

TEXWINCA holdings limited

INTERIM REPORT

中期報告 2016

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Corporate Information 公司資料

DIRECTORS

Poon Bun Chak (*Executive Chairman*)
Ting Kit Chung (*Chief Executive Officer*)
Au Son Yiu*
Cheng Shu Wing*
Law Brian Chung Nin*
* *Independent Non-executive Directors*

NOMINATION COMMITTEE

Cheng Shu Wing (*Chairman*)
Au Son Yiu
Law Brian Chung Nin
Ting Kit Chung

REMUNERATION COMMITTEE

Au Son Yiu (*Chairman*)
Cheng Shu Wing
Law Brian Chung Nin
Ting Kit Chung

AUDIT COMMITTEE

Law Brian Chung Nin (*Chairman*)
Au Son Yiu
Cheng Shu Wing

COMPANY SECRETARY

Chan Chi Hon

REGISTERED OFFICE

Clarendon House,
2 Church Street,
Hamilton HM 11,
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

16th Floor, Metroplaza, Tower II,
223 Hing Fong Road, Kwai Chung,
New Territories, Hong Kong

董事

潘彬澤 (*執行主席*)
丁傑忠 (*行政總裁*)
區樂耀*
鄭樹榮*
羅仲年*
* *獨立非執行董事*

提名委員會

鄭樹榮 (*主席*)
區樂耀
羅仲年
丁傑忠

薪酬委員會

區樂耀 (*主席*)
鄭樹榮
羅仲年
丁傑忠

審核委員會

羅仲年 (*主席*)
區樂耀
鄭樹榮

公司秘書

陳志漢

註冊辦事處

Clarendon House,
2 Church Street,
Hamilton HM 11,
Bermuda

總辦事處及主要營業地點

香港新界
葵涌興芳路223號
新都會廣場第二座十六樓

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
The Belvedere Building,
69 Pitts Bay Road,
Pembroke HM08,
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
Level 22, Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong

AUDITORS

Ernst & Young
Certified Public Accountants

LEGAL ADVISORS

Jennifer Cheung & Co.
Wilkinson & Grist

PRINCIPAL BANKERS

Bank of China (Hong Kong) Ltd.
BNP Paribas
Citibank, N.A.
The Hongkong and Shanghai Banking Corporation Ltd.
Hang Seng Bank
Mizuho Corporate Bank, Ltd.

WEBSITES

<http://www.texwinca.com/>
<http://www.baleno.com.hk/>
<http://www.irasia.com/listco/hk/texwinca/>

主要股份登記及過戶處

MUFG Fund Services (Bermuda) Limited
The Belvedere Building,
69 Pitts Bay Road,
Pembroke HM08,
Bermuda

香港股份登記及過戶分處

卓佳登捷時有限公司
香港灣仔
皇后大道東183號
合和中心二十二樓

核數師

安永會計師事務所
執業會計師

法律顧問

張美霞律師行
高露雲律師行

主要往來銀行

中國銀行(香港)有限公司
法國巴黎銀行
花旗銀行
香港上海滙豐銀行有限公司
恒生銀行
瑞穗實業銀行

網址

<http://www.texwinca.com/>
<http://www.baleno.com.hk/>
<http://www.irasia.com/listco/hk/texwinca/>

Financial Information 財務資料

The board of directors (the "Board") of Texwinca Holdings Limited (the "Company") has pleasure in presenting the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 September 2016. The interim results have been reviewed by the Company's audit committee.

德永佳集團有限公司(「本公司」)之董事會欣然公佈，本公司及其附屬公司(合稱「本集團」)截至二零一六年九月三十日止六個月之未經審核綜合業績。此中期業績已由本公司審核委員會審閱。

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS 簡明綜合損益表

		Six months ended 30 September	
		截至九月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
	Notes		
	附註		
REVENUE	4	3,889,588	4,847,943
Cost of sales		(2,552,874)	(3,219,178)
Gross profit		1,336,714	1,628,765
Other income and gains	5	79,454	92,595
Gain on disposal of a trademark		152,400	—
Selling and distribution expenses		(827,117)	(900,096)
Administrative expenses		(287,818)	(386,435)
Other operating expenses, net		(1,884)	(1,356)
Finance costs		(9,308)	(7,747)
Share of profit of an associate, net of tax		6,088	21,803
PROFIT BEFORE TAX	6	448,529	447,529
Income tax expense	7	(38,464)	(62,095)
PROFIT FOR THE PERIOD		410,065	385,434
Attributable to:	歸屬：		
Ordinary equity holders of the Company	本公司普通權益所有者	351,525	400,185
Non-controlling interests	非控股權益	58,540	(14,751)
		410,065	385,434
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (HK cents)	9		
Basic	基本	25.4	29.0
Diluted	攤薄後	25.4	29.0

Details of the dividends for the period are disclosed in note 8 to the financial statements.

本期股息詳情披露於本財務報表附註8內。

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明綜合全面收入表

		Six months ended 30 September	
		截至九月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
PROFIT FOR THE PERIOD	本期溢利	410,065	385,434
OTHER COMPREHENSIVE INCOME	其他全面收入		
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:	於其後期間可重新分類至損益的其他全面虧損：		
Exchange differences on translation of foreign operations	換算海外經營業務產生之匯兌差額	(138,349)	(111,103)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	本期全面收入總額	271,716	274,331
Attributable to:	歸屬：		
Ordinary equity holders of the Company	本公司普通權益所有者	218,350	295,577
Non-controlling interests	非控股權益	53,366	(21,246)
		271,716	274,331

Financial Information 財務資料

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

			30 September 2016 二零一六年 九月三十日 (Unaudited) (未經審核)	31 March 2016 二零一六年 三月三十一日 (Audited) (經審核)
	Notes 附註	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
NON-CURRENT ASSETS				
Property, plant and equipment	10	1,360,759	1,427,803	
Investment properties		418,044	416,734	
Prepaid land lease payments		19,770	20,314	
Construction in progress		53,143	51,610	
Trademarks		33,293	33,293	
Investment in an associate		91,224	84,251	
Prepayments		32,882	42,468	
Long term rental deposits		89,306	96,848	
Long term held-to-maturity investments		240,467	514,111	
Total non-current assets		2,338,888	2,687,432	
CURRENT ASSETS				
Inventories		2,158,337	2,047,191	
Trade receivables	11	606,157	584,190	
Bills receivable		136,012	113,409	
Prepayments, deposits and other receivables		486,293	724,813	
Held-to-maturity investments		357,619	128,470	
Derivative financial assets		5,499	34,050	
Cash and cash equivalents		5,142,708	3,005,253	
Total current assets		8,892,625	6,637,376	
CURRENT LIABILITIES				
Trade payables	12	1,022,978	953,357	
Bills payable		41,169	24,368	
Other payables, accrued liabilities and deposit received		502,105	678,329	
Due to an associate		26,876	73,033	
Derivative financial liabilities		3,673	4,525	
Tax payable		36,161	21,297	
Interest-bearing bank borrowings		2,388,960	529,707	
Dividend payable		469,777	—	
Total current liabilities		4,491,699	2,284,616	

Financial Information 財務資料

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

簡明綜合財務狀況表(續)

		30 September 2016 二零一六年 九月三十日 (Unaudited) (未經審核)	31 March 2016 二零一六年 三月三十一日 (Audited) (經審核)
	Note 附註	HK\$'000 港幣千元	HK\$'000 港幣千元
NET CURRENT ASSETS	流動資產淨額	4,400,926	4,352,760
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	6,739,814	7,040,192
NON-CURRENT LIABILITIES	非流動負債		
Interest-bearing bank borrowings	付息銀行貸款	209,470	313,258
Deferred tax liabilities	遞延稅項負債	167,776	166,305
Total non-current liabilities	總非流動負債	377,246	479,563
Net assets	資產淨額	6,362,568	6,560,629
EQUITY	權益		
Equity attributable to ordinary equity holders of the Company	本公司普通權益所有者 應佔權益		
Issued capital	已發行股本	69,085	69,085
Reserves	儲備	5,396,990	5,593,149
Interim/final and special dividends	中期／末期及特別股息	414,509	469,777
		5,880,584	6,132,011
Non-controlling interests	非控股權益	481,984	428,618
Total equity	總權益	6,362,568	6,560,629

Financial Information 財務資料

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

Attributable to ordinary equity holders of the Company 本公司普通權益所有者應佔												
	Issued capital 已發行股本 (Unaudited) (未經審核) HK\$'000 港幣千元	Share premium account 股本溢價賬 (Unaudited) (未經審核) HK\$'000 港幣千元	Capital redemption reserve 股本贖回儲備 (Unaudited) (未經審核) HK\$'000 港幣千元	Contributed surplus 實繳盈餘 (Unaudited) (未經審核) HK\$'000 港幣千元	Exchange fluctuation reserve 外匯變動儲備 (Unaudited) (未經審核) HK\$'000 港幣千元	Asset revaluation reserve 資產重估儲備 (Unaudited) (未經審核) HK\$'000 港幣千元	Legal reserve 法定儲備 (Unaudited) (未經審核) HK\$'000 港幣千元	Retained profits 保留溢利 (Unaudited) (未經審核) HK\$'000 港幣千元	Dividends 股息 (Unaudited) (未經審核) HK\$'000 港幣千元	Total 總額 (Unaudited) (未經審核) HK\$'000 港幣千元	Non-controlling interests 非控股權益 (Unaudited) (未經審核) HK\$'000 港幣千元	Total equity 總權益 (Unaudited) (未經審核) HK\$'000 港幣千元
At 1 April 2016 於二零一六年四月一日	69,085	703,365	1,695	3,986	277,745	96,629	49	4,509,680	469,777	6,132,011	428,618	6,560,629
Exchange realignment 匯兌調整	—	—	—	—	(133,175)	—	—	—	—	(133,175)	(5,174)	(138,349)
Profit for the period 本期溢利	—	—	—	—	—	—	—	351,525	—	351,525	58,540	410,065
Total comprehensive income for the period 期內全面收入總額	—	—	—	—	(133,175)	—	—	351,525	—	218,350	53,366	271,716
2015/2016 final and special dividends 二零一五/二零一六年度末期及特別股息	—	—	—	—	—	—	—	—	(469,777)	(469,777)	—	(469,777)
2016/2017 interim dividend 二零一六/二零一七年度中期股息	—	—	—	—	—	—	—	(414,509)	414,509	—	—	—
At 30 September 2016 於二零一六年九月三十日	69,085	703,365	1,695	3,986	144,570	96,629	49	4,446,696	414,509	5,880,584	481,984	6,362,568
At 1 April 2015 於二零一五年四月一日	69,085	703,365	1,695	3,986	481,221	96,629	49	4,315,677	414,509	6,086,216	233,616	6,319,832
Exchange realignment 匯兌調整	—	—	—	—	(104,608)	—	—	—	—	(104,608)	(6,495)	(111,103)
Profit for the period 本期溢利	—	—	—	—	—	—	—	400,185	—	400,185	(14,751)	385,434
Total comprehensive income for the period 期內全面收入總額	—	—	—	—	(104,608)	—	—	400,185	—	295,577	(21,246)	274,331
2014/2015 final dividend 二零一四/二零一五年度末期股息	—	—	—	—	—	—	—	—	(414,509)	(414,509)	—	(414,509)
2015/2016 interim dividend 二零一五/二零一六年度中期股息	—	—	—	—	—	—	—	(386,875)	386,875	—	—	—
At 30 September 2015 於二零一五年九月三十日	69,085	703,365	1,695	3,986	376,613	96,629	49	4,328,987	386,875	5,967,284	212,370	6,179,654

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

		Six months ended 30 September 截至九月三十日止六個月	
		2016 二零一六年 (Unaudited) (未經審核) HK\$'000 港幣千元	2015 二零一五年 (Unaudited) (未經審核) HK\$'000 港幣千元
NET CASH FLOWS FROM OPERATING ACTIVITIES	經營所得現金流入淨額	354,497	599,716
NET CASH FLOWS FROM INVESTING ACTIVITIES	投資活動現金流入淨額	241,625	148,283
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	融資活動現金流入/(流出)淨額	1,755,465	(886,032)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物之增加/(減少)淨額	2,351,587	(138,033)
Cash and cash equivalents at beginning of period	期初之現金及現金等價物	1,841,644	1,475,853
Foreign exchange adjustments	外匯調整	(84,901)	(76,219)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	於期末之現金及現金等價物	4,108,330	1,261,601
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and bank balances	現金及銀行存款	680,403	433,256
Non-pledged time and structured deposits with original maturity within three months when acquired	於訂立日三個月內到期之無抵押定期及結購性存款	3,427,927	828,345
Non-pledged time and structured deposits with original maturity over three months when acquired	於訂立日三個月以上到期之無抵押定期及結購性存款	1,034,378	2,190,916
Cash and cash equivalents as stated in the condensed consolidated statement of financial position	現金及現金等價物，如載於簡明綜合財務狀況表	5,142,708	3,452,517
Less: Non-pledged time and structured deposits with original maturity over three months when acquired	減：於訂立日三個月以上到期之無抵押定期及結購性存款	(1,034,378)	(2,190,916)
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	現金及現金等價物，如載於簡明綜合現金流量表	4,108,330	1,261,601

Financial Information 財務資料

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of Preparation

The unaudited condensed interim financial statements are prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and Appendix 16 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

2. Significant Accounting Policies

The accounting policies and basis of preparation adopted in the preparation of the unaudited condensed interim financial statements are the same as those used in the Group’s annual financial statements for the year ended 31 March 2016, except in relation to the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA that affect the Group and are adopted for the first time for the current period’s financial statements:

HKFRS 10, HKFRS 12 and HKAS 28 Amendments	Amendments to HKFRS 10, HKFRS12 and HKAS 28 <i>Investment Entities: Applying the Consolidation Exception</i>
HKFRS 11 Amendments	Amendments to HKFRS 11 <i>Accounting for Acquisitions of Interests in Joint Operations</i>
HKAS 1 Amendments	Amendments to HKAS 1 <i>Disclosure Initiative</i>
HKAS 16 and HKAS 38 Amendments	Amendments to HKAS 16 and HKAS 38 <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>
HKAS 16 and HKAS 41 Amendments	Amendments to HKAS 16 and HKAS 41 <i>Agriculture: Bearer Plants</i>
HKAS 27 (2011) Amendments	Amendments to HKAS 27 (2011) <i>Equity Method in Separate Financial Statements</i>
<i>Annual Improvements 2012–2014 Cycle</i>	Amendments to a number of HKFRSs

財務報表附註

1. 編製基準

本未經審核簡明中期財務報表乃根據香港會計師公會頒佈之香港會計準則第34號中期財務報告及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16編製。

2. 主要會計政策

在編製此未經審核簡明中期財務報表採納的會計政策和編製基準與本集團截至二零一六年三月三十一日止年度財務報表所採用的一致，除以下影響本集團及在本期財務報表中首次採納的香港會計師公會頒佈之新訂及經修訂香港財務報告準則(包括所有香港財務報告準則、香港會計準則及詮釋)：

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28號(修訂本)	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28號
香港財務報告準則第11號(修訂本)	香港財務報告準則第11號收購共同經營權益的會計處理之修訂
香港會計準則第1號(修訂本)	香港會計準則第1號主動披露之修訂
香港會計準則第16號及香港會計準則第38號(修訂本)	香港會計準則第16號及香港會計準則第38號可接受的折舊及攤銷方法的澄清之修訂
香港會計準則第16號及香港會計準則第41號(修訂本)	香港會計準則第16號及香港會計準則第41號農業：生產性植物之修訂
香港會計準則第27號(二零一一年)(修訂本)	香港會計準則第27號(二零一一年)獨立財務報表的權益法之修訂
二零一二年至二零一四年周期之年度改進	多項香港財務報告準則之修訂

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Significant Accounting Policies (continued)

The adoption of the above new and revised HKFRSs has had no significant financial effect on these interim condensed financial statements.

3. Significant Accounting Judgements and Estimates

The judgements and estimates adopted in the preparation of the unaudited condensed interim financial statements are the same as those used in the Group's annual financial statements for the year ended 31 March 2016.

4. Operating Segment Information

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- (a) the production, dyeing and sale of knitted fabric and yarn segment;
- (b) the retailing and distribution of casual apparel and accessory segment; and
- (c) the "others" segment principally comprises the provision of repair and maintenance services for motor vehicles, the provision of franchise services and properties investment.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that gain on disposal of a trademark, unallocated corporate expenses, interest income, finance costs and share of profit of an associate, net of tax are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

財務報表附註(續)

2. 主要會計政策(續)

採納上述新訂及經修訂香港財務報告準則對該等中期簡明財務報表並無重大財務影響。

3. 主要會計判斷及估計

在編製此未經審核簡明中期財務報表時採納的判斷及估計與本集團截至二零一六年三月三十一日止年度財務報表採用的一致。

4. 營運分類資料

就管理而言，本集團根據所提供產品及服務將業務單位分類，三個可匯報營運分類如下：

- (a) 針織布及棉紗之產銷及整染分類；
- (b) 便服及飾物之零售及分銷分類；及
- (c) 「其他」分類主要包含提供汽車維修及保養服務、提供特許經營服務，及物業投資。

管理層獨立監察營運分類業績以作出資源分配及表現評估的決定。分類表現乃按經調整除稅前溢利計量的可匯報分類溢利予以評估。經調整除稅前溢利與本集團的除稅前溢利的計量一致，惟出售一商標收益、未分配企業費用、利息收入、財務費用及應佔聯營公司溢利，除稅後淨額均不計入該計量內。

分類間之銷售及轉撥交易之售價乃參照售予第三者之當時市場價格訂定。

Financial Information 財務資料

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Operating Segment Information (continued)

The following table presents revenue and profit information of the Group for the six months ended 30 September 2016 and 30 September 2015:

財務報表附註(續)

4. 營運分類資料(續)

下表為本集團截至二零一六年九月三十日及二零一五年九月三十日止六個月之收入及溢利資料：

	Production, dyeing and sale of knitted fabric and yarn		Retailing and distribution of casual apparel and accessory		Others		Eliminations		Consolidated	
	針織布及棉紗之產銷及整染	便服及飾物之零售及分銷	其他	對銷	綜合					
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Segment revenue :	分類收入：									
Sales to external customers	2,003,490	2,799,470	1,883,725	2,043,009	2,373	5,464	—	—	3,889,588	4,847,943
Intersegment sales	—	—	—	—	3,164	3,580	(3,164)	(3,580)	—	—
Other revenue	17,425	16,025	6,897	3,224	19,386	18,295	(3,059)	(2,453)	40,649	35,091
Total	2,020,915	2,815,495	1,890,622	2,046,233	24,923	27,339	(6,223)	(6,033)	3,930,237	4,883,034
Segment results	249,728	412,644	(1,127)	(52,535)	18,771	15,860	—	—	267,372	375,969
Reconciliation	調節									
Gain on disposal of a trademark									152,400	—
Unallocated expenses									(6,828)	—
Interest income									38,805	57,504
Finance costs									(9,308)	(7,747)
Share of profit of an associate, net of tax									6,088	21,803
Profit before tax									448,529	447,529
Income tax expense									(38,464)	(62,095)
Profit for the period									410,065	385,434

Financial Information 財務資料

NOTES TO THE FINANCIAL STATEMENTS (continued)

財務報表附註(續)

5. Other Income and Gains

5. 其他收入及收益

		Six months ended 30 September	
		截至九月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Interest income	利息收入	38,805	57,504
Net fair value gains on foreign exchange derivative financial instruments	外匯衍生金融工具公允價值收益淨額	4,486	2,234
Rental income on investment properties	投資物業租金收入	14,545	11,736
Compensation from suppliers for defective goods	就次貨獲得供應商賠償	3,307	7,790
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目收益	2,782	1,199
Government subsidies	政府補助款	2,427	647
Sundry income	雜項收入	13,102	11,485
		79,454	92,595

6. Profit Before Tax

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

6. 除稅前溢利

本集團之除稅前溢利已扣除/(加上):

		Six months ended 30 September	
		截至九月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Depreciation	折舊	128,270	138,217
Recognition of prepaid land lease payments	預付土地租賃款之確認	336	340
(Write-back of provision)/provision for slow-moving inventories	呆滯存貨(準備撥回)/準備	(4,254)	127
Write-back of impairment of trade receivables	應收賬款減值撥回	(349)	(901)
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目收益	(2,782)	(1,199)

Financial Information 財務資料

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Income Tax Expense

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2015: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

財務報表附註(續)

7. 稅項

香港利得稅已按期內於香港賺取之估計應課稅溢利以稅率16.5% (截至二零一五年九月三十日止六個月：16.5%) 提撥準備。在其他地區的應課利得稅項，乃根據本集團業務經營所在司法權區之現行稅率計算。

		Six months ended 30 September	
		截至九月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Hong Kong and mainland China:	香港及中國大陸：		
Current period provision	本期準備	36,574	51,652
Under/(Over)-provision in prior years	往年度撥備不足／(超額)	931	(1,190)
Deferred tax	遞延稅項	959	11,630
Elsewhere:	其他地區：		
Current period provision	本期準備	—	3
Tax charge for the period	本期稅項	38,464	62,095

NOTES TO THE FINANCIAL STATEMENTS (continued)

財務報表附註(續)

8. Dividends

8. 股息

		Six months ended 30 September	
		截至九月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Interim dividend	中期股息	414,509	386,875
Interim dividend per share (HK cents)	每股中期股息(港幣仙)	30.0	28.0

9. Earnings Per Share Attributable to Ordinary Equity Holders of the Company

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue of 1,381,696,104 (six months ended 30 September 2015: 1,381,696,104) during the period.

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 September 2016 and 30 September 2015.

10. Property, Plant and Equipment

During the six months ended 30 September 2016, the Group acquired items of property, plant and equipment with a cost of HK\$99,767,000 (six months ended 30 September 2015: HK\$87,654,000). Items of property, plant and equipment with a net book value of HK\$1,785,000 (six months ended 30 September 2015: HK\$2,910,000) were disposed of during the six months ended 30 September 2016.

9. 歸屬本公司普通權益所有者每股盈利

基本每股盈利乃按本公司普通權益所有者應佔該期溢利及於該期內已發行普通股1,381,696,104股(截至二零一五年九月三十日止六個月: 1,381,696,104股)之加權平均股數計算。

本集團於截至二零一六年九月三十日及二零一五年九月三十日止六個月內並無已發行的潛在可引致攤薄的普通股。

10. 物業、廠房及設備

於截至二零一六年九月三十日止六個月內，本集團添置價值為港幣99,767,000元(截至二零一五年九月三十日止六個月: 港幣87,654,000元)之物業、廠房及設備項目。於截至二零一六年九月三十日止六個月內，賬面淨值為港幣1,785,000元(截至二零一五年九月三十日止六個月: 港幣2,910,000元)之物業、廠房及設備項目被出售。

Financial Information 財務資料

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Trade Receivables

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of impairment of HK\$11,568,000 (31 March 2016: HK\$11,917,000), is as follows:

		30 September 2016 二零一六年 九月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	31 March 2016 二零一六年 三月三十一日 (Audited) (經審核) HK\$'000 港幣千元
Within 90 days	90日內	586,020	555,084
Over 90 days	90日以上	20,137	29,106
		606,157	584,190

Payment terms of the Group's customers mainly range from "cash before delivery" to "90 days from the date of invoice". A significant portion of the customers trades with the Group under documentary credit terms. The Group seeks to maintain strict credit control on its outstanding receivables and has a policy to manage its credit risk. Since the Group's trade receivables relate to a large number of customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

財務報表附註(續)

11. 應收賬款

於報告期末，按發票日期及扣除減值港幣11,568,000元(二零一六年三月三十一日：港幣11,917,000元)後之應收賬款賬齡分析如下：

本集團客戶主要賬期由「先款後貨」至「發票日起的90天」，其中有重大部份是以信用狀與本集團進行交易。本集團對應收款項實施一套嚴謹監察制度以管理信貸風險。由於本集團應收賬款包括眾多客戶，因此並無重大的信貸集中風險。本集團並無就其應收賬款結餘持有任何抵押品或其他提升信用之保障。應收賬款為非附息。

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Trade Payables

An aged analysis of trade payables as at the end of the reporting period, based on the invoice date, is as follows:

		30 September 2016 二零一六年 九月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	31 March 2016 二零一六年 三月三十一日 (Audited) (經審核) HK\$'000 港幣千元
Within 90 days	90日內	984,447	927,524
Over 90 days	90日以上	38,531	25,833
		1,022,978	953,357

At the end of the reporting period, the trade payables are non-interest-bearing and are normally settled on 90-day terms.

於報告期末，應付賬款為非附息及一般為90天的賬期。

13. Contingent Liabilities

(a) At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

13. 或有負債

(a) 於報告期末，以下或有負債未於財務報表中撥備：

		30 September 2016 二零一六年 九月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	31 March 2016 二零一六年 三月三十一日 (Audited) (經審核) HK\$'000 港幣千元
Bank guarantees given in lieu of property rental deposits	代替租用物業按金之銀行擔保	3,201	3,471
Guarantees of banking facilities granted to an associate	為聯營公司銀行信貸所作之擔保	12,500	12,500

Financial Information 財務資料

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Contingent Liabilities (continued)

- (b) The Hong Kong Inland Revenue Department (the "IRD") initiated a review on the prior years' tax affairs of certain subsidiaries of the Group.

The protective tax assessments for the years of assessment 2005/2006, 2006/2007, 2007/2008, 2008/2009 and 2009/2010 issued by the IRD in March 2012, March 2013, March 2014, March 2015 and March 2016 are HK\$69,125,000, HK\$189,000,000, HK\$388,878,000, HK\$376,200,000 and HK\$323,648,000, respectively. The directors of these subsidiaries believe that there are valid grounds to object to the tax claimed. Subsequent to the objections filed, the IRD agreed to hold over the tax claimed completely subject to the purchases of tax reserve certificates. As at 30 September 2016, the Group purchased tax reserve certificates of HK\$4,500,000, HK\$31,500,000, HK\$34,000,000, HK\$38,000,000 and HK\$38,000,000 for years of assessment 2005/2006, 2006/2007, 2007/2008, 2008/2009 and 2009/2010, respectively.

In view that the tax review for the years of assessment 2005/2006, 2006/2007, 2007/2008, 2008/2009 and 2009/2010 is still in progress, the outcome of the case is still uncertain. Up to the date of approval of these financial statements, the directors of the Company consider that adequate tax provisions have been made in the financial statements.

財務報表附註(續)

13. 或有負債(續)

- (b) 香港稅務局(「稅局」)向本集團部份附屬公司提出就以往年度稅務事項進行覆核。

稅局於二零一二年三月、二零一三年三月、二零一四年三月、二零一五年三月及二零一六年三月就二零零五／二零零六、二零零六／二零零七、二零零七／二零零八、二零零八／二零零九及二零零九／二零一零課稅年度發出保障性稅務評估分別為港幣69,125,000元、港幣189,000,000元、港幣388,878,000元、港幣376,200,000元及港幣323,648,000元。該等附屬公司董事相信有充份理據就追討的稅款提出反對。於提出反對後，稅局同意暫緩所徵的全部稅款，惟必須購買儲稅券。於二零一六年九月三十日，本集團就二零零五／二零零六、二零零六／二零零七、二零零七／二零零八、二零零八／二零零九及二零零九／二零一零課稅年度分別購買儲稅券金額港幣4,500,000元、港幣31,500,000元、港幣34,000,000元、港幣38,000,000元及港幣38,000,000元。

由於二零零五／二零零六、二零零六／二零零七、二零零七／二零零八、二零零八／二零零九及二零零九／二零一零課稅年度稅務覆核仍在進行中，這事件的結果仍然不明朗。截至本財務報表核准日，本公司董事認為財務報表中之稅項撥備已足夠。

Financial Information 財務資料

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Capital Commitments

The commitments for capital expenditure of the Group at the end of the reporting period were as follows:

財務報表附註(續)

14. 資本性承擔

本集團於報告期末有以下資本性支出承擔：

	30 September 2016 二零一六年 九月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	31 March 2016 二零一六年 三月三十一日 (Audited) (經審核) HK\$'000 港幣千元
In respect of property, plant and equipment, contracted but not provided for	5,070	42,561

就物業、廠房及設備，已訂約
但未提撥備

Financial Information 財務資料

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Related Party Transactions

- (a) During the period, the Group had the following related party transactions:

		Six months ended		
		30 September		
		截至九月三十日止六個月		
		2016	2015	
		二零一六年	二零一五年	
		(Unaudited)	(Unaudited)	
		(未經審核)	(未經審核)	
		Notes	HK\$'000	HK\$'000
		附註	港幣千元	港幣千元
Sales to Megawell Industrial Limited ("Megawell")	銷售予偉佳針織有限公司 (「偉佳」)	(i)	101,731	228,101
Purchases from Megawell	向偉佳採購	(ii)	140,286	188,455
Rental expenses paid to related companies	向關連公司支付租金費用	(iii)	11,332	12,749

Notes:

- (i) Sales to Megawell, an associate of the Group, were made according to the prices and conditions offered to the major customers of the Group.
- (ii) The directors considered that purchases from Megawell were made according to the prices and conditions similar to those offered to other customers by Megawell.
- (iii) Rental expenses were paid to related companies, of which certain directors of the Company are also the directors and beneficial shareholders, for the provision of directors' quarters, retail outlets and a training centre for certain subsidiaries in Hong Kong and mainland China. The directors considered that the monthly rentals were charged based on the prevailing market rates at the dates of entering into the tenancy agreements.

In addition, the Group has provided certain guarantees for banking facilities granted to Megawell, as detailed in note 13(a) to the financial statements.

財務報表附註(續)

15. 關連人士交易

- (a) 於期內，本集團曾進行以下關連人士交易：

附註：

- (i) 向偉佳(本集團的聯營公司)之銷售乃根據本集團向主要客戶提供之價格及條件訂立。
- (ii) 董事認為向偉佳採購之價格及條件，與偉佳向其他客戶所提供的相若。
- (iii) 租金費用是支付予關連公司作為部份香港及中國大陸之附屬公司的董事宿舍、零售門市及培訓中心，該等公司之董事及實益股東亦為本公司之部份董事。董事認為每月之租金乃根據租賃合同簽訂日之市場價格釐定。

此外，本集團為偉佳作出若干銀行信貸擔保，詳細資料載於財務報表附註13(a)。

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Related Party Transactions (continued)

- (b) On 1 April 2016, the Group entered into a lease agreement with Mountain Rich Limited (“MRL”), a company wholly-owned by Mr. Poon Bun Chak, an executive director and controlling shareholder of the Company, to lease Tianjin Bin Jiang Fu Shi Commercial Building at Tianjin City, He Ping Qu, Bin Jiang Road 282–286, Tianjin, China from MRL as a retail outlet for the retail and distribution of apparel and accessory business of the Group for a term of two years commencing from 1 April 2016 at the monthly rents of RMB1,207,500 and RMB1,268,000 for the first year and the second year, respectively. During the period, the Group paid to MRL operating lease rentals in respect of the above property of HK\$8,325,000 (six months ended 30 September 2015: HK\$8,572,000).

On 1 April 2016, the Group entered into a lease agreement with Latex (Hong Kong) Limited (“Latex”), a company wholly-owned by Mr. Poon Bun Chak, an executive director and controlling shareholder of the Company, to lease 22 Perkins Road, Jardine’s Lookout, Hong Kong from Latex as a director’s quarter of the Group for a term of two years commencing from 1 April 2016 at the monthly rent of HK\$400,000. During the period, the Group paid to Latex operating lease rentals in respect of the above property of HK\$2,400,000 (six months ended 30 September 2015: HK\$2,400,000).

On 1 April 2016, the Group entered into a lease agreement with Winson Link Enterprises Limited (“WLEL”), a company wholly-owned by Mr. Poon Bun Chak, an executive director and controlling shareholder of the Company, to lease Room 4207B, 42nd Floor, Metroplaza, Tower II, 223 Hing Fong Road, Kwai Chung, New Territories, Hong Kong and a car parking space from WLEL as a training center of the Group for a term of two years commencing from 1 April 2016 at the monthly rent of HK\$63,200. During the period, the Group paid to WLEL operating lease rentals in respect of the above property of HK\$379,000 (six months ended 30 September 2015: HK\$379,000).

財務報表附註(續)

15. 關連人士交易(續)

- (b) 於二零一六年四月一日，本集團與山富國際有限公司(「山富」)(由本公司的執行董事及控股股東潘彬澤先生全資擁有)簽訂合約，向山富承租位於中國天津市和平區濱江道282號-286號的天津濱江服飾商廈，作為本集團便服及飾物之零售及分銷業務的零售門市，由二零一六年四月一日起為期兩年，第一年及第二年的每月租金分別為人民幣1,207,500元及人民幣1,268,000元。於本期內，本集團就上述物業支付予山富的經營租賃租金為港幣8,325,000元(截至二零一五年九月三十日止六個月：港幣8,572,000元)。

於二零一六年四月一日，本集團與立德(香港)有限公司(「立德」)(由本公司執行董事及控股股東潘彬澤先生全資擁有)簽訂合約，向立德承租香港渣甸山白建時道22號，作為本集團一董事宿舍之用。由二零一六年四月一日起為期兩年，每月租金為港幣400,000元。於本期內，本集團就上述物業支付予立德的經營租賃租金為港幣2,400,000元(截至二零一五年九月三十日止六個月：港幣2,400,000元)。

於二零一六年四月一日，本集團與永信興企業有限公司(「永信興」)(由本公司執行董事及控股股東潘彬澤先生全資擁有)簽訂合約，向永信興承租香港新界葵涌興芳路223號新都會廣場第二座四十二樓4207B室及一個停車位，作為本集團的培訓中心。由二零一六年四月一日起，為期兩年，每月租金為港幣63,200元。於本期內，本集團就上述物業支付予永信興的經營租賃租金為港幣379,000元(截至二零一五年九月三十日止六個月：港幣379,000元)。

Financial Information 財務資料

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Related Party Transactions (continued)

- (c) Compensation of key management personnel of the Group:

財務報表附註(續)

15. 關連人士交易(續)

- (c) 本集團主要管理人員薪酬：

		Six months ended 30 September 截至九月三十日止六個月	
		2016 二零一六年 (Unaudited) (未經審核) HK\$'000 港幣千元	2015 二零一五年 (Unaudited) (未經審核) HK\$'000 港幣千元
Short term employee benefits	短期僱員福利	51,319	37,266
Post-employment benefits	離職後福利	9	147
Compensation for non-competition undertaking	不作競爭承諾的補償	—	4,500
Total compensation paid to key management personnel	主要管理人員薪酬總額	51,328	41,913

16. Fair Value Hierarchy of Financial Instruments

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly; and

Level 3: based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

16. 金融工具之公允值等級

所有載於本財務報表計量或披露的資產及負債乃基於對公允值計量整體而言屬重大的最低級輸入數據按以下公允值等級分類：

第一級：基於相同資產或負債於活躍市場的報價(未經調整)；

第二級：基於對公允值計量而言屬重大的可觀察(直接或間接)最低級輸入數據的估值方法；及

第三級：基於對公允值計量而言屬重大的不可觀察最低級輸入數據的估值方法。

Financial Information 財務資料

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Fair Value Hierarchy of Financial Instruments (continued)

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

財務報表附註(續)

16. 金融工具之公允值等級(續)

本集團金融工具之賬面值及公允值(賬面值與其公允值合理地相若之金融工具除外)載列如下:

		Carrying amounts		Fair values	
		賬面值		公允值	
		30 September	31 March	30 September	31 March
		2016	2016	2016	2016
		二零一六年	二零一六年	二零一六年	二零一六年
		九月三十日	三月三十一日	九月三十日	三月三十一日
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		(未經審核)	(經審核)	(未經審核)	(經審核)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Financial assets	金融資產				
Derivative financial instruments	衍生金融工具	5,499	34,050	5,499	34,050
Held-to-maturity investments	持至到期的投資	598,086	642,581	598,543	648,554
		603,585	676,631	604,042	682,604
Financial liabilities	金融負債				
Derivative financial instruments	衍生金融工具	3,673	4,525	3,673	4,525

Management has assessed that the fair values of cash and cash equivalents, trade receivables, bills receivable, held-to-maturity investments, financial assets included in prepayments, deposits and other receivables, trade payables, bills payable, amount due to an associate, current portion of interest-bearing bank borrowings, and financial liabilities included in other payables, accrued liabilities and deposit received approximate to their carrying amounts largely due to the short term maturities of these instruments.

管理層已評估現金及現金等價物、應收賬款、應收票據、持至到期的投資、預付款項、訂金及其他應收賬款內之金融資產、應付賬款、應付票據、應付聯營公司、附息銀行貸款流動部份及其他應付賬款、應計負債及已收訂金內之金融負債及公允值與其賬面值相若，主要由於此等工具的到期年期較短。

Financial Information 財務資料

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Fair Value Hierarchy of Financial Instruments (continued)

The Group's financial controller is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department directly reports to the Board. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the Board.

The fair values of the financial assets and liabilities are included as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the long term rental deposits and interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank borrowings as at 30 September 2016 was assessed to be insignificant.

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

財務報表附註(續)

16. 金融工具之公允值等級(續)

本集團之財務總監負責決定金融工具公允值計量之政策及流程。財務部直接向董事會匯報。於每一報告日，財務部分析金融工具價值變動，並決定估值時使用之主要輸入值。估值由董事會審查批准。

金融資產及負債之公允值以該工具於自願交易方(而非強迫或清盤銷售)當前交易下之可交易金額入賬。在評估其公允值時已採用下列方法及假設：

長期租金按金和附息銀行貸款已使用具有類似條款、信貸風險及餘下到期日之工具當前可用之利率貼現預期未來現金流量以計算其公允值。本集團於二零一六年九月三十日就附息銀行貸款的自身不履約風險被評定為不重大。

本集團與多名對手(主要為金融機構)訂立衍生金融工具。衍生金融工具，包括遠期外匯合約，均採用與遠期定價相似的估值技術採用現值計算法計量。該等模型包括多項市場可觀察輸入值，包括對手的信貸質素、外匯的即期及遠期利率及利率曲線。遠期外匯合約的賬面值與彼等的公允值相同。

Financial Information 財務資料

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Fair Value Hierarchy of Financial Instruments (continued)

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

Assets measured at fair value:

財務報表附註(續)

16. 金融工具之公允值等級(續)

下表列明本集團的金融工具的公允值計量等級：

按公允值計量的資產：

		Fair value measurement as at 30 September 2016 (Unaudited) 於二零一六年九月三十日的公允值計量採用 (未經審核)			
		Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) HK\$'000 港幣千元	Significant observable inputs (Level 2) 重大可觀察 的輸入數據 (第二級) HK\$'000 港幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 的輸入數據 (第三級) HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
Derivative financial assets	衍生金融資產	—	5,499	—	5,499

		Fair value measurement as at 31 March 2016 (Audited) 於二零一六年三月三十一日的公允值計量採用 (經審核)			
		Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) HK\$'000 港幣千元	Significant observable inputs (Level 2) 重大可觀察 的輸入數據 (第二級) HK\$'000 港幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 的輸入數據 (第三級) HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
Derivative financial assets	衍生金融資產	—	34,050	—	34,050

Financial Information 財務資料

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Fair Value Hierarchy of Financial Instruments (continued)

Liabilities measured at fair value:

財務報表附註(續)

16. 金融工具之公允值等級(續)

按公允值計量的負債：

Fair value measurement as at 30 September 2016 (Unaudited)					
於二零一六年九月三十日的公允值計量採用 (未經審核)					
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total	
	於活躍市場 的報價 (第一級)	重大可觀察 的輸入數據 (第二級)	重大不可觀察 的輸入數據 (第三級)	總額	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	港幣千元	港幣千元	港幣千元	港幣千元	
Derivative financial liabilities	衍生金融負債	—	3,673	—	3,673

Fair value measurement as at 31 March 2016 (Audited)					
於二零一六年三月三十一日的公允值計量採用 (經審核)					
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total	
	於活躍市場 的報價 (第一級)	重大可觀察 的輸入數據 (第二級)	重大不可觀察 的輸入數據 (第三級)	總額	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	港幣千元	港幣千元	港幣千元	港幣千元	
Derivative financial liabilities	衍生金融負債	—	4,525	—	4,525

As at 30 September 2016 and 31 March 2016, the Group had no financial instrument measured at fair value under Level 3.

During the period, there were no transfer of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 September 2015: nil).

於二零一六年九月三十日及二零一六年三月三十一日，本集團並無按公允值計量第三級之金融工具。

本期內，金融資產及金融負債均無任何公允值計量第一級與第二級之間的轉撥，亦無從第三級轉入或轉出(截至二零一五年九月三十日止六個月：無)。

Financial Information 財務資料

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Fair Value Hierarchy of Financial Instruments (continued)

Assets for which fair values are disclosed:

財務報表附註(續)

16. 金融工具之公允值等級(續)

已披露公允值的資產：

Fair value measurement as at 30 September 2016 (Unaudited)				
於二零一六年九月三十日的公允值計量採用 (未經審核)				
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	於活躍市場 的報價 (第一級)	重大可觀察 的輸入數據 (第二級)	重大不可觀察 的輸入數據 (第三級)	總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元
Held-to-maturity investments 持至到期的投資	598,086	—	—	598,086

Fair value measurement as at 31 March 2016 (Audited)				
於二零一六年三月三十一日的公允值計量採用 (經審核)				
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	於活躍市場 的報價 (第一級)	重大可觀察 的輸入數據 (第二級)	重大不可觀察 的輸入數據 (第三級)	總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元
Held-to-maturity investments 持至到期的投資	642,581	—	—	642,581

Management's Discussion and Analysis 管理層之論述及分析

INTERIM DIVIDEND

The Board has declared an interim dividend of HK30.0 cents (six months ended 30 September 2015: HK28.0 cents) per ordinary share for the six months ended 30 September 2016. The interim dividend will be payable on Wednesday, 4 January 2017 to shareholders registered on the Register of Members of the Company on Wednesday, 14 December 2016.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 12 December 2016 to Wednesday, 14 December 2016 (both days inclusive) for the purpose of determining the entitlement to the interim dividend for the six months ended 30 September 2016. During which period no transfer of shares of the Company will be registered and no share will be allotted and issued. In order to qualify for entitlement to the interim dividend for the six months ended 30 September 2016, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar and Transfer Office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Friday, 9 December 2016.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENT

For the six months ended 30 September 2016, the Group's total turnover dropped by 19.8% to HK\$3,890 million (six months ended 30 September 2015 : HK\$4,848 million). Profit for the period attributable to the ordinary equity holders of the Company amounted to HK\$352 million (six months ended 30 September 2015 : HK\$400 million), a decrease of 12.0%. In the period, there was a gain on disposal of a trademark amounted to HK\$152 million. On the other hand, other income and gains declined by HK\$14 million to HK\$79 million (six months ended 30 September 2015 : HK\$93 million) mainly due to the decrease in interest income. The Board has recommended an interim dividend of HK30.0 cents per ordinary share, an increase of 7.1% compared to last interim period's HK28.0 cents per ordinary share.

中期股息

董事會宣佈派發截至二零一六年九月三十日止六個月之中期股息每股普通股港幣30.0仙(截至二零一五年九月三十日止六個月:港幣28.0仙)。該中期股息將於二零一七年一月四日星期三,派發予二零一六年十二月十四日星期三名列本公司股東名冊之股東。

暫停辦理過戶登記

本公司將由二零一六年十二月十二日星期一至二零一六年十二月十四日星期三(首尾兩日包括在內)暫停辦理股份過戶登記手續,以便釐定擁有獲派發截至二零一六年九月三十日止六個月之中期股息之權利。期間將不會進行任何本公司股份之過戶登記,及不會分配和發行股份。如欲符合獲派截至二零一六年九月三十日止六個月之中期股息之資格,所有過戶文件連同有關股票,必須於二零一六年十二月九日星期五下午四時前送達本公司在香港之股份及過戶登記分處卓佳登捷時有限公司,地址為香港灣仔皇后大道東183號合和中心22樓,辦理股份過戶登記手續。

業務回顧及未來發展

截至二零一六年九月三十日止六個月,本集團之總營業額下跌19.8%至港幣3,890百萬元(截至二零一五年九月三十日止六個月:港幣4,848百萬元)。本公司普通權益所有者應佔本期溢利為港幣352百萬元(截至二零一五年九月三十日止六個月:港幣400百萬元),減少12.0%。期內,出售一個商標收益達港幣152百萬元。此外,其他收入及收益下跌港幣14百萬元至港幣79百萬元(截至二零一五年九月三十日止六個月:港幣93百萬元)主要由於利息收入減少所致。董事會建議派發中期股息每普通股港幣30.0仙,較去年中期每普通股港幣28.0仙,增加7.1%。

Management's Discussion and Analysis 管理層之論述及分析

REVIEW OF BUSINESS AND FUTURE DEVELOPMENT

(continued)

Textile business

Revenue of the business fell by 28.4% to HK\$2,003 million (six months ended 30 September 2015 : HK\$2,799 million). The amount was 51.5% (six months ended 30 September 2015 : 57.7%) of the Group's total turnover. In this half year, the global business environment remained unstable. The demand from the U.S., our largest market, was extremely weak in the period. The Group had to explore more business opportunities in mainland China to help the situation. The gross profit margin decreased to 21.2% from last year's 22.5% and sales volume dropped substantially by 27.9%. Cotton price was up gradually, making the average selling price increased by 1.3%. The performance and the key financial ratios of the business were as below:

業務回顧及未來發展(續)

紡織業務

此業務之收入減少28.4%至港幣2,003百萬元(截至二零一五年九月三十日止六個月:港幣2,799百萬元)。此數目為本集團總營業額之51.5%(截至二零一五年九月三十日止六個月:57.7%)。於此中期內,全球經營環境仍不穩定。最大市場美國之需求於期內極度疲弱。本集團須向中國大陸尋求更多業務機會以改善情況。毛利率由去年22.5%下跌至21.2%,而銷貨量則大幅下跌27.9%。棉花價格緩慢上升,令平均產品價格增加1.3%。此業務之表現及主要財務比率列於下:

		Six months ended 30 Sep 2016 截至二零一六年九月三十日止六個月	Year ended 31 Mar 2016 截至二零一六年三月三十一日止全年	Six months ended 30 Sep 2015 截至二零一五年九月三十日止六個月	Year ended 31 Mar 2015 截至二零一五年三月三十一日止全年	Year ended 31 Mar 2014 截至二零一四年三月三十一日止全年
<i>(Amounts expressed in HK\$' million, unless specified)</i> <i>(以港幣百萬元為單位,除特別註明外)</i>						
Net sales	銷售淨額	2,003	4,741	2,799	4,718	5,026
Gross profit margin (%)	毛利率(%)	21.2	21.7	22.5	21.7	20.4
Operating profit (note 1)	營業利潤(附註1)	250	666	413	622	671
EBITDA (note 1)	息、稅、折舊及攤銷前利潤(附註1)	335	842	503	802	871
Return on total assets (%) (annualised) (note 2)	總資產收益率(%) (年度化)(附註2)	5.4	9.6	10.4	8.5	8.4
Return on sales (%) (note 2)	銷售收益率(%) (附註2)	12.0	14.2	14.4	15.3	14.3
Return on equity (%) (annualised) (note 2)	權益收益率(%) (年度化)(附註2)	9.6	12.5	14.4	12.8	12.8
Capital expenditure	資本性支出	72	111	47	56	121

Notes :

- (1) Exclude interest income and rental income.
(2) Exclude rental income.

附註 :

- (1) 不包括利息收入及租金收入。
(2) 不包括租金收入。

Management's Discussion and Analysis 管理層之論述及分析

REVIEW OF BUSINESS AND FUTURE DEVELOPMENT

(continued)

Retail and distribution business

Sales of the business decreased by 7.8% to HK\$1,884 million (six months ended 30 September 2015: HK\$2,043 million). The sum represented 48.4% (six months ended 30 September 2015: 42.1%) of the Group's total turnover. In the period, the consumer demand in Mainland China remained sluggish. The Group continued to use a conservative business strategy. Sales area in mainland China decreased slightly by 1.4% when compared with six months ago. The gross profit margin was 48.3%, a minor decrease from last year's 48.8%. The performance and the key financial ratios of this business were as below:

(a) the business performance and the key financial ratios were as follows:

業務回顧及未來發展(續)

零售及分銷業務

此業務銷售淨額減少7.8%至港幣1,884百萬元(截至二零一五年九月三十日止六個月:港幣2,043百萬元)。此數目為本集團之總營業額48.4%(截至二零一五年九月三十日止六個月:42.1%)。期內,中國大陸消費需求仍然呆滯。本集團繼續採取較保守之業務策略。與六個月前比較,中國大陸銷售面積輕微減少了1.4%。毛利率為48.3%,比去年之48.8%輕微下跌。此業務之表現及主要財務比率現列於下:

(a) 業務表現及主要財務比率現列如下:

		Six months		Six months		
		ended	Year ended	ended	Year ended	Year ended
		30 Sep 2016	31 Mar 2016	30 Sep 2015	31 Mar 2015	31 Mar 2014
		截至	截至	截至	截至	截至
		二零一六年	二零一六年	二零一五年	二零一五年	二零一四年
		九月三十日	三月三十一日	九月三十日	三月三十一日	三月三十一日
		止六個月	止全年	止六個月	止全年	止全年
<i>(Amounts expressed in HK\$'million, unless specified)</i>						
<i>(以港幣百萬元為單位, 除特別註明外)</i>						
Net sales	銷售淨額	1,884	4,592	2,043	4,591	4,816
Gross profit margin (%)	毛利率(%)	48.3	46.6	48.8	46.8	46.7
Sales growth of comparable shops (%)	可比店舖銷售增長比率(%)	(3.4)	7.3	10.1	6.0	(7.6)
	(note 1)					
Operating profit/(loss)	營業利潤/(虧損)	(1)	(93)	(53)	13	(245)
	(note 2)					
EBITDA (note 2)	息、稅、折舊及攤銷前利潤(附註2)	41	8	(5)	113	(107)
Return on total assets (%)	總資產收益率(%)	(0.1)	(4.3)	(5.0)	(0.7)	(13.9)
	(annualised) (note 3)					
Return on sales (%)	銷售收益率(%)	(0.1)	(2.4)	(2.6)	(0.3)	(5.2)
	(note 3)					
Return on equity (%)	權益收益率(%)	(0.3)	(9.5)	(20.3)	(2.1)	(42.5)
	(annualised) (note 3)					
Capital expenditure	資本性支出	33	96	53	72	43

Notes :

- (1) Comparable shops include shops with full period/year operation during the period/year and the preceding period/year.
- (2) Exclude interest income and rental income.
- (3) Exclude rental income.

附註:

- (1) 可比店舖指於該期/年及其前一期/年均有全期/年營運的店舖。
- (2) 不包括利息收入及租金收入。
- (3) 不包括租金收入。

Management's Discussion and Analysis 管理層之論述及分析

REVIEW OF BUSINESS AND FUTURE DEVELOPMENT

(continued)

Retail and distribution business (continued)

(b) the analysis of turnover by major brand was as follows:

		Six months ended		Six months ended		Year ended
		30 Sep 2016	Year ended 31 Mar 2016	30 Sep 2015	Year ended 31 Mar 2015	
(HK\$'million)		截至二零一六年九月三十日止六個月	截至二零一六年三月三十一日止全年	截至二零一五年九月三十日止六個月	截至二零一五年三月三十一日止全年	截至二零一四年三月三十一日止全年
Baleno	班尼路	1,412	3,260	1,387	2,821	2,754
S&K	S&K	146	415	190	476	552
I.P. Zone	I.P. Zone	132	304	149	320	417
ebase	ebase	3	98	69	336	497
Others	其他	191	515	248	638	596
Total	合計	1,884	4,592	2,043	4,591	4,816

業務回顧及未來發展(續)

零售及分銷業務(續)

(b) 按主要品牌銷售分析如下：

(c) the development in different markets was as follows:

Mainland China

		Six months ended		Six months ended		Year ended
		30 Sep 2016	Year ended 31 Mar 2016	30 Sep 2015	Year ended 31 Mar 2015	
		截至二零一六年九月三十日止六個月	截至二零一六年三月三十一日止全年	截至二零一五年九月三十日止六個月	截至二零一五年三月三十一日止全年	截至二零一四年三月三十一日止全年
Net sales	銷售淨額	1,603	4,013	1,768	4,014	4,098
(HK\$'million)	(港幣百萬元)					
Increase/(decrease) in net sales (%)	銷售淨額之增加/減少(%)	(9)	—	3	(2)	(17)
Retail floor area	零售樓面面積	1,754,766	1,779,340	1,749,037	1,700,135	1,959,394
(sq. ft.)*#	(平方呎)**					
Number of sales associates**	營業員數目**	5,843	6,425	7,033	6,971	7,710
Number of outlets* [△]	門市數目* [△]	2,726	2,770	2,849	2,865	2,928

(c) 各地市場發展情況如下：

中國大陸

Management's Discussion and Analysis 管理層之論述及分析

REVIEW OF BUSINESS AND FUTURE DEVELOPMENT

(continued)

Retail and distribution business (continued)

(c) (continued)

Hong Kong

業務回顧及未來發展(續)

零售及分銷業務(續)

(c) (續)

香港

		Six months ended 30 Sep 2016 截至二零一六年 九月三十日 止六個月	Year ended 31 Mar 2016 截至二零一六年 三月三十一日 止全年	Six months ended 30 Sep 2015 截至二零一五年 九月三十日 止六個月	Year ended 31 Mar 2015 截至二零一五年 三月三十一日 止全年	Year ended 31 Mar 2014 截至二零一四年 三月三十一日 止全年
Net sales (HK\$'million)	銷售淨額 (港幣百萬元)	281	579	275	486	445
Increase in net sales (%)	銷售淨額之增加 (%)	2	19	19	9	2
Retail floor area (sq. ft.)**	零售樓面面積 (平方呎)**	69,134	64,543	60,557	62,440	66,184
Number of sales associates **	營業員數目**	383	395	384	393	392
Number of outlets **	門市數目**	63	64	61	59	66

Taiwan

台灣

		Six months ended 30 Sep 2016 截至二零一六年 九月三十日 止六個月	Year ended 31 Mar 2016 截至二零一六年 三月三十一日 止全年	Six months ended 30 Sep 2015 截至二零一五年 九月三十日 止六個月	Year ended 31 Mar 2015 截至二零一五年 三月三十一日 止全年	Year ended 31 Mar 2014 截至二零一四年 三月三十一日 止全年
Net sales (HK\$'million)	銷售淨額 (港幣百萬元)	—	—	—	91	273
Decrease in net sales (%)	銷售淨額之減少 (%)	—	(100)	—	(67)	(34)
Retail floor area (sq. ft.)**	零售樓面面積 (平方呎)**	—	—	—	—	90,689
Number of sales associates **	營業員數目**	—	—	—	—	290
Number of outlets** [△]	門市數目* [△]	—	—	—	—	91

* As at the end of the reporting period

For self-managed stores

△ Including self-managed and franchise stores

* 於報告期末

自營店

△ 包括自營店及特許經營店

Management's Discussion and Analysis 管理層之論述及分析

REVIEW OF BUSINESS AND FUTURE DEVELOPMENT

(continued)

Garment manufacturing business

Turnover of this associate decreased by 30.7% to HK\$452 million (six months ended 30 September 2015 : HK\$652 million). Net profit contribution to the Group was HK\$6 million (six months ended 30 September 2015 : HK\$22 million), a drop of 72.7%. In the period, the operating environment was extremely competitive mainly due to the global unfavourable consumer demand. The gross profit margin decreased to 8.4% from last year's 14.0%. In the period, 55.2% (six months ended 30 September 2015 : 66.8%) of the fabric consumed was supplied by our textile division and sales to the retail and distribution division was 31.0% (six months ended 30 September 2015 : 28.9%) of its turnover.

FINANCIAL CONDITION

Liquidity and financial resources

The Group continued to maintain a sound financial position. The current ratio, the total bank borrowings and the gearing ratio as at the period end were 2.0 times, HK\$2,598 million and -0.4 times (31 March 2016: 2.9 times, HK\$843 million and -0.3 times) respectively. The increase in bank borrowing was mainly for the repayment of the trade payables and the financing of the short term investments of the Group. The gearing ratio refers to the ratio of the total interest-bearing debts, net of cash and cash equivalents, to the total equity. The net cash inflow from operating activities for the period was HK\$354 million (six months ended 30 September 2015: HK\$600 million).

During the period, the interest cover, the trade and bills receivables to turnover and the inventories to turnover were 49 times, 35 days and 101 days (six months ended 30 September 2015: 59 times, 32 days and 77 days), respectively. The Group mainly satisfied its funding requirements with cash inflow from its operating activities and bank borrowings. At the period end, the cash and cash equivalents, the equity attributable to ordinary equity holders of the Company and the unutilized banking facilities were HK\$5,143 million, HK\$5,881 million and HK\$5,788 million (31 March 2016: HK\$3,005 million, HK\$6,132 million and HK\$7,772 million), respectively. The increase in cash and cash equivalents was mainly due to the increase in time deposits for enhancing the interest income. During the interim period, the devaluation of RMB resulted in the drop of the exchange fluctuation reserve by HK\$138 million (six months ended 30 September 2015 : HK\$111 million).

業務回顧及未來發展(續)

製衣業務

此聯營業務營業額減少30.7%至港幣452百萬元(截至二零一五年九月三十日止六個月:港幣652百萬元)。對本集團淨溢利貢獻為港幣6百萬元(截至二零一五年九月三十日止六個月:港幣22百萬元),下跌72.7%。期內,經營環境甚具競爭性,主要由於全球消費需求不理想所致。毛利率由去年之14.0%下跌至8.4%。期內,55.2%耗用布料由本集團紡織分部供應(截至二零一五年九月三十日止六個月:66.8%),而銷售予本集團零售及分銷分部則佔其銷售額31.0%(截至二零一五年九月三十日止六個月:28.9%)。

財務狀況

流動資金及財務資源

本集團財務狀況維持良好。於本期末,流動比率、銀行貸款總額及資本負債比率分別為2.0倍、港幣2,598百萬元及-0.4倍(二零一六年三月三十一日:2.9倍、港幣843百萬元及-0.3倍)。銀行貸款之上升,主要用作支付應付賬款及作為本集團短期投資的融資。資本負債比率乃指扣除現金及現金等價物的總附息債務除以總權益。本期經營所得的現金流入淨額為港幣354百萬元(截至二零一五年九月三十日止六個月:港幣600百萬元)。

於本期內,利息保障比率、應收賬款及票據比營業額周轉天數及存貨比營業額周轉天數分別為49倍、35天及101天(截至二零一五年九月三十日止六個月:59倍、32天及77天)。本集團主要以經營所得現金流入及銀行貸款滿足其營運資金的需求。於本期末,現金及現金等價物、本公司普通權益所有者應佔權益及未動用銀行信貸額分別為港幣5,143百萬元、港幣5,881百萬元及港幣5,788百萬元(二零一六年三月三十一日:港幣3,005百萬元、港幣6,132百萬元及港幣7,772百萬元)。現金及現金等價物的上升主要與定期存款上升有關,藉以提升利息收入。於本中期,人民幣的貶值引致外匯變動儲備減少港幣138百萬元(截至二零一五年九月三十日止六個月:港幣111百萬元)。

Management's Discussion and Analysis 管理層之論述及分析

FINANCIAL CONDITION (continued)

Capital expenditure

The capital expenditure incurred by the Group during the period was HK\$105 million (six months ended 30 September 2015: HK\$100 million). As the recovery of the US economy remained slow, the Group continued to be prudent in capital expenditure spending. The capital expenditure incurred by the textile business for the period was HK\$72 million (six months ended 30 September 2015: HK\$47 million) mainly for the addition of plant and machinery. For the retail and distribution business, the PRC market remained sluggish. The capital expenditure incurred during the period mainly for the renovation of retail outlets was HK\$33 million (six months ended 30 September 2015: HK\$53 million).

Pledge of assets

No significant assets were pledged as at 30 September 2016 and 31 March 2016.

Contingent Liabilities

Details of the contingent liabilities as at 30 September 2016 and 31 March 2016 have been set out in note 13 to the financial statements.

Foreign exchange and interest rate risks

The Group continued to adopt a strict and prudent policy in managing its interest rate and currency exchange risks. The major interest bearing bank borrowings of the Group were HKD, USD and YEN floating rate borrowings with maturity due within three years. At the period end, the cash and cash equivalents and the held-to-maturity investments were HK\$5,143 million (31 March 2016: HK\$3,005 million) and HK\$598 million (31 March 2016: HK\$643 million). The cash and cash equivalents were mainly fixed deposits denominated in HKD and USD, placed with well established financial institutions at fixed interest rate with maturity due within one year. The held-to-maturity investments denominated mainly in USD and RMB, were fixed interest rate investments with maturity due within four years. It is expected that the rise in USD interest rate remains moderate, the Group will continue to monitor the interest rate movement and arrange financial instruments to reduce its interest rate risk whenever appropriate.

During the period, the major assets, liabilities, revenue, expenses and procurements of the Group were denominated in HKD, USD, RMB, YEN and NTD and the Group had arranged foreign exchange forward contracts to reduce its currency exchange risk.

財務狀況(續)

資本性支出

本集團於本期內資本性支出為港幣105百萬元(截至二零一五年九月三十日止六個月:港幣100百萬元)。由於美國經濟復甦緩慢,本集團紡織業務維持審慎的資本性支出。紡織業務本期的資本性支出為港幣72百萬元(截至二零一五年九月三十日止六個月:港幣47百萬元),主要用以增加廠房及機器設備。零售及分銷業務方面,國內市場仍然疲弱,本期資本性開支為港幣33百萬元(截至二零一五年九月三十日止六個月:港幣53百萬元),主要用作零售店舖的更新。

資產抵押

於二零一六年九月三十日及二零一六年三月三十一日,並無重大資產已作抵押。

或有負債

於二零一六年九月三十日及二零一六年三月三十一日的或有負債明細已載於財務報表附註13內。

匯兌及利率風險

本集團維持嚴格及審慎政策管理其利率與匯率風險。本集團主要附息銀行貸款為港元、美元及日元浮息貸款,並於三年內到期。於本期末,現金及現金等價物及持至到期的投資分別為港幣5,143百萬元(二零一六年三月三十一日:港幣3,005百萬元)及港幣598百萬元(二零一六年三月三十一日:港幣643百萬元)。現金及現金等價物主要為港元及美元之定期,存於有良好基礎的金融機構作一年內到期的固定息率存款。持至到期的投資主要為四年內到期的美元及人民幣固定利率投資。由於預期美元利率升幅溫和,本集團將繼續留意利率的變動,並將於適當時候安排金融工具以減低利率風險。

於本期內,本集團主要資產、負債、收入、支出及採購皆為港元、美元、人民幣、日元及新台幣,本集團已安排遠期外匯合約以減低其匯率風險。

Management's Discussion and Analysis 管理層之論述及分析

HUMAN RESOURCES

As at 30 September 2016, the Group had about 14,100 (31 March 2016: 15,400) employees in the Greater China. The remuneration of the employees was largely based on industry practice and the performance of individual employee.

CORPORATE SOCIAL RESPONSIBILITY

As a responsible corporate citizen, the Group is committed to promoting the long term sustainability of the environment and communities in which it operates. We also recognise the importance of compliance with regulatory requirements and the risk of non-compliance with the applicable rules and regulations.

The Group has been active in participating in charitable donation, caring for the needy people, and supporting and sponsoring educational and environmental protection activities. In addition, we also encourage our employees, customers and business partners to partake in the aforesaid activities with a view to developing a better future for our community.

During the period, according to the best knowledge of the directors of the Company, the Group has complied with the relevant laws and regulations that have a significant impact on the business and the environment.

During the period, some of the activities/organisations the Group participated in/donated or sponsored to were:

- (1) Evangelical Lutheran Church Social Service — Hong Kong "Outing with mental disabilities and their families in Mid-Autumn Festival";
- (2) St. James' Settlement;
- (3) The Community Chest of Hong Kong "The Community Chest Green Day";
- (4) The Hong Kong Council of Social Service "Caring Company"; and
- (5) World Wide Fund For Nature Hong Kong.

The Group believes that the development of a better future for our community relies on the participation of people, corporations and the government. Therefore, we will continue to invest resources in all major social, educational and environmental protection activities to strive for a better future for our community.

人力資源

於二零一六年九月三十日，本集團約有僱員14,100人(二零一六年三月三十一日：15,400人)於大中華。員工薪酬之釐定主要基於行業之情況及員工個人之表現。

企業社會責任

作為一個負責的企業公民，本集團致力於促進環境和其營運所在的社區的長遠可持續發展。我們亦認同遵守法規要求的重要性及不遵守適用規則及規例的風險。

本集團一向熱心參與慈善公益事務、關心有需要的人士，及支持及贊助教育及環保活動。此外，我們亦鼓勵員工、客戶及商業夥伴共同參與上述活動，為社會創造一個更好的未來。

於本期內，根據本公司董事所知，本集團一直遵守與業務和環境有重大影響的相關法例及規例。

於本期內，部份本集團曾參與／捐助或贊助的活動／團體包括：

- (1) 基督教香港信義會社會服務部「智友同遊慶中秋」；
- (2) 聖雅各福群會；
- (3) 香港公益金「公益綠識日」；
- (4) 香港社會服務聯會「商界展關懷」；及
- (5) 世界自然(香港)基金會。

本集團相信為社會創造一個更好的未來，有賴市民、企業及政府的參與。因此，我們將繼續不斷投入資源於主要社會、教育及環保活動，為社會創造一個更好的未來而努力。

Management's Discussion and Analysis 管理層之論述及分析

OUTLOOK

The U.S. market was unexpectedly weak in the interim period. The Group has explored business opportunities in other markets to diversify the revenue source. It is expected the mainland China market will become more important to the Group.

For the retail business, the Group has consolidated the trademarks to enhance competitiveness. Moderate expansion in the short run will be continued in mainland China. The business is in solid financial position and an improved performance is expected in the second half year.

展望

在此中期內，美國市場意外地疲弱。本集團已向其他市場尋找業務機會以分散收入來源。期待中國大陸市場對本集團更形重要。

零售業務方面，本集團已整固品牌以提升競爭力。短線期間在中國大陸將繼續採取較溫和發展策畧。此業務財務狀況穩固，期待下半年有進步之表現。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 30 September 2016, the interests and short positions of the directors in the shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Long positions in ordinary shares of the Company:

Name of director	Capacity	Note	Number of ordinary shares held	Percentage of the Company's issued share capital
董事姓名	身份	附註	持有普通股數目	佔本公司已發行股本百分率
Executive directors:				
執行董事：				
Poon Bun Chak 潘彬澤	Founder of a family trust 家族信託之創辦人	1	664,758,104	48.1
Ting Kit Chung 丁傑忠	Beneficial owner 實益擁有		6,100,000	0.4

Note:

1. Mr. Poon Bun Chak is a founder of a family trust and is deemed to be interested in 664,758,104 Shares held under the family trust. For details, please refer to the section "Substantial shareholders' and other person's interests in shares and underlying shares".

Save as disclosed above, as at 30 September 2016, none of the directors had registered an interest or short position in the shares, underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

董事於股份及相關股份之權益及淡倉

於二零一六年九月三十日，本公司根據《證券及期貨條例》第352條而備存的登記冊，或根據《上市公司董事進行證券交易的標準守則》（「標準守則」）通知本公司及聯交所，各董事在本公司及其聯繫法團（定義見《證券及期貨條例》第XV部）的股份及相關股份之權益及淡倉如下：

於本公司普通股之好倉：

附註：

1. 潘彬澤先生是家族信託之創辦人及被視為擁有家族信託所持有的664,758,104股股份的權益。有關詳情，請參閱「主要股東及其他人士於股份及相關股份權益」一節。

除上文所披露者外，於二零一六年九月三十日，董事概無於本公司或其任何聯繫法團之股份、相關股份中，擁有須遵照《證券及期貨條例》第352條予以記錄之權益或淡倉，或根據標準守則須知會本公司及聯交所。

Other Information 其他資料

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed in the section "Directors' interests and short positions in shares and underlying shares" above, at no time during the period were rights to acquire benefits by means of the acquisition of shares in the Company granted to any directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 September 2016, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in ordinary shares of the Company:

董事之購股權利

除於上述「董事於股份及相關股份之權益及淡倉」披露以外，於期內任何時間，概無任何董事或彼等各自的配偶或未成年子女獲授可藉購入本公司的股份而獲益的權利，或彼等概無行使此等權利；或本公司或其任何附屬公司概無參與任何安排，致令董事可於任何其他法人團體獲得此等權利。

主要股東及其他人士於股份及相關股份權益

於二零一六年九月三十日，以下擁有本公司已發行股本5%或以上之權益，已根據《證券及期貨條例》第336條規定記載於本公司須保存的權益登記冊內：

於本公司普通股之好倉：

Name	Capacity	Note	Number of ordinary shares held	Percentage of the Company's issued share capital
名稱	身份	附註	持有普通股數目	佔本公司已發行股本百分比
UBS Trustees (B.V.I.) Limited	Trustee 受託人	1	664,758,104	48.1
Poon's Holdings Limited 潘氏控股有限公司	Through controlled corporation 藉受控制公司	1	664,758,104	48.1
Farrow Star Limited	Directly owned 直接擁有	1	664,758,104	48.1
Edgbaston Investment Partners LLP	Investment manager 投資經理		83,263,000	6.0

Note:

1. *UBS Trustees (B.V.I.) Limited, as a trustee of a family trust founded by Mr. Poon Bun Chak, holds the entire issued share capital of Poon's Holdings Limited through its nominee, UBS Nominee Limited. Poon's Holdings Limited holds the entire issued share capital of Farrow Star Limited. Farrow Star Limited in turn holds 664,758,104 shares of the Company. Therefore, each of Mr. Poon Bun Chak, UBS Trustees (B.V.I.) Limited, Poon's Holdings Limited and Farrow Star Limited is deemed to be interested in 664,758,104 Shares held by Farrow Star Limited.*

附註：

1. *UBS Trustees (B.V.I.) Limited (作為家族信託的受託人，該信託由潘彬澤先生成立)通過其代名人 UBS Nominee Limited 持有潘氏控股有限公司的全部已發行股本。潘氏控股有限公司持有 Farrow Star Limited 的全部已發行股本。Farrow Star Limited 繼而持有本公司 664,758,104 股股份。因此，潘彬澤先生、UBS Trustees (B.V.I.) Limited、潘氏控股有限公司及 Farrow Star Limited 均被視為擁有 Farrow Star Limited 所持有的 664,758,104 股股份的權益。*

Other Information 其他資料

Save as disclosed above, as at 30 September 2016, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares and underlying shares" above, had registered an interest and short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period.

AUDIT COMMITTEE

The Audit Committee (the "Committee") consists of the three independent non-executive directors of the Company namely Mr. Law Brian Chung Nin, Mr. Au Son Yiu and Mr. Cheng Shu Wing. The Committee is chaired by Mr. Law Brian Chung Nin, a qualified accounting professional. The principal duties of the Committee include the review and supervision of the financial reporting process and internal controls of the Group.

For the interim period under review, the Committee has reviewed and discussed with the management the interim report and the risk management and internal controls of the Group and has made recommendations to the Board.

CORPORATE GOVERNANCE

In the opinion of the directors, the Company complied with all the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules throughout the accounting period covered by the interim report, except for the following deviation:

Under code provision E.1.2 of the CG Code, the chairman of the Board should attend the annual general meeting of the Company.

The chairman of the Board has delegated the duty of attending the annual general meeting to the chief executive officer of the Company. The chairman considers the chief executive officer a suitable person for taking up such duty as the chief executive officer has been serving for similar duties for many years and he has good understanding of each operating segment of the Group.

除上文所披露者外，於二零一六年九月三十日，概無人士（除本公司董事其權益已詳述於「董事於股份及相關股份之權益及淡倉」外）於本公司股份或相關股份中，擁有須遵照《證券及期貨條例》第336條予以記錄之權益及淡倉。

購入、贖回或出售本公司上市證券

於本期內，本公司及其任何附屬公司並無購入、贖回或出售本公司任何上市證券。

審核委員會

審核委員會（「委員會」）包括本公司三位獨立非執行董事，分別為羅仲年先生、區樂耀先生及鄭樹榮先生。羅仲年先生為委員會主席，並擁有專業會計資格。委員會主要職責包括審閱及監察本集團之財務報告程序及內部監控。

關於本中期，委員會已審閱及與管理層討論本集團的中期報告及風險管理與內部監控，並向董事會提供意見。

企業管治

按董事的意見，本公司於本中期報告所述之會計期間一直符合上市規則附錄十四所載之《企業管治守則》（「企業管治守則」）之所有守則條文，惟下列條文除外：

企業管治守則E.1.2條規定董事會之主席須出席本公司之股東週年大會。

董事會主席將出席股東週年大會之職務委任本公司行政總裁執行。主席認為該行政總裁處理該職務是合適人選，因該行政總裁已有多年執行同類職務的經驗，並對本集團各營運分類也十分瞭解。

Other Information 其他資料

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code of the Listing Rules as the Company's code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the Company's directors, they have all complied with the required standard set out in the Model Code throughout the accounting period covered by the interim report.

CHANGES IN INFORMATION OF DIRECTORS

There is no change in the information of directors that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the Company's 2016 Annual Report.

BOARD OF DIRECTORS

As at the date of this report, the executive directors of the Company are Mr. Poon Bun Chak and Mr. Ting Kit Chung; the independent non-executive directors of the Company are Mr. Au Son Yiu, Mr. Cheng Shu Wing and Mr. Law Brian Chung Nin.

On behalf of the Board

Poon Bun Chak
Executive Chairman

Hong Kong, 16 November 2016

董事的證券交易

本公司已採納上市規則之標準守則，作為本公司董事進行本公司證券交易之守則。按本公司向各董事之查詢，各董事均於本中期報告所述之會計期間遵守標準守則之規定。

董事資料的變動

自本公司二零一六年年報發佈以來，概無董事資料的變動須根據上市規則第13.51B(1)條之規定而予以披露。

董事會

於本報告日期，本公司之執行董事為潘彬澤先生及丁傑忠先生；而本公司之獨立非執行董事為區樂耀先生、鄭樹榮先生及羅仲年先生。

代表董事會

執行主席
潘彬澤

香港，二零一六年十一月十六日

TEXWINCA holdings limited

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德永佳集團有限公司

Stock Code 股份代號 : 321