周轉期(日)	73	67
Trade and bills payables turnover period (days)	營業及票據應付款項周轉期(日)	47	59

		At 31 December 2014 於2014年12月31日	At 31 December 2013 於2013年12月31日
Asset ratios	資產比率		
Current ratio	流動比率	1.9	1.9
Net debt/EBITDA ratio	淨債務／息稅折舊及攤銷前 利潤率	0.1	0.5

Revenue

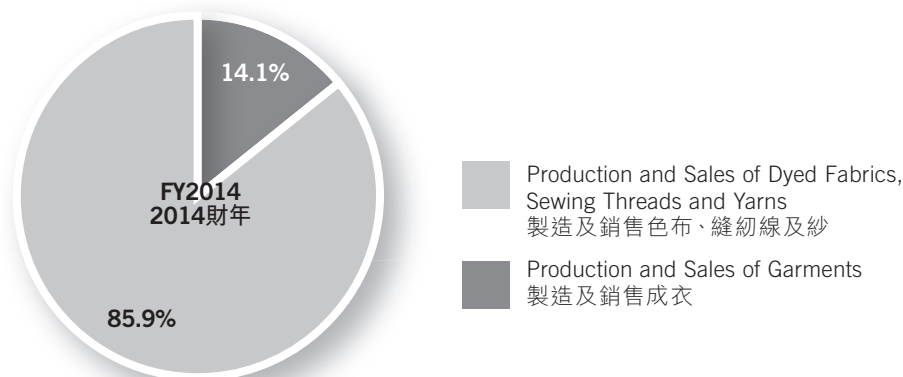
The Group's revenue for the year ended 31 December 2014 amounted to HK\$6,891,133,000 (2013: HK\$6,942,807,000).

營業額

集團截至2014年12月31日止年度的營業額達6,891,133,000港元(2013年: 6,942,807,000港元)。

Revenue by business segments

營業額按業務分類



In current year, the Group's core business, production and sales of dyed fabrics, sewing threads and yarns, generated revenue of HK\$5,918,787,000 (2013: HK\$5,976,440,000), accounted for 85.9% (2013: 86.1%). Revenue from production and sales of garments was HK\$972,346,000 (2013: HK\$966,367,000), accounted for 14.1% (2013: 13.9%) of the Group's total revenue.

於本年度，集團核心業務－製造及銷售色布、縫紉線及紗的營業額達到5,918,787,000港元(2013年: 5,976,440,000港元)，佔85.9%(2013年: 86.1%)。製造及銷售成衣的營業額為972,346,000港元(2013年: 966,367,000港元)，佔集團營業額總值的14.1%(2013年: 13.9%)。

Cost of Sales and Gross Profit

For the year ended 31 December 2014, overall cost of sales of the Group amounted to HK\$6,176,316,000 (2013: HK\$6,188,170,000) and overall gross profit margin was 10.4% (2013: 10.9%).

銷售成本及毛利

集團截至2014年12月31日止年度之整體銷售成本為6,176,316,000港元(2013年: 6,188,170,000港元)，整體毛利率為10.4%(2013年: 10.9%)。

Distribution and Selling Expenses

For the year ended 31 December 2014, the Group's overall distribution and selling costs approximately amounted to HK\$171,917,000 (2013: HK\$182,787,000), accounted for 2.5% (2013: 2.6%) of the Group's total revenue.

Administrative Expenses

For the year ended 31 December 2014, the Group's overall administrative expenses approximately amounted to HK\$440,515,000 (2013: HK\$518,103,000), accounted for 6.4% (2013: 7.5%) of the Group's total revenue.

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

For the year ended 31 December 2014, the Group's EBITDA approximately amounted to HK\$363,665,000 (2013: HK\$375,546,000) and the EBITDA margin was 5.3% (2013: 5.4%).

Finance Cost

For the year ended 31 December 2014, the Group's finance costs approximately amounted to HK\$34,983,000 (2013: HK\$36,419,000), represented 0.5% (2013: 0.5%) of the Group's total revenue.

Capital Expenditure

During the year under review, the Group invested approximately HK\$129,249,000 (2013: HK\$132,227,000) in additions of property, plant and equipment, other intangible assets and prepaid lease payments. The Group expects the capital expenditure for the next financial year will be approximately HK\$180,000,000.

Income Tax Expense/Credit

For the year ended 31 December 2014, income tax expense of the Group approximately amounted to HK\$28,068,000 (2013: credit of HK\$14,290,000).

分銷及銷售費用

集團截至2014年12月31日止年度之整體分銷及銷售費用約為171,917,000港元(2013年: 182,787,000港元), 佔集團營業額總值的2.5%(2013年: 2.6%)。

行政費用

集團截至2014年12月31日止年度之整體行政費用約為440,515,000港元(2013年: 518,103,000港元), 佔集團營業額總值的6.4%(2013年: 7.5%)。

息稅折舊及攤銷前利潤(EBITDA)

集團截至2014年12月31日止年度之息稅折舊及攤銷前利潤約為363,665,000港元(2013年: 375,546,000港元), 息稅折舊及攤銷前利潤率為5.3%(2013年: 5.4%)。

融資成本

集團截至2014年12月31日止年度之融資成本約為34,983,000港元(2013年: 36,419,000港元), 佔集團營業額總值的0.5%(2013年: 0.5%)。

資本開支

於回顧年內, 集團已投資約129,249,000港元以增加物業、機器及設備、其他無形資產和預付租賃款項(2013年: 132,227,000港元)。集團預期下一財政年度的資本開支將約為180,000,000港元。

所得稅支出／計入

集團截至2014年12月31日止年度之所得稅支出為約28,068,000港元(2013年: 計入14,290,000港元)。

Profit for the year

For the year ended 31 December 2014, profit attributable to owners of the Company was HK\$90,590,000 (2013: HK\$91,304,000) and corresponding profit margin was 1.3% (2013: 1.3%).

是年度盈利

集團截至2014年12月31日止年度之本公司擁有人應佔盈利為90,590,000港元（2013年：91,304,000港元），其相關盈利率為1.3%（2013年：1.3%）。

Inventory

The Group's inventory approximately amounted to HK\$1,301,897,000 (2013: HK\$1,636,772,000) as at 31 December 2014. The inventory turnover period was 77 days, a decrease of 20 days compared with 97 days in 2013.

存貨

集團於2014年12月31日之存貨約為1,301,897,000港元（2013年：1,636,772,000港元）。存貨周轉期為77天，與2013年97天相比下降20天。

Trade and Bills Receivables

At 31 December 2014, the Group's trade and bills receivables amounted to HK\$1,387,513,000 (2013: HK\$1,265,935,000). Trade and bills receivables turnover period was 73 days, an increase of 6 days compared with 67 days in 2013.

營業及票據應收款項

集團於2014年12月31日之營業及票據應收款項為1,387,513,000港元（2013年：1,265,935,000港元）。營業及票據應收款項周轉期為73天，與2013年67天相比增加6天。

Trade and Bills Payables

At 31 December 2014, the Group's trade and bills payables amounted to HK\$801,396,000 (2013: HK\$1,001,781,000). Trade and bills payables turnover period was 47 days, a decrease of 12 days compared with 59 days in 2013.

營業及票據應付款項

集團於2014年12月31日之營業及票據應付款項為801,396,000港元（2013年：1,001,781,000港元）。營業及票據應付款項周轉期為47天，與2013年59天相比下降12天。

Liquidity and Financial Resources

At 31 December 2014, the Group's net assets amounted to approximately HK\$3,325,623,000 (2013: 3,278,647,000). The key figures of financial position were as follows:

資金流動性及財政資源

於2014年12月31日，集團資產淨值約3,325,623,000港元（2013年：3,278,647,000港元）。財務狀況的主要資料如下：

		At 31 December 2014 於2014年12月31日 HK\$'000 千港元	At 31 December 2013 於2013年12月31日 HK\$'000 千港元
Non-current assets	非流動資產	1,789,197	1,867,767
Current assets	流動資產	<u>3,776,536</u>	<u>4,264,878</u>
Total assets	資產總值	<u>5,565,733</u>	<u>6,132,645</u>
Current liabilities	流動負債	1,957,936	2,271,639
Non-current liabilities	非流動負債	<u>282,174</u>	<u>582,359</u>
Total liabilities	負債總值	<u>2,240,110</u>	<u>2,853,998</u>
Net assets	資產淨值	<u>3,325,623</u>	<u>3,278,647</u>

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.

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

At 31 December 2014, the principal financial covenant figure/ratios (according to the banks' definitions) were as follows:

於2014年12月31日，主要的財務契約數據／比率（根據銀行的定義）如下：

		At 31 December 2014 於2014年12月31日	At 31 December 2013 於2013年12月31日
Consolidated tangible net worth	綜合淨有形資產	HK\$2,977,470,000	HK\$2,920,523,000
Consolidated total bank debt to consolidated tangible net worth	綜合總銀行負債對 綜合淨有形資產比例	0.3	0.5
Consolidated EBITDA to consolidated interest expense	綜合息稅折舊及攤銷前利潤對 綜合利息支出比例	10.4	10.3
Consolidated current assets to consolidated current liabilities	綜合流動資產對 綜合流動負債比例	1.9	1.9
Consolidated capital expenditure	綜合資本開支	HK\$129,249,000	HK\$132,227,000

As at 31 December 2014 and 2013, the Group had complied with all financial covenant figure/ratios.

於2014及2013年12月31日，本集團已遵守所有財務契約數據／比率。

Risk Management

The Group follows stringent and prudent risk management policy to manage foreign exchange and interest rate risks.

風險管理

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。

The sales and the purchase of raw materials of the Group are mainly denominated in Hong Kong dollars, US dollars and RMB. Since the Group mainly produces in China, thus we are exposed to foreign exchange risk arising from RMB exposure. As a result of People's Bank of China announcing the wider of RMB trading band and the recent strong USD trend, the Group has reduced the proportion of foreign currency hedging using forward contracts, and will review the foreign currency hedging strategy as appropriate in order to mitigate the foreign currency risk.

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。由於人民銀行於年內擴闊人民幣雙向波動區間，再加上最近的強美元趨勢，集團已降低外匯遠期合約對沖比率，並會適時審視外匯對沖政策以減低其風險。

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. Despite the slow recovery of the global economy in current year, it is expected that US interest rates may rise in the second half of coming year. The Group will continue monitor the interest rates fluctuation in the market and arrange appropriate financial instruments to minimize the interest rate risk.

EMPLOYEES AND REMUNERATION POLICIES

At 31 December 2014, the Group had approximately 11,600 full time employees (2013: 12,800). The Group's emolument policies are formulated on the performance of individual employee and on the basis of the salary trends in various regions, and are reviewed regularly. Subject to the Group's profitability, the Group may also distribute discretionary bonus to its employees as an incentive for their contribution to the Group.

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

OUTLOOK

Despite the uncertainties ahead, the ongoing global recovery is to substantiate our macro proposition on a positive business environment in 2015. The Board and the management believe that the Group's marketing strategy and the above operational measures can play a positive role in the long-term business development and continuous efficiency improvement, so that the Group can enjoy higher profitability, stable financial position and a solid foundation for better performance.

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。雖然全球的經濟復甦於本年內仍然緩慢，但預期美國於來年下半年有加息的可能。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。

僱員及酬金政策

集團於2014年12月31日之全職僱員人數約為11,600人（2013：12,800），而集團的僱員酬金政策是根據個別僱員的工作表現及各地區薪酬趨勢而定期作出檢討。集團亦會因應集團之盈利情況，酌情發放花紅予僱員以鼓勵他們對集團之貢獻。

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

前景展望

儘管前景不明朗，但環球經濟正體現不斷的復蘇，因此集團對2015年宏觀營商環境依然保持樂觀。董事會及管理層認為集團的營銷策略和上述各種營運措施均能為長期業務發展帶來正面作用，繼續著力提升效益，致使集團能提高盈利能力，確保財務穩健，為創出更佳的業績打好基礎。

CORPORATE GOVERNANCE CODE

Throughout the year from 1 January 2014 to 31 December 2014 (the “Year”), the Company has consistently adopted and complied with all the applicable code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”), except for the deviations as disclosed in this announcement, as guidelines to reinforce our corporate governance principles.

From 21 March 2014 to 13 November 2014, Madam LI Lan undertook both roles of Chairman and Chief Executive Officer (the “CEO”) of the Company, details of which were set out in the announcement dated 21 March 2014. Besides, with effect from 23 January 2015, the Chairman and Executive Director of the Company, Mr. ZHAO Yao, takes up the position of CEO of the Company, details of which were set out in the announcement dated 23 January 2015. This deviates from Code Provision A.2.1 of the CG Code 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.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the “Model Code”) as its own code of conduct regarding directors’ securities transactions. Having made specific enquiries of all Directors, the Company confirmed that all Directors had complied with the required standards set out in the Model Code throughout the Year.

ANNUAL GENERAL MEETING

It is proposed that the annual general meeting of the Company will be held on 24 June 2015 (Wednesday) (the “AGM”). The notice of the AGM will be dispatched to the shareholders of the Company and available on the websites of the Company and the Stock Exchange in due course.

CLOSURE OF REGISTER OF SHAREHOLDERS

In relation to the AGM

The Register of Shareholders of the Company will be closed from 22 June 2015 (Monday) to 24 June 2015 (Wednesday) inclusive, during which no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company’s registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration, not later than 4:30 p.m. on 19 June 2015 (Friday).

企業管治守則

由2014年1月1日起至2014年12月31日止年度（「本年度」），本公司一貫地採納及遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄14所載之企業管治守則（「企管守則」）之全部適用守則條文，惟本公告所披露的偏離情況除外，作為強化本公司企業管治原則之方針。

於2014年3月21日至2014年11月13日期間，李蘭女士同時擔任本公司主席及行政總裁（「行政總裁」）職務，詳情已載於日期為2014年3月21日之公告。此外，自2015年1月23日起，本公司主席及執行董事趙耀先生開始兼任本公司行政總裁職務，詳情已載於日期為2015年1月23日之公告。此會偏離企管守則條文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。

董事進行證券交易的標準守則

本公司已採納上市規則附錄10所載上市公司董事進行證券交易的標準守則（「標準守則」）為其有關董事進行證券交易之守則。經向本公司所有董事作出具體查詢後，本公司認為所有董事於本年度內均已遵守標準守則所要求的標準。

股東週年大會

本公司之股東週年大會擬於2015年6月24日（星期三）舉行（「股東週年大會」）。股東週年大會之通告將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。

暫停辦理股份過戶登記

就股東週年大會而言

本公司於2015年6月22日（星期一）至2015年6月24日（星期三）（首尾兩天包括在內），暫停辦理股份過戶登記手續。股東如欲出席股東週年大會並於會上投票，須於2015年6月19日（星期五）下午4時30分前，將所有過戶文件連同相關股票，一併送交本公司的股份過戶登記處卓佳秘書商務有限公司，地址為香港灣仔皇后大道東183號合和中心22樓，辦妥過戶登記手續。

In relation to the proposed final dividend

Conditional on the passing of the resolution approving the declaration of the final dividend by the shareholders in the AGM, the Register of Shareholders of the Company will be closed from 6 July 2015 (Monday) to 8 July 2015 (Wednesday) inclusive, during which no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration, not later than 4:30 p.m. on 3 July 2015 (Friday).

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE REVIEW

The Company has established an Audit Committee for the purposes of reviewing and providing supervision over the Company's financial reporting process and internal controls. The Audit Committee presently comprises 1 Non-Executive Director and 2 Independent Non-Executive Directors of the Company, and 1 of the Independent Non-Executive Directors acts as the Chairman of the Audit Committee. The Audit Committee has reviewed the audited final results and the system of internal control of the Company for the Year.

PUBLICATION OF 2014 FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of the Company (www.fshl.com) and the Stock Exchange (www.hkex.com.hk). The 2014 annual report 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.

就擬派末期股息而言

待股東於股東週年大會上通過批准宣派末期股息之決議案後，本公司將於2015年7月6日（星期一）至2015年7月8日（星期三）（首尾兩天包括在內），暫停辦理股份過戶登記手續。股東如欲收取建議派發之末期股息，須於2015年7月3日（星期五）下午4時30分前，將所有過戶文件連同相關股票，一併送交本公司的股份過戶登記處卓佳秘書商務有限公司，地址為香港灣仔皇后大道東183號合和中心22樓，辦妥過戶登記手續。

購回、出售或贖回證券

本年度內，本公司及其任何附屬公司並無購買、出售或贖回本公司之上市證券。

審核委員會審閱

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

刊發2014年末期業績及年報

本業績公告將於本公司網站(www.fshl.com)及聯交所網站(www.hkex.com.hk)刊登。載有上市規則規定的所有資料之2014年年報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

Zhao Yao

Chairman and Chief Executive Officer

Hong Kong, 20 March 2015

As at the date of this announcement, the Board comprises 4 executive directors, namely, Mr. Zhao Yao, Mr. Ha Kam On, Victor, Mr. Gong Zhengyi and Mr. Chen Minghong; 2 non-executive directors, namely, Dr. Yen Gordon and Mr. Zhang Chong; and 3 independent non-executive directors, namely, Mr. Ng Kwok Tung, Mr. Chow Wing Kin, Anthony, SBS, JP, and Mr. Ying Wei.