



福田實業(集團)有限公司

Fountain Set (Holdings) Limited

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

SEHK: 420

KNIT Different
編織創意 LIVE
Different 活出新意
INTERIM REPORT
中期報告 2017

GROUP PROFILE

About Fountain Set (Holdings) Limited

Fountain Set (Holdings) Limited (the “Company”) and its subsidiaries (the “Group”) are one of the world’s largest circular knitted fabric manufacturers, providing vertically integrated operations in fabric knitting, dyeing, printing and finishing. In addition to its core business of manufacturing and sale of knitted fabric which generates majority of the total revenue, the Group’s product range also includes garments. As a major knitted fabric supplier to garment manufacturers in over 40 countries that supply apparel products including sportswear, casual wear, sleep wear and inner wear to many internationally renowned retailers and brands, the Group’s worldwide sales reached HK\$6.33 billion (US\$817 million) in the financial year 2016.

Headquartered in Hong Kong and listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), Fountain Set (Holdings) Limited (Stock Code: 420) has production facilities in the People’s Republic of China (the “PRC”), Sri Lanka and Indonesia, with marketing and representative offices in 5 countries and a global staff force of approximately 10,170.

Since June 2012, Chinatex Corporation (“Chinatex”) has become the largest shareholder of Fountain Set (Holdings) Limited. Chinatex will be a wholly-owned subsidiary of COFCO Corporation which is a state wholly-owned enterprise established in the PRC and a direct wholly-owned subsidiary of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

To learn more about Fountain Set (Holdings) Limited, please visit www.fshl.com

To learn more about Chinatex Corporation, please visit www.chinatex.com

To learn more about COFCO Corporation, please visit www.cofco.com

集團簡介

有關福田實業(集團)有限公司

福田實業(集團)有限公司(「本公司」)及其附屬公司(「集團」)是世界最大的圓筒針織面料生產商之一，提供針織、染色、印花及整理等高度垂直之綜合服務。除了佔總營業額大部份之針織面料生產及銷售的核心業務外，集團產品亦包括成衣。作為主要針織面料供應商，集團向超過40個國家的成衣製造商提供面料，以製成包括運動服、休閒服、睡衣和內衣等眾多國際知名零售商和品牌的成衣。集團於2016年財政年度的環球銷售額達63.3億港元(8.17億美元)。

福田實業(集團)有限公司之總部位於香港，並於香港聯合交易所有限公司(「聯交所」)上市(股份代號：420)，在中國、斯里蘭卡及印尼設有生產設施；市場推廣辦事處／代表處分佈5個國家，全球共聘用僱員約10,170人。

從2012年6月起，中國中紡集團公司(「中紡集團」)成為福田實業(集團)有限公司第一大股東。中紡集團將會成為中糧集團有限公司的全資附屬公司，中糧集團為於中國成立的國有企業及為中國國務院國有資產監督管理委員會直接管理全資附屬公司。

欲知更多福田實業(集團)有限公司資料，請瀏覽www.fshl.com

欲知更多中國中紡集團公司資料，請瀏覽www.chinatex.com

欲知更多中糧集團資料，請瀏覽www.cofco.com

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

中期財務資料審閱報告



TO THE BOARD OF DIRECTORS OF FOUNTAIN SET (HOLDINGS) LIMITED
(incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 3 to 26, which comprise the condensed consolidated statement of financial position of Fountain Set (Holdings) Limited (the “Company”) and its subsidiaries (together, the “Group”) as of 30 June 2017 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and other explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

致福田實業(集團)有限公司董事會
(於香港註冊成立之有限公司)

引言

本行已審閱載於第3至26頁之中期財務資料，當中包括福田實業(集團)有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)於2017年6月30日之簡明綜合財務狀況表，以及截至該日止6個月期間之相關簡明綜合損益及其他全面收益表、簡明綜合權益變動表及簡明綜合現金流量表，以及其他附註解釋。香港聯合交易所有限公司主板證券上市規則規定，編製中期財務資料之報告須遵守其項下相關條文，以及香港會計師公會頒佈之香港會計準則第34號「中期財務申報」(「香港會計準則第34號」)。貴公司董事須負責根據香港會計準則第34號編製及呈列此中期財務資料。本行之責任乃根據本行之審閱結果就中期財務資料提出結論。本報告乃按照與本行協定之聘用條款，僅向閣下全體報告。除此以外，本報告不作其他用途。本行概不就本報告之內容對任何其他人士負責或承擔責任。

審閱範圍

本行已根據香港會計師公會頒佈之《香港審閱委聘準則》第2410號「實體獨立核數師對中期財務資料之審閱」進行審閱。審閱中期財務資料包括向負責財務及會計事務之人士作出查詢，並應用分析性及其他審閱程序。審閱範圍遠小於根據香港核數準則進行審核之範圍，故本行未能保證本行將知悉在審核中可能發現之所有重大事項。因此，本行不會發表審核意見。

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

中期財務資料審閱報告

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

BDO Limited

Certified Public Accountants

Hong Kong, 24 August 2017

結論

根據本行之審閱，本行並無發現任何事項致使本行相信中期財務資料未有於各重大方面根據香港會計準則第34號編製。

香港立信德豪會計師事務所有限公司

執業會計師

香港，2017年8月24日

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

簡明綜合損益及其他全面收益表

				(Unaudited) (未經審核)	
				Six months ended 30 June 截至6月30日止6個月	
		Notes 附註		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Revenue	營業額	4		3,212,129	3,076,618
Cost of sales	銷售成本			(2,894,767)	(2,664,540)
Gross profit	毛利			317,362	412,078
Other revenue	其他收入			20,714	25,261
Other gains and losses	其他收益及虧損			19,561	(31,588)
Distribution and selling expenses	分銷及銷售費用			(75,595)	(86,194)
Administrative expenses	行政費用			(190,239)	(216,756)
Finance costs	融資成本	5		(11,193)	(10,499)
Share of profit of an associate	應佔一間聯營公司之盈利			845	423
Profit before income tax expense	除所得稅支出前盈利			81,455	92,725
Income tax expense	所得稅支出	6		(9,872)	(11,416)
Profit for the period	是期間盈利	7		71,583	81,309
Profit for the period attributable to:	應佔是期間盈利：				
Owners of the Company	本公司擁有人			68,869	68,020
Non-controlling interests	非控股權益			2,714	13,289
				71,583	81,309
				HK cents 港仙	HK cents 港仙
Earnings per share	每股盈利				
– Basic	– 基本	9		5.7	5.6
– Diluted	– 攤薄	9		5.7	5.6

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

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2017 HK\$'000 千港元	2016 HK\$'000 千港元
		Note 附註	
Profit for the period	是期間盈利	7	71,583
Other comprehensive income, net of tax	其他全面收益(經扣除稅項)		81,309
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目:		
Net gain arising on revaluation of available-for-sale financial assets during the period	是期間重估可供出售金融資產產生之收益淨值		149
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額		234
Reclassification adjustment of translation reserve upon deregistration of a subsidiary	註銷一間附屬公司時匯兌儲備之重新分類調整		4,368
			(4,090)
			1,132
Other comprehensive income/(expense) for the period	是期間其他全面收益/(開支)		-
			5,649
Total comprehensive income for the period	是期間全面收益總值		77,232
Total comprehensive income for the period attributable to:	應佔是期間全面收益總值:		77,453
Owners of the Company	本公司擁有人		72,814
Non-controlling interests	非控股權益		65,756
			4,418
			11,697
			77,232
			77,453

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

			(Unaudited) (未經審核) At 30 June 於6月30日 2017 HK\$'000 千港元	(Audited) (經審核) At 31 December 於12月31日 2016 HK\$'000 千港元
		Notes 附註		
Non-current assets	非流動資產			
Investment properties	投資物業		65,871	67,410
Property, plant and equipment	物業、機器及設備	10	1,453,776	1,463,317
Prepaid lease payments – non-current portion	預付租賃款項 – 非流動部份		97,859	99,115
Other intangible assets	其他無形資產		19,981	21,617
Interest in an associate	於一間聯營公司之權益		17,745	16,900
Investment in life insurance policies	人壽保險保單之投資	11	20,302	20,050
Deferred tax assets	遞延稅項資產		57,275	49,909
			1,732,809	1,738,318
Current assets	流動資產			
Inventories	存貨	12	1,467,535	1,401,911
Trade and bills receivables	營業及票據應收款項	13	1,277,914	1,209,330
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	13	141,361	136,420
Prepaid lease payments – current portion	預付租賃款項 – 流動部份		2,598	2,600
Tax recoverable	可收回稅項		2,968	4,479
Restricted bank deposits	受限制銀行存款		5,417	10,406
Short-term bank deposits	短期銀行存款		105,370	177,660
Bank balances and cash	銀行結餘及現金		807,074	690,491
			3,810,237	3,633,297
Current liabilities	流動負債			
Trade and bills payables	營業及票據應付款項	14	833,555	752,140
Other payables and accruals	其他應付款項及應計費用	14	347,967	322,845
Amounts due to non-controlling shareholders	欠非控股股東款項		80,100	80,100
Amount due to an associate	欠一間聯營公司款項		8,102	5,499
Deferred income – current portion	遞延收入 – 流動部份		1,592	1,592
Tax payable	應付稅項		20,165	20,912
Bank and other borrowings – due within one year	銀行及其他借貸 – 一年內到期	15	503,897	488,191
Bank overdrafts	銀行透支		138	–
			1,795,516	1,671,279
Net current assets	流動資產淨值		2,014,721	1,962,018
Total assets less current liabilities	資產總值減流動負債		3,747,530	3,700,336

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

		Notes 附註	(Unaudited) (未經審核) At 30 June 於6月30日 2017 HK\$'000 千港元	(Audited) (經審核) At 31 December 於12月31日 2016 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		59,575	60,370
Bank and other borrowings	銀行及其他借貸—			
– due after one year	一年後到期	15	239,273	179,453
Deferred tax liabilities	遞延稅項負債		7,912	6,868
			306,760	246,691
Net assets	資產淨值		3,440,770	3,453,645
Capital and reserves	資本及儲備			
Share capital	股本	16	865,716	865,716
Other reserves	其他儲備		2,441,284	2,432,336
Equity attributable to owners of the Company	本公司擁有人應佔權益		3,307,000	3,298,052
Non-controlling interests	非控股權益		133,770	155,593
Total equity	權益總值		3,440,770	3,453,645

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

		Attributable to owners of the Company 本公司擁有人應佔								
		Share capital	Investment revaluation reserve	Translation reserve	Share options reserve	Statutory reserves	Retained earnings	Total	Non-controlling interests	Total equity
		股本	投資重估儲備	匯兌儲備	購股權儲備	法定儲備	滾存盈利	總值	非控股權益	權益總值
		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
At 1 January 2017 (audited)	於2017年1月1日(經審核)	865,716	629	(51,731)	815	99,677	2,382,946	3,298,052	155,593	3,453,645
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	2,664	-	-	-	2,664	1,704	4,368
Reclassification adjustment of translation reserve upon deregistration of a subsidiary	註銷一間附屬公司時匯兌儲備之重新分類調整	-	-	1,132	-	-	-	1,132	-	1,132
Net gain arising on revaluation of available-for-sale financial assets during the period	是期間重估可供出售金融資產產生之收益淨值	-	149	-	-	-	-	149	-	149
Profit for the period	是期間盈利	-	-	-	-	-	68,869	68,869	2,714	71,583
Total comprehensive income for the period	是期間全面收益總值	-	149	3,796	-	-	68,869	72,814	4,418	77,232
Dividend recognised as distribution	已確認為分派之股息	-	-	-	-	-	(63,866)	(63,866)	-	(63,866)
Transfer from retained earnings to statutory reserves	由滾存盈利調撥至法定儲備	-	-	-	-	97	(97)	-	-	-
Dividends paid to non-controlling shareholders	已付股息予非控股股東	-	-	-	-	-	-	-	(25,407)	(25,407)
Appropriation to non-controlling shareholder upon deregistration of a subsidiary	註銷一間附屬公司時分派予非控股股東	-	-	-	-	-	-	-	(834)	(834)
At 30 June 2017 (unaudited)	於2017年6月30日(未經審核)	865,716	778	(47,935)	815	99,774	2,387,852	3,307,000	133,770	3,440,770
At 1 January 2016 (audited)	於2016年1月1日(經審核)	865,716	2,231	(41,430)	7,459	97,414	2,299,155	3,230,545	164,211	3,394,756
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	(2,498)	-	-	-	(2,498)	(1,592)	(4,090)
Net gain arising on revaluation of available-for-sale financial assets during the period	是期間重估可供出售金融資產產生之收益淨值	-	234	-	-	-	-	234	-	234
Profit for the period	是期間盈利	-	-	-	-	-	68,020	68,020	13,289	81,309
Total comprehensive income/(expense) for the period	是期間全面收益/(開支)總值	-	234	(2,498)	-	-	68,020	65,756	11,697	77,453
Equity-settled share-based payments reverse	以權益結算以股份為基礎之付款撥回	-	-	-	(303)	-	-	(303)	-	(303)
Dividend recognised as distribution	已確認為分派之股息	-	-	-	-	-	(48,201)	(48,201)	-	(48,201)
Transfer from share options reserve to retained earnings	由購股權儲備調撥至滾存盈利	-	-	-	(6,352)	-	6,352	-	-	-
Dividends paid to non-controlling shareholders	已付股息予非控股股東	-	-	-	-	-	-	-	(18,669)	(18,669)
Transfer from statutory reserves to retained earnings	由法定儲備調撥至滾存盈利	-	-	-	-	(12)	12	-	-	-
At 30 June 2016 (unaudited)	於2016年6月30日(未經審核)	865,716	2,465	(43,928)	804	97,402	2,325,338	3,247,797	157,239	3,405,036

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Net cash from operating activities	營運項目所得的現金淨值	82,087	240,402
Net cash used in investing activities:	投資項目所用的現金淨值：		
Purchase of property, plant and equipment	購買物業、機器及設備	(86,607)	(96,200)
Other investing cash flows	其他投資之現金流量	8,190	134
		(78,417)	(96,066)
Net cash from/(used in) financing activities:	融資項目所得／(所用)的現金淨值：		
New bank and other borrowings raised	新籌集之銀行及其他借貸	818,901	785,141
Repayment of bank and other borrowings	償還銀行及其他借貸	(743,794)	(853,772)
Dividends paid to non-controlling shareholders	已付股息予非控股股東	(25,407)	(18,669)
Other financing cash flows	其他融資之現金流量	(10,654)	(9,230)
		39,046	(96,530)
Net increase in cash and cash equivalents	現金及等同現金項目的增加淨值	42,716	47,806
Cash and cash equivalents at beginning of the period	於是期間開始時的現金及等同現金項目	868,151	870,223
Effect of exchange rate changes on cash and cash equivalents	匯率變動對現金及等同現金項目的影響	1,439	1,099
Cash and cash equivalents at end of the period	於是期間終結時的現金及等同現金項目	912,306	919,128
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS:	現金及等同現金項目結存的分析：		
Short-term bank deposits	短期銀行存款	105,370	207,836
Bank balances and cash	銀行結餘及現金	807,074	711,292
Bank overdrafts	銀行透支	(138)	-
		912,306	919,128

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

1. GENERAL INFORMATION

The Company is a public limited company incorporated in Hong Kong and its shares are listed on the Stock Exchange. The addresses of the registered office and the principal place of business of the Company are Block A, 6/F., Eastern Sea Industrial Building, 29-39 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong.

The financial information relating to the year ended 31 December 2016 that is included in the Interim Report 2017 as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2016 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company's independent auditor has reported on those financial statements. The independent auditor's report was unqualified; did not include a reference to any matters to which the independent auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

2. BASIS OF PREPARATION

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

1. 一般資料

本公司為在香港註冊成立的公眾有限公司而其股份於聯交所上市。本公司的註冊辦事處地址及主要營業地點為香港新界葵涌葵昌路29-39號東海工業大廈A座6樓。

2017年中期報告所載作為比較資料之有關截至2016年12月31日止年度之財務資料並不構成本公司於該年度之法定年度綜合財務報表，但摘錄自該等財務報表。有關根據香港公司條例（第622章）第436條須予披露之該等法定財務報表之進一步資料如下：

本公司已根據香港公司條例（第622章）第662(3)條及附表6第3部規定向公司註冊處處長呈交截至2016年12月31日止年度之財務報表。

本公司獨立核數師已就該等財務報表作出報告。獨立核數師報告並無保留意見；並無載有獨立核數師在不對其報告出具保留意見之情況下，以強調的方式提請使用者注意的任何事項；及並無載有根據香港公司條例（第622章）第406(2)條、第407(2)或(3)條作出的陳述。

2. 編製基準

本簡明綜合財務報表乃根據聯交所證券上市規則（「上市規則」）附錄16之適用披露規定及按照香港會計師公會（「香港會計師公會」）頒佈之香港會計準則（「香港會計準則」）第34號「中期財務申報」而編製。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued) 簡明綜合財務報表附註(續)

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments that are measured at fair values. The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2017 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2016.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning on 1 January 2017.

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRSs	Annual Improvements 2014-2016 Cycle

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

3. 主要會計政策

本簡明綜合財務報表乃按歷史成本基準編製，惟若干金融工具按公平價值列賬除外。截至2017年6月30日止6個月之簡明綜合財務報表所採用之會計政策及計算方法與編製本集團截至2016年12月31日止年度之全年財務報表所遵循者相同。

於本中期期間，本集團已首次應用下列由香港會計師公會頒佈並於本集團2017年1月1日開始之財政年度生效之新訂及經修訂準則、修訂本及詮釋（「新訂及經修訂香港財務報告準則」）。

香港會計準則第7號之修訂本	披露計劃
香港會計準則第12號之修訂本	就未變現虧損確認遞延稅項資產
香港財務報告準則之修訂本	2014年至2016年週期之年度改進

於本中期期間應用該等修訂本並無對該等簡明綜合財務報表呈報之金額及／或該等簡明綜合財務報表所載之披露造成重大影響。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註(續)

3. PRINCIPAL ACCOUNTING POLICIES (continued)

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

Amendments to HKFRSs	Annual Improvements 2014-2016 Cycle ¹
Amendment to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
HKFRS 9	Financial Instruments ¹
HKFRS15	Revenue from Contracts with Customers ¹
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15) ¹
Amendments to HKAS 40	Transfers of Investment Property ¹
HK(IFRIC) 22	Foreign Currency Transactions and Advance Consideration ¹
HKFRS 16	Leases ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

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

² Effective for annual periods beginning on or after 1 January 2019

³ The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continues to be permitted.

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

3. 主要會計政策(續)

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

香港財務報告準則之 修訂本	2014年至2016年週期之 年度改進 ¹
香港財務報告準則 第2號之修訂本	以股份為基礎之付款交易 的分類及計量 ¹
香港財務報告準則 第9號	金融工具 ¹
香港財務報告準則 第15號	客戶合同收入 ¹
香港財務報告準則 第15號之修訂本	客戶合同收入(澄清香港 財務報告準則第15號) ¹
香港會計準則 第40號之修訂本	轉撥投資物業 ¹
香港(國際財務報告詮釋 委員會)詮釋第22號	外幣交易及預付代價 ¹
香港財務報告準則 第16號	租賃 ²
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

¹ 於2018年1月1日或之後開始之年度期間生效

² 於2019年1月1日或之後開始之年度期間生效

³ 該等修訂本原訂於2016年1月1日或之後開始之期間生效。生效日期現已延遲／刪除。繼續允許提前應用有關修訂本。

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued) 簡明綜合財務報表附註(續)

4. 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 Bangladesh, Vietnam and Singapore). 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, yarns and garments and results by reportable segment for the period under review.

Six months ended 30 June 2017 (unaudited)

		Hong Kong 香港	The PRC 中國	Taiwan 台灣	Korea 韓國	Sri Lanka 斯里蘭卡	America 美洲	Europe 歐洲	Others 其他地區	Segment total 分類總值	Eliminations 對銷	Consolidated 綜合
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
REVENUE	營業額											
External sales	對外銷售	741,372	582,180	285,371	556,575	335,309	219,168	26,535	465,619	3,212,129	-	3,212,129
Inter-segment sales (note)	分類間銷售(附註)	2,320,608	1,311,583	-	-	155,429	-	-	85,611	3,873,231	(3,873,231)	-
Total segment revenue	分類營業額總值	3,061,980	1,893,763	285,371	556,575	490,738	219,168	26,535	551,230	7,085,360	(3,873,231)	3,212,129
RESULTS	業績											
Segment profit	分類盈利	64,001	52,650	24,359	47,516	16,807	19,278	2,260	38,765			265,636
Interest income	利息收入											2,404
Unallocated income	未分配收入											9,707
Unallocated expenses	未分配支出											(185,944)
Finance costs	融資成本											(11,193)
Share of profit of an associate	應佔一間聯營公司之盈利											845
Profit before income tax expense	除所得稅支出前盈利											81,455

4. 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,主要為孟加拉、越南及新加坡)。所有該等地域位置為營運分類,而「其他地區」則為綜合之營運分類。

以下為本集團於回顧期間源自製造及銷售色布、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。

截至2017年6月30日止6個月(未經審核)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註(續)

4. REVENUE AND SEGMENT INFORMATION (continued)

Six months ended 30 June 2016 (unaudited)

		Hong Kong 香港	The PRC 中國	Taiwan 台灣	Korea 韓國	Sri Lanka 斯里蘭卡	America 美洲	Europe 歐洲	Others 其他地區	Segment total 分類總值	Eliminations 對銷	Consolidated 綜合
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
REVENUE	營業額											
External sales	對外銷售	709,837	482,758	320,966	589,095	359,941	218,621	19,267	376,133	3,076,618	-	3,076,618
Inter-segment sales (note)	分類間銷售(附註)	2,217,056	1,014,496	-	-	179,725	25,723	-	99,925	3,536,925	(3,536,925)	-
Total segment revenue	分類營業額總值	2,926,893	1,497,254	320,966	589,095	539,666	244,344	19,267	476,058	6,613,543	(3,536,925)	3,076,618
RESULTS	業績											
Segment profit	分類盈利	71,151	53,048	29,499	54,148	45,088	20,616	1,795	37,511			312,856
Interest income	利息收入											2,237
Unallocated income	未分配收入											1,668
Unallocated expenses	未分配支出											(213,960)
Finance costs	融資成本											(10,499)
Share of profit of an associate	應佔一間聯營公司之 盈利											423
Profit before income tax expense	除所得稅支出前盈利											92,725

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

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, finance costs, share of profit of an associate, loss on deregistration of a subsidiary, etc.. This is the measure reported to the board of directors of the Company for the purposes of resource allocation and performance assessment.

4. 營業額及分類資料(續)

截至2016年6月30日止6個月(未經審核)

附註：分類間銷售之價格乃參照當時之市場價格而釐定。

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(包括非與生產有關之僱員福利開支、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、融資成本、應佔一間聯營公司之盈利、註銷一間附屬公司之虧損等。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。

5. FINANCE COSTS

5. 融資成本

(Unaudited)

(未經審核)

Six months ended 30 June

截至6月30日止6個月

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Finance costs on:	融資成本：		
Bank and other borrowings	銀行及其他借貸	11,193	10,499

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註(續)

6. INCOME TAX EXPENSE

6. 所得稅支出

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Current tax:	是期間稅項:		
Hong Kong	香港	1,792	2,656
The PRC	中國	13,284	6,231
Other jurisdictions	其他司法地區	-	6,726
		15,076	15,613
Under/(over) provision in prior years:	過往年度撥備不足/(超額撥備):		
Hong Kong	香港	(20)	-
The PRC	中國	377	1,604
Other jurisdictions	其他司法地區	819	923
		1,176	2,527
Deferred tax:	遞延稅項:		
Hong Kong	香港	-	(827)
The PRC	中國	(7,366)	(5,609)
Other jurisdictions	其他司法地區	986	(288)
		(6,380)	(6,724)
		9,872	11,416

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

香港利得稅乃按兩個期間之估計應課稅盈利以16.5%之稅率計算。

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%.

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%。

Pursuant to the relevant laws and regulations in Sri Lanka, the tax rate of Sri Lanka subsidiary is 12%.

根據斯里蘭卡有關之法律及法規,斯里蘭卡附屬公司之稅率為12%。

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

其他司法地區之稅項是以有關各自司法地區當時之稅率計算。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註(續)

7. PROFIT FOR THE PERIOD

7. 是期間盈利

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Profit for the period has been arrived at after charging:	是期間盈利已扣減下列各項：		
Amortisation of other intangible assets	其他無形資產之攤銷	1,636	1,636
Release of prepaid lease payments	預付租賃款項轉出	1,298	1,302
Depreciation of investment properties	投資物業之折舊	1,896	1,968
Depreciation of property, plant and equipment	物業、機器及設備之折舊	91,463	91,798
Employee costs (including directors' emoluments)	僱員成本(包括董事酬金)	455,698	473,728
Loss on disposal/written-off of property, plant and equipment [#]	出售／註銷物業、機器及設備之虧損 [#]	6,710	11,195
Loss on deregistration of a subsidiary [#]	註銷一間附屬公司之虧損 [#]	1,132	-
Impairment loss recognised on trade and bills receivables, net [#]	確認為營業及票據應收款項之減值損失淨值 [#]	-	16,184
Net exchange loss [#]	匯兌虧損淨值 [#]	-	4,209
and after crediting:	及已計入下列各項：		
Interest income [*]	利息收入 [*]	2,404	2,237
Net rental income from investment properties [*]	投資物業之租金收入淨值 [*]	4,542	4,838
Net exchange gain [#]	匯兌收益淨值 [#]	8,814	-
Impairment loss reversed on trade and bills receivables, net [#]	營業及票據應收款項之減值損失撥回淨值 [#]	18,589	-

* Included in other revenue

* 包括在其他收入內

Included in other gains and losses

包括在其他收益及虧損內

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued) 簡明綜合財務報表附註(續)

8. DIVIDENDS

8. 股息

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Dividend recognised as distribution during the period:	是期間已確認為分派之股息：		
2016 final dividend of HK5.3 cents (2015 final dividend: HK4.0 cents) per share	2016年末期股息每股5.3港仙 (2015年末期股息：4.0港仙)	63,866	48,201

No interim dividend in respect of the six months ended 30 June 2017 has been proposed by the directors of the Company (six months ended 30 June 2016: Nil).

本公司董事並無建議派付截至2017年6月30日止6個月之中期股息(截至2016年6月30日止6個月：零)。

The final dividend of HK5.3 cents in respect of the year ended 31 December 2016 (2015: HK4.0 cents) per share, amounting to approximately HK\$63,866,000 (2015: HK\$48,201,000) in total, had been approved at the annual general meeting of the Company held on 22 June 2017 and was paid after the end of the interim period.

截至2016年12月31日止年度之末期股息每股5.3港仙(2015年：4.0港仙)，合共約63,866,000港元(2015年：48,201,000港元)已於本公司於2017年6月22日舉行之股東週年大會上獲批准，並且在中期期間結束後已支付。

9. 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:

9. 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：

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Earnings	盈利		
Profit for the period attributable to owners of the Company for the purposes of basic earnings and diluted earnings per share	就計算每股基本盈利及攤薄盈利所用之本公司擁有人應佔是期間盈利	68,869	68,020

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註(續)

9. EARNINGS PER SHARE (continued)

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2017	2016
Number of shares	股份數目		
Weighted average 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加權平均數目	1,205,026,960	1,205,026,960

The computation of diluted earnings per share for the six months ended 30 June 2017 and 30 June 2016 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 both periods.

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兩個期間之平均市價，因此計算截至2017年6月30日及2016年6月30日止6個月期間之每股攤薄盈利時並無假設該等購股權已獲行使。

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

The Group incurred expenditure of HK\$86,607,000 during the six months ended 30 June 2017 (six months ended 30 June 2016: HK\$96,200,000) on property, plant and equipment to expand and upgrade the Group's manufacturing facilities.

10. 物業、機器及設備之變動

本集團於截至2017年6月30日止6個月，為擴大及增強本集團之生產設施而用於物業、機器及設備的開支為86,607,000港元（截至2016年6月30日止6個月：96,200,000港元）。

11. INVESTMENT IN LIFE INSURANCE POLICIES

In prior period, the Group entered into two contracts with two insurance companies, which contain seven life insurance policies to insure against the death of seven 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.

11. 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兩張合約，當中包含七份人壽保險保單，為本集團七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）。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued) 簡明綜合財務報表附註(續)

11. INVESTMENT IN LIFE INSURANCE POLICIES (continued)

In 2016, the Group terminated a contract which contained five life insurance policies. A gain on disposal amounting to HK\$751,000, which included a reclassification from other comprehensive income of HK\$3,012,000, was recognised in the consolidated statement of profit or loss in the second half of 2016.

As at 30 June 2017, one contract remains effective which contained two life insurance policies to insure against the death of two key members of management of the Group, with an aggregate insured sum of approximately US\$9 million (equivalent to approximately HK\$70.3 million), of which one key member left the Group on 19 May 2016.

12. INVENTORIES

11. 人壽保險保單之投資(續)

於2016年，本集團終止一張合約(當中包含五份人壽保險保單)，處置收益為751,000港元(包括從其他全面收益調撥3,012,000港元)已於2016年下半年在綜合損益表內確認。

於2017年6月30日，其中一張合約(當中包含兩份人壽保險保單)仍然生效，為本集團兩名主要管理層成員之身故事宜投保，投保金額合共約為9,000,000美元(相等於約70,300,000港元)，其中1名主要成員已於2016年5月19日辭任。

12. 存貨

		(Unaudited) (未經審核) At 30 June 於6月30日 2017 HK\$'000 千港元	(Audited) (經審核) At 31 December 於12月31日 2016 HK\$'000 千港元
Spare parts	備件	44,908	44,992
Raw materials	原料	626,077	646,164
Work-in-progress	半製品	473,921	397,563
Finished goods	製成品	322,629	313,192
		1,467,535	1,401,911

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註(續)

13. TRADE AND BILLS RECEIVABLES/PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

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

		(Unaudited) (未經審核) At 30 June 於6月30日 2017 HK\$'000 千港元	(Audited) (經審核) At 31 December 於12月31日 2016 HK\$'000 千港元
Not yet due	未到期	971,307	743,201
Overdue 1 – 30 days	逾期1-30天	179,164	228,570
Overdue 31 – 60 days	逾期31-60天	44,397	114,875
Overdue > 60 days	逾期超過60天	83,046	122,684
		1,277,914	1,209,330

Other receivables as at 30 June 2017 represented value-added tax recoverable of HK\$61,976,000 (31 December 2016: HK\$34,518,000) and prepayments, deposits and other receivables of HK\$79,385,000 (31 December 2016: HK\$101,902,000).

13. 營業及票據應收款項／預付款項、按金及其他應收款項

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

於2017年6月30日，其他應收款項乃指可收回增值稅61,976,000港元(2016年12月31日: 34,518,000港元)及預付款項、按金及其他應收款項79,385,000港元(2016年12月31日: 101,902,000港元)。

14. TRADE AND BILLS PAYABLES/OTHER PAYABLES AND ACCRUALS

		(Unaudited) (未經審核) At 30 June 於6月30日 2017 HK\$'000 千港元	(Audited) (經審核) At 31 December 於12月31日 2016 HK\$'000 千港元
Trade payables	營業應付款項	682,863	516,861
Bills payables	票據應付款項	150,692	235,279
		833,555	752,140

14. 營業及票據應付款項／其他應付款項及應計費用

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued) 簡明綜合財務報表附註(續)

14. TRADE AND BILLS PAYABLES/OTHER PAYABLES AND ACCRUALS (continued)

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

		(Unaudited) (未經審核) At 30 June 於6月30日 2017 HK\$'000 千港元	(Audited) (經審核) At 31 December 於12月31日 2016 HK\$'000 千港元
Not yet due	未到期	563,881	431,767
Overdue 1 – 30 days	逾期1-30天	84,091	57,492
Overdue 31 – 60 days	逾期31-60天	23,223	10,661
Overdue > 60 days	逾期超過60天	11,668	16,941
		682,863	516,861

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

Other payables and accruals as at 30 June 2017 represented other payables of HK\$169,782,000 (31 December 2016: HK\$133,375,000) and accruals of HK\$178,185,000 (31 December 2016: HK\$189,470,000).

15. BANK AND OTHER BORROWINGS

During the current interim period, the Group obtained new bank and other borrowings of HK\$818,901,000 (six months ended 30 June 2016: HK\$785,141,000) and made repayments of HK\$743,794,000 (six months ended 30 June 2016: HK\$853,772,000). These bank borrowings obtained and repaid are mainly denominated in Hong Kong dollar ("HKD") and US dollar ("USD"). The bank borrowings raised were mainly used to repay the existing bank borrowings or as working capital of the Group.

The bank borrowings of the Group are mainly variable rate borrowings. The average effective interest rates of bank borrowings of the Group is 2.6% (31 December 2016: 2.49%) per annum and are repayable by installments over a period from one to three years. All bank borrowings are unsecured for the period ended 30 June 2017 and the year ended 31 December 2016.

14. 營業及票據應付款項/其他應付款項及應計費用(續)

營業應付款項按付款到期日之賬齡分析如下:

		(Unaudited) (未經審核) At 30 June 於6月30日 2017 HK\$'000 千港元	(Audited) (經審核) At 31 December 於12月31日 2016 HK\$'000 千港元
Not yet due	未到期	563,881	431,767
Overdue 1 – 30 days	逾期1-30天	84,091	57,492
Overdue 31 – 60 days	逾期31-60天	23,223	10,661
Overdue > 60 days	逾期超過60天	11,668	16,941
		682,863	516,861

於報告期終，本集團之所有票據應付款項均未到期。

於2017年6月30日，其他應付款項及應計費用指其他應付款項169,782,000港元(2016年12月31日：133,375,000港元)及應計費用178,185,000港元(2016年12月31日：189,470,000港元)。

15. 銀行及其他借貸

於本中期期間，本集團取得新銀行及其他借貸818,901,000港元(截至2016年6月30日止6個月：785,141,000港元)及已償還743,794,000港元(截至2016年6月30日止6個月：853,772,000港元)。該等已取得及已償還之銀行借貸主要以港元(「港元」)及美元(「美元」)計值。所籌集之銀行借貸乃主要用作償還現有的銀行借貸或用作本集團之營運資金。

本集團銀行借貸主要為浮息借貸。本集團銀行借貸之平均實際年利率為2.6%(2016年12月31日：2.49%)，並須於介乎1年至3年期間內分期償還。截至2017年6月30日止期間及截至2016年12月31日止年度，所有銀行借貸均為無抵押。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註(續)

16. SHARE CAPITAL

16. 股本

		(Unaudited) (未經審核)		(Audited) (經審核)	
		At 30 June 2017 於2017年6月30日		At 31 December 2016 於2016年12月31日	
		No. of shares 股份數目	HK\$'000 千港元	No. of shares 股份數目	HK\$'000 千港元
Ordinary shares, issued and fully paid	普通股·已發行及繳足股本	1,205,026,960	865,716	1,205,026,960	865,716

17. CAPITAL COMMITMENTS

17. 資本承擔

		(Unaudited) (未經審核)	(Audited) (經審核)
		At 30 June 於6月30日	At 31 December 於12月31日
		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of acquisition of property, plant and equipment	有關購買物業、機器及設備之 已簽約但於簡明綜合財務報表 未有作出撥備之資本開支	173,144	116,959

18. SHARE-BASED PAYMENT TRANSACTIONS

The 2002 Scheme

The Company has a share option scheme (the "2002 Scheme"), which was adopted by the Company at the extraordinary general meeting held on 25 January 2002 and early terminated on 20 January 2011. The primary purpose of the 2002 Scheme is to provide the Company with a flexible mean of giving incentives to, rewarding, remunerating, compensating and/or providing benefits to the employees and for such other purposes as the board of directors of the Company may approve from time to time.

18. 以股份為基礎之付款交易

2002年計劃

本公司擁有一項購股權計劃(「2002年計劃」)，乃由本公司於2002年1月25日舉行之股東特別大會上採納並於2011年1月20日提前終止。2002年計劃的主要目的為讓本公司可向僱員給予鼓勵、獎賞、報酬、補償及／或提供福利及就本公司董事會不時批准的其他目的而言提供一個靈活方式。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued) 簡明綜合財務報表附註(續)

18. SHARE-BASED PAYMENT TRANSACTIONS (continued)

The 2011 Scheme

On 20 January 2011, the Company adopted a new share option scheme (the “2011 Scheme”) pursuant to a resolution passed at the extraordinary general meeting held on the same date. The 2011 Scheme will expire on 20 January 2021.

The terms and conditions of the 2011 Scheme are basically the same as those of the 2002 Scheme except that the eligible participants of the 2011 Scheme include, among others, directors and full-time or part-time employees whereas the eligible participants of the 2002 Scheme cover only directors and full-time employees.

The following table discloses movements of the Company’s share options granted under the 2002 Scheme and the 2011 Scheme during the six-month period ended 30 June 2017.

18. 以股份為基礎之付款交易(續)

2011年計劃

於2011年1月20日，本公司根據於同日舉行之股東特別大會上通過之一項決議案採納一項新購股權計劃(「2011年計劃」)。2011年計劃將於2021年1月20日屆滿。

2011年計劃之條款及條件基本上與2002年計劃相同，惟2011年計劃之合資格參與者包括(其中包括)董事及全職或兼職僱員，而2002年計劃之合資格參與者僅包括董事及全職僱員。

下表披露本公司於截至2017年6月30日止6個月期間根據2002年計劃及2011年計劃已授出購股權之變動情況。

Scheme	Date of grant	Exercise price	(Audited) (經審核) Outstanding at 1 January 於1月1日 尚未行使 2017	Forfeited during the period 期內已沒收	(Unaudited) (未經審核) Outstanding at 30 June 於6月30日 尚未行使 2017	
計劃	授出日期	行使價				
Director 董事	2011 2011年	18 August 2011 2011年8月18日	HK\$1.21 1.21港元	1,320,000	-	1,320,000
				1,320,000	-	1,320,000
Exercisable at the end of the period	於期結時 可予行使			1,320,000		1,320,000

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註(續)

18. SHARE-BASED PAYMENT TRANSACTIONS (continued)

The following table discloses movements of the Company's share options granted under the 2002 Scheme and the 2011 Scheme during the six-month period ended 30 June 2016.

	Scheme	Date of grant	Exercise price	(Audited) (經審核) Outstanding at 1 January 於1月1日 尚未行使 2016	Forfeited during the period 期內已沒收	(Unaudited) (未經審核) Outstanding at 30 June 於6月30日 尚未行使 2016
	計劃	授出日期	行使價			
Directors 董事	2002 2002年	17 September 2010 2010年9月17日	HK\$1.29 1.29港元	4,600,000	(4,600,000)	-
	2011 2011年	18 August 2011 2011年8月18日	HK\$1.21 1.21港元	4,620,000	(3,300,000)	1,320,000
				9,220,000	(7,900,000)	1,320,000
Exercisable at the end of the period	於期結時 可予行使			6,060,000		660,000

Further details of the exercisable period of the options granted are set out in the 2016 annual report.

The Group recognised a net reversal of HK\$303,000 for the period ended 30 June 2016 in relation to share options granted by the Company.

18. 以股份為基礎之付款交易(續)

下表披露本公司於截至2016年6月30日止6個月期間根據2002年計劃及2011年計劃已授出購股權之變動情況。

	(Audited) (經審核) Outstanding at 1 January 於1月1日 尚未行使 2016	Forfeited during the period 期內已沒收	(Unaudited) (未經審核) Outstanding at 30 June 於6月30日 尚未行使 2016
Directors 董事	4,600,000	(4,600,000)	-
	4,620,000	(3,300,000)	1,320,000
	9,220,000	(7,900,000)	1,320,000
Exercisable at the end of the period	6,060,000		660,000

有關已授出購股權之行使期間之進一步詳情已載於2016年年報內。

本集團於截至2016年6月30日止期間已就本公司授出之購股權確認撥回淨額303,000港元。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued) 簡明綜合財務報表附註(續)

19. FINANCIAL INSTRUMENTS

Fair value

(i) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, trade and bills receivables, other receivables, trade and bills payables, other payables, amounts due to non-controlling shareholders, amount due to an associate, bank overdrafts and bank and other borrowings.

Due to their short term nature, the carrying value of cash and cash equivalents, trade and bills receivables, other receivables, trade and bills payables, other payables, amounts due to non-controlling shareholders, amount due to an associate and bank overdrafts approximates fair value.

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30 June 2017 and 31 December 2016 except for investment in life insurance policies.

(ii) Financial instruments measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified and is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

19. 金融工具

公平價值

(i) 並非以公平價值計量之金融工具

並非以公平價值計量之金融工具包括現金及等同現金項目、營業及票據應收款項、其他應收款項、營業及票據應付款項、其他應付款項、欠非控股股東款項、欠一間聯營公司款項、銀行透支以及銀行及其他借貸。

由於屬短期性質，現金及等同現金項目、營業及票據應收款項、其他應收款項、營業及票據應付款項、其他應付款項、欠非控股股東款項、欠一間聯營公司款項及銀行透支的賬面值與其公平價值相若。

除人壽保險保單之投資外，本集團按成本或攤銷成本列值的金融工具的賬面值，與彼等於2017年6月30日及2016年12月31日的公平價值並無重大差異。

(ii) 以公平價值計量之金融工具

公平價值架構

下表呈列按經常性基準於報告期終計量的本集團金融工具的公平價值，並按香港財務報告準則第13號「公平價值計量」所界定的3級公平價值層級分類。公平價值計量層級的分類及釐定乃根據估值技術所使用輸入參數的可觀察性及重要性作出，載列如下：

- 第1級估值：公平價值僅使用第1級輸入參數計量，即相同資產或負債於計量日期在活躍市場中的未經調整報價。
- 第2級估值：公平價值乃使用第2級輸入參數計量，即不符合第1級標準的可觀察輸入參數，且不會使用不可觀察的重大輸入參數。不可觀察輸入參數為並無市場數據可作參考者。
- 第3級估值：公平價值乃使用重大不可觀察輸入參數計量。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註(續)

19. FINANCIAL INSTRUMENTS (continued)

Fair value (continued)

(ii) Financial instruments measured at fair value (continued)

Fair value hierarchy (continued)

At the end of the reporting period, the Group's investment in life insurance policies is grouped into Level 2 category.

There were no transfers between the three Levels during both periods.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of investment in life insurance policies is determined based on account value as stated in cash surrender value statement issued by the insurer.

20. RELATED PARTY DISCLOSURES

(a) Related party balances

Details of the Group's outstanding balances with related parties are set out as follows respectively:

Amounts due to non-controlling shareholders	欠非控股股東款項
Amount due to an associate	欠一間聯營公司款項

Amounts due to non-controlling shareholders are unsecured, interest-free and repayable on demand. Amount due to an associate is unsecured, interest-free and repayable with agreed 30 days credit periods.

19. 金融工具(續)

公平價值(續)

(ii) 以公平價值計量之金融工具(續)

公平價值架構(續)

於報告期終，本集團人壽保險保單之投資歸類為第2級別。

於兩個期間內並無於3個級別之間作出轉撥。

第2級公平價值計量所使用的估值技術及輸入參數

於人壽保險保單之投資的公平價值乃根據保險公司所簽發的保單現金退保價值報告所列的賬戶價值計算。

20. 關聯人士的披露

(a) 關聯人士的結餘

本集團與關聯人士的未償還結餘詳情分別列示如下：

	(Unaudited) (未經審核) At 30 June 於6月30日 2017 HK\$'000 千港元	(Audited) (經審核) At 31 December 於12月31日 2016 HK\$'000 千港元
Amounts due to non-controlling shareholders	80,100	80,100
Amount due to an associate	8,102	5,499

欠非控股股東款項為無抵押、免息及應要求償還。欠一間聯營公司款項為無抵押、免息及須於30天協定信貸期間償還。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued) 簡明綜合財務報表附註(續)

20. RELATED PARTY DISCLOSURES (continued)

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the period was as follows:

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Fees	袍金	525	704
Short-term benefits	短期福利	991	1,861
Post-employment benefits	離職後福利	9	27
Equity-settled share-based payments	以權益結算以股份為基礎之付款	-	40
		1,525	2,632

(c) Transactions with other state-owned entities in the PRC

The Group operates in an economic environment currently predominated by enterprises directly or indirectly owned, jointly controlled or significantly influenced by the PRC government (collectively the “state-owned entities”). The Company’s directors consider that state-owned entities are independent third parties so far as the Group’s business transactions with them are concerned.

During the period, the Group had transactions with other state-owned entities including, but not limited to, the sales of finished goods, purchases of raw materials/utilities and transactions with state-owned banks.

The sales of finished goods and purchase of raw materials/utilities to these state-owned entities are individually not significant. In addition, the Group’s bank balances (including short-term bank deposits and restricted bank deposits) and bank borrowings of HK\$549,094,000 and HK\$348,623,000 (31 December 2016: HK\$468,746,000 and HK\$273,071,000) respectively are placed/arranged with state-owned banks as at 30 June 2017.

20. 關聯人士的披露(續)

(b) 主要管理人員的薪酬

本期間董事及其他主要管理人員的薪酬如下：

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Fees	袍金	525	704
Short-term benefits	短期福利	991	1,861
Post-employment benefits	離職後福利	9	27
Equity-settled share-based payments	以權益結算以股份為基礎之付款	-	40
		1,525	2,632

(c) 與其他中國國有實體進行的交易

本集團經營所在的經濟環境現時主要由中國政府直接或間接擁有、共同控制或可對其行使重大影響力的實體(統稱「國有實體」)主導。本公司董事認為，至今曾與本集團進行商業交易的國有實體均為獨立第三方。

於期內，本集團曾與其他國有實體進行交易，包括但不限於銷售製成品、購買原料／水電，以及與國有銀行間的交易。

向該等國有實體銷售製成品及購買原料／水電的個別交易並非重大。此外，於2017年6月30日，本集團的銀行結餘(包括短期銀行存款及受限制銀行存款)及銀行借款中分別有549,094,000港元及348,623,000港元(2016年12月31日：分別為468,746,000港元及273,071,000港元)為存放於國有銀行／由國有銀行安排。

BUSINESS REVIEW 業務回顧

According to the World Bank Group's June 2017 Global Economic Prospects Report, a recovery in industrial activity has coincided with a pickup in global trade, after two years of marked weakness. In emerging market and developing economies ("EMDEs"), obstacles to growth among commodity exporters are gradually diminishing, while activity in commodity importers remains generally robust. As a result, and despite substantial policy uncertainty, global growth is projected to accelerate to 2.7 percent in 2017, up from a post-crisis low of 2.4 percent in 2016.

The first half of 2017 ("1H2017") was a tough period for the Group. Due to the unstable world economy and the slow demand clouded in the consumer markets during the period under review, the order from our clients especially during the first three months of 1H2017 was relatively abnormal and lower than that during the same period last year. The Group was highly driven to achieve the pre-set target sales and major key performance indicators and subsequently chased back the loss target and was capable of increasing the sales volume of our fabric business segment by 13.6% when compared with that of the first half of 2016 ("1H2016"). The total revenue of the Group slightly increased by 4.4% to HK\$3,212.1 million for the six months ended 30 June 2017 (1H2016: HK\$3,076.6 million). The increase in sales volume was mainly contributed by continuous strategically placing more effort and resources on our established mass market clients. Due to the continuous change of product mix with higher percentage of basic products, our selling price of fabric decreased by 5.8% when compared with that of 1H2016. Profit attributable to owners of the Company increased by 1.3% to HK\$68.9 million when compared to that of the corresponding period of last year (1H2016: HK\$68.0 million), and even remarkably increased by 15.0% when compared to that of the second half of 2016 ("2H2016") (2H2016: HK\$59.9 million), showing an upward improvement trend.

Thanks to the continuous stringent control of the overall operating costs, the distribution and selling expenses during the period under review decreased to HK\$75.6 million (1H2016: HK\$86.2 million), representing a 12.3% impressive decline. At the same time, the administrative expenses decreased to HK\$190.2 million (1H2016: HK\$216.8 million), representing a 12.2% notable decline.

According to the information published on the website of the China Cotton Association (中國棉花協會), the China cotton price index CCINDEX2129B (中國棉花價格指數) was RMB16,324/ton as at 30 June 2017, compared to RMB16,139/ton as at 1 January 2017. When compared a year before, the China cotton price index CCINDEX2129B was RMB13,306/ton as at 30 June 2016, compared to RMB13,555/ton as at 3 January 2016. The China cotton price index was at the lowest in January 2017 at RMB16,117/ton and at the highest in May 2017 at RMB16,464/ton. Year-on-year comparison between 30 June 2017 and 30 June 2016, a 22.7% increment was recorded. The US Cotlook A Index was at US83.33 cents/lb as at 30 June 2017, compared to US79.65 cents/lb as at 3 January 2017. The US Cotlook A Index was at the lowest in January 2017 at US79.65 cents/lb and at the highest in May 2017 at US94.9 cents/lb. The US Cotlook A Index was at US76.15 cents/lb as at 30 June 2016, compared to US69.95 cents/lb as at 4 January 2016. Year-on-year comparison between 30 June 2017 and 30 June 2016, a 9.4% increment was recorded. To conclude, cotton price increased significantly during the period under review, which in turn affected the cotton yarn price that had a negative impact on our gross profit margin.

根據世界銀行集團發佈的2017年6月期全球經濟展望報告，繼兩年萎靡不振之後，工業活動出現復甦，這與全球貿易回暖情況一致。就新興市場及發展中經濟體而言，商品出口商所面臨的增長阻力逐漸減小，同時商品進口商的營運活動普遍仍保持強勁。因此，儘管政策方面存在重大不確定性，2017年全球經濟增長預期將由2016年的金融危機後低點2.4%加速至2.7%。

2017年上半年(「1H2017」)，本集團面臨嚴峻形勢。由於回顧期內全球經濟不穩定及消費者市場需求放緩，客戶訂單(尤其於2017年上半年首三個月的訂單量)相對異常，低於去年同期水平。本集團竭力實現預設的銷售目標及主要關鍵績效指標，於隨後追回落後之銷售目標，並能將面料業務銷量與2016年上半年(「1H2016」)相比提高13.6%。截至2017年6月30日止6個月，本集團總營業額微增4.4%至3,212.1百萬港元(1H2016: 3,076.6百萬港元)。銷量提高主要由於繼續策略性地對基礎穩固的大眾市場客戶投入更多精力及資源所致。由於產品組合持續改變及基本產品佔比增加，布料售價與2016年上半年相比下跌5.8%。本公司擁有人應佔盈利與去年同期相比提高1.3%至68.9百萬港元(1H2016: 68.0百萬港元)，與2016年下半年(「2H2016」)相比則顯著上升15.0%(2H2016: 59.9百萬港元)，呈現持續上升趨勢。

由於對整體營運成本繼續實施嚴格管控，於回顧期內，分銷及銷售費用減少至75.6百萬港元(1H2016: 86.2百萬港元)，降幅高達12.3%。同時，行政費用減少至190.2百萬港元(1H2016: 216.8百萬港元)，顯著下降12.2%。

根據中國棉花協會網站公佈資訊，中國棉花價格指數CCINDEX2129B於2017年6月30日為每噸人民幣16,324元，而於2017年1月1日則為每噸人民幣16,139元。相比上一年度，中國棉花價格指數CCINDEX2129B於2016年6月30日為每噸人民幣13,306元，於2016年1月3日則為每噸人民幣13,555元。中國棉花價格指數分別於2017年1月及2017年5月錄得最低每噸人民幣16,117元及最高每噸人民幣16,464元的水平。自2016年6月30日至2017年6月30日期間，按年錄得22.7%增長。美國Cotlook A指數於2017年6月30日為每磅83.33美分，於2017年1月3日則為每磅79.65美分。美國Cotlook A指數分別於2017年1月及2017年5月錄得最低每磅79.65美分及最高每磅94.9美分的水平。於2016年6月30日，美國Cotlook A指數為每磅76.15美分，而於2016年1月4日則為每磅69.95美分。自2016年6月30日至2017年6月30日期間，按年錄得9.4%增長。綜上所述，棉花價格於回顧期內大幅上漲從而影響棉紗價格，對我們的毛利率造成不利影響。

BUSINESS REVIEW (continued) 業務回顧(續)

According to the China coal industry website, the monitoring data shown on 23 June 2017 based on the China coal price index (national comprehensive) was 153.7, up 35.4 points year-on-year. Under the above challenges on the surge on raw materials and fuel costs when compared to those of the same period last year, the Group had faced high pressure on the costs of goods sold, thus, the gross profit margin decreased to 9.9% for 1H2017 (1H2016: 13.4%). Nevertheless, the Group successfully maintained profit attributable to owners of the Company at HK\$68.9 million which was flat year-on-year, mainly attributable to its focus on lean management, technology automation, machinery upgrade, cost reduction and control initiatives to boost overall operating profitability. Basic earnings per share was HK5.7 cents in 1H2017 (1H2016: HK5.6 cents).

During the period under review, the Group further improved the production efficiency through continuously reinforcing its lean production management and applying automated equipment, thereby promoting sustained business growth of the Group. The Group has continuously replaced and upgraded numerous relatively less updated and less efficient production facilities in our fabric mills including circular knitted fabric machines, continuous tumble dryers, stenters, fabric shrinkage machines, fabric dyeing machines and fabric printing machines with new and latest models which provide better production efficiency, less wastage and higher energy saving.

During the period under review, the Group strategically targeted to minimize credit risks and at the same time to enhance working capital through effective credit management. As a result, the total overdue accounts receivable had significantly reduced to HK\$336.5 million from HK\$515.2 million year-on-year.

Continuous restructuring and consolidating our subsidiaries with the aims to streamline operation and reduce costs was successfully implemented during the period under review.

Production and Sales of Dyed Fabrics and Yarns

The Group's production capacity among four fabric mills in both the PRC and Sri Lanka increased to approximately 27.5 million pounds of fabric dyeing per month. The newly added 2.5 million pounds were mainly increased in Yancheng Fuhui Textiles Limited, a wholly-owned subsidiary of the Company.

For the period under review, the Group's core business, production and sales of dyed fabrics and yarns, generated revenue of approximately HK\$2,815.8 million and accounted for 87.7% of the Group's total revenue.

Production and Sales of Garments

Revenue from the production and sales of garments for 1H2017 was approximately HK\$396.4 million and accounted for 12.3% of the Group's total revenue.

根據中國煤炭工業網·中國煤炭價格指數(全國綜合指數)監測數據顯示於2017年6月23日中國煤炭指數為153.7,按年同期比較上漲35.4點。鑒於原材料及燃料成本與去年同期相比大幅增長,本集團面對高生產成本壓力,因此,2017年上半年的毛利率下降至9.9%(1H2016: 13.4%)。雖然如此,本集團成功將本公司擁有人應佔盈利維持於68.9百萬港元,同比持平,主要由於集團注重精益管理、技術自動化、機械升級、成本削減及管控措施,藉以提升整體經營效益。於2017年上半年,每股基本盈利為5.7港仙(1H2016: 5.6港仙)。

於回顧期內,本集團透過不斷加強精益生產管理及應用自動化設備,以進一步提高生產效率,促進集團業務持續增長。集團繼續更換及升級面料廠房多個相對落後及效率相對較低的生產設備,使用節能增效及降低損耗的最新款圓筒針織面料機、面料連續拋縮機、定型機、縮水機、染布機及印花機。

於回顧期內,本集團依照策略目標,通過有效的信貸管理盡力地降低信貸風險,同時增加營運資金。因此,逾期應收賬款總額由515.2百萬港元同比大幅減少至336.5百萬港元。

於回顧期內,繼續重組及整合附屬公司得以圓滿實施,以精簡營運,降低成本。

製造及銷售色布及紗

本集團位於中國大陸和斯里蘭卡的4家面料工廠的印染產能增加至每月約2,750萬磅,新增的250萬磅產能主要增加在鹽城福匯紡織有限公司(本公司之全資附屬公司)。

在回顧期內,本集團核心業務一色布及紗的製造及銷售營業額達到約2,815.8百萬港元,佔集團總營業額的87.7%。

製造及銷售成衣

2017年上半年成衣製造及銷售的營業額約為396.4百萬港元,佔集團總營業額的12.3%。

BUSINESS REVIEW (continued) 業務回顧(續)

Dividend

In view of the general practice of the Company to only recommend a final dividend, the board of directors of the Company ("Board") has resolved not to declare the payment of any interim dividend for the six months ended 30 June 2017. If no special circumstances going to happen, the Group intends to declare dividend for the financial year of 2017 not less than the dividend payout ratio declared in the financial year of 2016.

股息

鑒於本公司於一般情況下只建議派發末期股息，本公司董事會（「董事會」）決定及宣佈就截至2017年6月30日止6個月內不予派發任何中期股息。若沒有發生特殊情況，本集團擬於2017年財政年度派發不少於2016年財政年度之派息比率。

Awards & Certifications

Our awards and certificates accredited during 1H2017 are as follows:

獎項及認證

在2017年上半年，集團所獲獎項及認證如下：

No. 文件序號	Name of Award/ Certification 獎項／認證名稱	Type of Document 文件類型	Date of Issue 頒發日期	Issued by 發出單位
Jiangyin Fuhui Textiles Limited 江陰福匯紡織有限公司				
1	2016 Key and Major Enterprise of Jiangyin City* 2016年度江陰市重點骨幹企業	Award 獎牌	2017/1	Jiangyin Municipal Party Committee of Communist Party of the PRC, Jiangyin Municipal People's Government* 中共江陰市委，江陰市人民政府
2	2016 Foreign Trade Award* 2016年度外貿貢獻獎	Award 獎牌	2017/1	Jiangyin High-tech Industrial Development Zone Committee of Communist Party of the PRC* 中共江陰高新技術產業開發區工作委員會 Administration Committee of Jiangyin High-tech Industrial Development Zone* 江陰市高新技術產業開發區管理委員會
3	2016 Outstanding Enterprise of Foreign Investment* 2016年度外商投資先進企業	Trophy 獎杯	2017/1	Jiangyin High-tech Industrial Development Zone Committee of Communist Party of the PRC* 中共江陰高新技術產業開發區工作委員會 Administration Committee of Jiangyin High-tech Industrial Development Zone* 江陰市高新技術產業開發區管理委員會
4	2016 Outstanding Enterprise of Environmental Protection* 2016年度環境保護先進單位	Award 獎牌	2017/1	Administration Committee of Jiangyin High-tech Industrial Development Zone* 江陰市高新技術產業開發區管理委員會
5	2016 Top 100 Star Enterprise* 2016年度百強明星企業	Award 獎牌	2017/2	Jiangyin Municipal Party Committee of Communist Party of the PRC, Jiangyin Municipal People's Government* 中共江陰市委，江陰市人民政府
6	2016 Top 10 International Enterprise* 2016年度十佳外貿企業	Award 獎牌	2017/2	Jiangyin Municipal Party Committee of Communist Party of the PRC, Jiangyin Municipal People's Government* 中共江陰市委，江陰市人民政府

BUSINESS REVIEW (continued) 業務回顧(續)

Awards & Certifications (continued) 獎項及認證(續)

No. 文件序號	Name of Award/ Certification 獎項／認證名稱	Type of Document 文件類型	Date of Issue 頒發日期	Issued by 發出單位
Jiangyin Fuhui Textiles Limited (continued) 江陰福匯紡織有限公司(續)				
7	2016 Top 10 Outstanding Enterprise of Energy Conservation and Emission Reduction* 2016年度十佳節能減排先進企業	Award 獎牌	2017/2	Jiangyin Municipal Party Committee of Communist Party of the PRC, Jiangyin Municipal People's Government* 中共江陰市委·江陰市人民政府
8	2016 Safe Enterprise* 2016年度平安企業	Award 獎牌	2017/2	Jiangyin Safe Enterprise Construction Work Leading Group* 江陰市平安企業創建工作領導小組
9	2016 Outstanding Enterprise of Blood Donation without Compensation* 2016年度無償獻血先進單位	Award 獎牌	2017/6	Jiangyin Blood Donation Administration Committee* 江陰市獻血管理委員會
10	2016 Clean by Design Environmental Improvement Program 環境改善計劃 —清潔始於設計證書#	Award 獎牌	2017/6	International Finance Corporation 國際金融公司# Natural Resources Defense Council 自然資源守護委員會# Sustainable Apparel Coalition 可持續服裝聯盟#
Yancheng Fuhui Textiles Limited 鹽城福匯紡織有限公司				
11	2016 Outstanding Enterprise of Safety Production* 2016年度安全生產先進集體	Award 獎牌	2017/1	Management Office of Yancheng Economic-Technological Development Zone and Integrated Duty-Free Area* 鹽城經濟技術開發區綜合保稅區管理辦公室
12	2016 Outstanding Enterprise of Fire Safety Management* 2016年度消防安全管理工作先進集體	Award 獎牌	2017/1	Fire Brigade of Public Security of Development Zone of Yancheng City* 鹽城市公安消防支隊開發區大隊
13	2016 Citywide "Ankang Cup" Competition Winning Unit* 2016年度全市「安康杯」 競賽優勝單位	Award 獎牌	2017/3	General Union of Yancheng City* 鹽城市總工會 Administration of Work Safety of Yancheng City* 鹽城市安全生產監督管理局
14	Certified Laboratory 認證實驗室#	Certification 證書	2017/5	Intertek Group 天祥集團#
15	Vice Chairman Member of Jiangsu Association of Enterprises with Foreign Investment* 江蘇省外商投資企業協會 副會長單位	Award 獎牌	2017/6	Jiangsu Association of Enterprises with Foreign Investment* 江蘇省外商投資企業協會

BUSINESS REVIEW (continued) 業務回顧 (續)**Awards & Certifications (continued) 獎項及認證 (續)**

No. 文件序號	Name of Award/ Certification 獎項／認證名稱	Type of Document 文件類型	Date of Issue 頒發日期	Issued by 發出單位
Dongguan Shatian Lake Side Textiles Printing & Dyeing Co., Ltd. 東莞沙田麗海紡織印染有限公司				
16	2016 Top Ten Foreign Investment Enterprise in Tax Payment of Shatian Town & Humen Port* 2016年度沙田鎮、虎門港納稅前十名外資企業	Award 獎牌	2017/2	Chinese Communist Party Shatian Town Committee/People's Government of Shatian Town/Chinese Communist Party Humen Port Working Committee/Management Committee of Humen Port* 中共沙田鎮委員會／東莞市沙田鎮人民政府／中共虎門港工作委員會／東莞市虎門港管理委員會
17	2016 Top Ten Enterprise in Annual Actual Export of Shatian Town & Humen Port* 2016年度沙田鎮、虎門港實際出口前十名企業	Award 獎牌	2017/2	Chinese Communist Party Shatian Town Committee/People's Government of Shatian Town/Chinese Communist Party Humen Port Working Committee/Management Committee of Humen Port* 中共沙田鎮委員會／東莞市沙田鎮人民政府／中共虎門港工作委員會／東莞市虎門港管理委員會
18	15th Consecutive Year Guangdong Province Enterprise of Observing Contract and Valuing Credit* 連續十五年廣東省守合同重信用企業	Award 獎牌	2017/6	Guangdong Province Administration For Industry & Commerce* 廣東省工商行政管理局
19	Certificate of Compliance in Global Organic Textile Standard 全球有機紡織品標準認證#	Certification 證書	2017/1	Ecocert Greenlife S.A.S
20	Oeko-Tex Standard 100 Oeko-Tex標準100#	Certification 證書	2017/3	TESTEX AG, Swiss Textile Testing Institute TESTEX瑞士紡織檢定有限公司#
21	Oeko-Tex Standard 100 Oeko-Tex標準100#	Certification 證書	2017/5	TESTEX AG, Swiss Textile Testing Institute TESTEX瑞士紡織檢定有限公司#

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

* 英文名稱僅為官方中文名稱之譯文。倘有歧異，概以中文名稱為準。

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

中文名稱僅為官方英文名稱之譯文。倘有歧異，概以英文名稱為準。

OUTLOOK 展望

According to the World Bank Group's June 2017 Global Economic Prospects Report, manufacturing and trade are picking up, confidence is improving, and international financing conditions remain benign. Global growth is projected to strengthen to 2.7% in 2017 and 2.9% in 2018-19, in line with January 2017 forecasts. In EMDEs, growth is predicted to recover to 4.1% in 2017 and reach an average of 4.6% in 2018-19, as obstacles to growth in commodity exporters diminish, while activity in commodity importers continues to be robust. Activity in advanced economies is expected to gain momentum in 2017, supported by an upturn in the United States. In the Euro Area and Japan, growth forecasts have been upgraded, reflecting strengthening domestic demand and exports. Investment across advanced economies has firmed, while private consumption growth has moderated. As actual growth continues to exceed potential growth, increasing inflation and narrowing output gaps have raised the prospects of less accommodative monetary policy.

Advanced economy growth is expected to accelerate to 1.9% in 2017, before moderating gradually in 2018-19. As usual, the outlook is predicated only on legislated fiscal and trade policies. The recovery in global trade coincides with strengthening investment, which is more import intensive than other components of aggregate demand. Nevertheless, structural headwinds, including slower trade liberalization and value chain integration, as well as elevated policy uncertainty, continue to weigh on the outlook for trade.

Looking forward to the second half of 2017, the world economy and the retail market are expected to remain uncertain while consumer sentiments remain sluggish. The Group is prudently optimistic about its performance in the second half of the year. The Group has been working closely with the new clients, including several popular and quality Japanese brands as mentioned in our 2016 annual report, which provide attractive potential going forward. The Group has long been the pioneer in developing innovative products together with our customers in the textile and apparel industry and will continue to allocate resources in this area in the future.

Notwithstanding the ever-changing global economic and market conditions, the Group is determined to accomplish the budgetary target for the year through various measures on cost reduction and production expansion, and offer long-term values and returns to all shareholders.

根據世界銀行集團發佈的2017年6月期全球經濟展望報告，製造及貿易業逐步回升，消費信心改善及國際金融狀況依然有利。2017年全球經濟增速預期提升至2.7%，隨後於2018-19年度將達2.9%，符合其於2017年1月份之預測。隨著商品出口商所面臨的增長阻力減小，同時商品進口商的運營活動持續強勁，新興市場及發展中經濟體的經濟增長預期將於2017年恢復至4.1%，並於2018-19年度達致4.6%的平均水平。受美國經濟升溫帶動，發達經濟體的活動於2017年預期將重拾動力。至於歐元區及日本，增長預測已經提升，反映出國內需求及出口均不斷增強。發達經濟體的投資整體穩固，而個人消費增長溫和。由於實際增長持續超過潛在增長，通脹加劇及產出缺口收窄令未來寬鬆貨幣政策將會減弱的預期更加明顯。

發達經濟體的經濟增長預期將於2017年加速至1.9%，隨後於2018-19年度將逐漸平和。如同往常，該前景展望僅是在財政及貿易立法政策基礎上加以預測。全球貿易復甦，並且投資增強，使得進口較總體需求的其他組成部分而言活動更為密集。儘管如此，貿易自由化放緩及價值鏈整合等結構性障礙，以及政策不確定性升高，將會繼續對貿易前景形成重壓。

展望2017年下半年，全球經濟及零售市場預期依然不明朗，消費者氛圍持續低迷。本集團對下半年度的業績抱審慎樂觀態度。本集團一直緊密跟進新客戶，包括於2016年年報提及的數個受歡迎及優質的日本品牌，而該等品牌未來潛能巨大。本集團一直與紡織及服裝行業的客戶聯手走在開發創新產品的前端，日後在該方面將繼續投入資源。

憑藉本集團各項降成本、增產能的措施方案，縱使全球經濟及市況瞬息萬變，本集團依然決心完成本年度的預算目標，為全體股東帶來源源不斷的價值及回報。

FINANCIAL REVIEW 財務回顧

The key operating and financial indicators of the Group for the six months ended 30 June 2017 are set out below:

本集團截至2017年6月30日止6個月之主要經營及財務指標呈列如下：

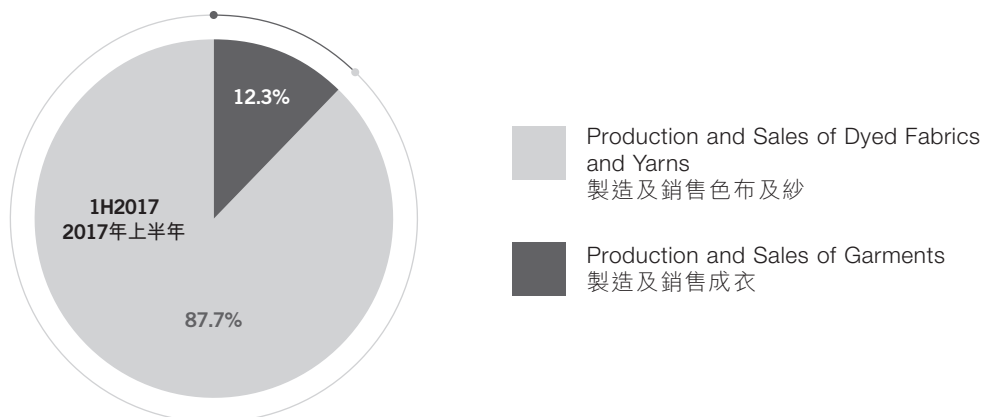
		Six months ended 30 June 截至6月30日止6個月	
		2017	2016
Statement of Profit or Loss Items	損益表項目		
(All amounts in HK\$ thousands unless otherwise stated)	(除特別註明外所有金額均以千港元列示)		
Revenue	營業額	3,212,129	3,076,618
Gross Profit	毛利	317,362	412,078
EBITDA	息稅折舊及攤銷前利潤	186,227	186,639
Profit for the period	是期間盈利	71,583	81,309
Profit attributable to owners of the Company	本公司擁有人應佔盈利	68,869	68,020
Basic earnings per share (HK cents)	每股基本盈利 (港仙)	5.7	5.6
Key Financial Ratios	主要財務比率		
Profitability ratios	盈利能力比率		
Gross profit margin (%)	毛利率 (%)	9.9%	13.4%
EBITDA margin (%)	息稅折舊及攤銷前利潤率 (%)	5.8%	6.1%
Expenses as a % of revenue	開支佔營業額比率		
Distribution and selling expenses	分銷及銷售費用	2.4%	2.8%
Administrative expenses	行政費用	5.9%	7.0%
Finance costs	融資成本	0.3%	0.3%
Asset efficiency	資產效率		
Inventory turnover period (days)	存貨周轉期 (日)	92	84
Trade and bills receivables turnover period (days)	營業及票據應收款項周轉期 (日)	72	71
Trade and bills payables turnover period (days)	營業及票據應付款項周轉期 (日)	52	46
		At 30 June 於6月30日 2017	At 31 December 於12月31日 2016
Asset ratios	資產比率		
Current ratio	流動比率	2.1	2.2
Net debt/EBITDA ratio (annualised)	淨債務／息稅折舊及攤銷前利潤率 (年化)	(0.5)	(0.6)

FINANCIAL REVIEW (continued) 財務回顧(續)

Revenue

The Group's revenue for the six months ended 30 June 2017 amounted to approximately HK\$3,212,129,000 (six months ended 30 June 2016: HK\$3,076,618,000).

Revenue by business segments



In the first half of 2017, the Group's core business, production and sales of dyed fabrics and yarns, generated revenue of approximately HK\$2,815,774,000 (six months ended 30 June 2016: HK\$2,607,127,000), accounted for 87.7% (six months ended 30 June 2016: 84.7%) of the Group's total revenue. Revenue from production and sales of garments was approximately HK\$396,355,000 (six months ended 30 June 2016: HK\$469,491,000), accounted for 12.3% (six months ended 30 June 2016: 15.3%) of the Group's total revenue.

Cost of Sales and Gross Profit

For the six months ended 30 June 2017, overall cost of sales of the Group amounted to approximately HK\$2,894,767,000 (six months ended 30 June 2016: HK\$2,664,540,000) and overall gross profit margin was 9.9% (six months ended 30 June 2016: 13.4%).

During the period under review, the Group's turnover increased by 4.4%, was mainly due to the increase in sales volume of fabric by approximately 13.6%. The decline in average selling price of fabric and increase in energy costs led to a decrease in gross profit margin as compared with the corresponding period of last year.

Distribution and Selling Expenses

For the six months ended 30 June 2017, the Group's overall distribution and selling expenses amounted to approximately HK\$75,595,000 (six months ended 30 June 2016: HK\$86,194,000), accounted for 2.4% (six months ended 30 June 2016: 2.8%) of the Group's total revenue.

營業額

集團截至2017年6月30日止6個月的營業額約為3,212,129,000港元(截至2016年6月30日止6個月:3,076,618,000港元)。

營業額按業務分類

於2017年上半年,集團核心業務—製造及銷售色布及紗的營業額約為2,815,774,000港元(截至2016年6月30日止6個月:2,607,127,000港元),佔集團營業額總值的87.7%(截至2016年6月30日止6個月:84.7%)。製造及銷售成衣的營業額約為396,355,000港元(截至2016年6月30日止6個月:469,491,000港元),佔集團營業額總值的12.3%(截至2016年6月30日止6個月:15.3%)。

銷售成本及毛利

集團截至2017年6月30日止6個月之整體銷售成本約為2,894,767,000港元(截至2016年6月30日止6個月:2,664,540,000港元),整體毛利率為9.9%(截至2016年6月30日止6個月:13.4%)。

回顧期內,本集團的營業額上升4.4%,主要是由於面料銷售量增加約13.6%。而毛利率遜於去年同期,主要原因為面料平均售價比去年同期下跌以及能源成本上漲。

分銷及銷售費用

集團截至2017年6月30日止6個月之整體分銷及銷售費用約為75,595,000港元(截至2016年6月30日止6個月:86,194,000港元),佔集團營業額總值的2.4%(截至2016年6月30日止6個月:2.8%)。

FINANCIAL REVIEW (continued) 財務回顧(續)

Administrative Expenses

For the six months ended 30 June 2017, the Group's overall administrative expenses amounted to approximately HK\$190,239,000 (six months ended 30 June 2016: HK\$216,756,000), accounted for 5.9% (six months ended 30 June 2016: 7.0%) of the Group's total revenue.

Compared with the same period of last year, the percentage of distribution and selling expenses and administrative expenses to the Group's total revenue decreased as a result of effective control of internal costs.

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

For the six months ended 30 June 2017, the Group's EBITDA amounted to approximately HK\$186,227,000 (six months ended 30 June 2016: HK\$186,639,000) and the EBITDA margin was 5.8% (six months ended 30 June 2016: 6.1%).

Finance Costs

For the six months ended 30 June 2017, the Group's finance costs amounted to approximately HK\$11,193,000 (six months ended 30 June 2016: HK\$10,499,000), represented 0.3% (six months ended 30 June 2016: 0.3%) of the Group's total revenue.

Capital Expenditure

For the six months ended 30 June 2017, the Group invested approximately HK\$86,607,000 (six months ended 30 June 2016: HK\$96,200,000) in additions of property, plant and equipment. The Group expects the capital expenditure for the whole financial year will be approximately HK\$200,000,000.

Income Tax Expense

For the six months ended 30 June 2017, income tax expense of the Group amounted to approximately HK\$9,872,000 (six months ended 30 June 2016: HK\$11,416,000).

行政費用

集團截至2017年6月30日止6個月之整體行政費用約為190,239,000港元(截至2016年6月30日止6個月:216,756,000港元),佔集團營業額總值的5.9%(截至2016年6月30日止6個月:7.0%)。

與去年同期相比,分銷及銷售費用和行政費用佔集團營業額總值之百分比均有下降,主要是由於有效控制內部成本所致。

息稅折舊及攤銷前利潤(EBITDA)

集團截至2017年6月30日止6個月之息稅折舊及攤銷前利潤約為186,227,000港元(截至2016年6月30日止6個月:186,639,000港元),息稅折舊及攤銷前利潤率為5.8%(截至2016年6月30日止6個月:6.1%)。

融資成本

集團截至2017年6月30日止6個月之融資成本約為11,193,000港元(截至2016年6月30日止6個月:10,499,000港元),佔集團營業額總值的0.3%(截至2016年6月30日止6個月:0.3%)。

資本開支

截至2017年6月30日止6個月,集團已投資約86,607,000港元(截至2016年6月30日止6個月:96,200,000港元)以增加物業、機器及設備。集團預期整個財政年度的資本開支將約為200,000,000港元。

所得稅支出

集團截至2017年6月30日止6個月之所得稅支出約為9,872,000港元(截至2016年6月30日止6個月:11,416,000港元)。

FINANCIAL REVIEW (continued) 財務回顧(續)

Liquidity and Financial Resources

At 30 June 2017, the Group's net assets amounted to approximately HK\$3,440,770,000 (31 December 2016: HK\$3,453,645,000). The key figures of financial position were as follows:

資金流動性及財政資源

於2017年6月30日，集團資產淨值約為3,440,770,000港元(2016年12月31日：3,453,645,000港元)。財務狀況的主要資料如下：

		At 30 June 於6月30日 2017 HK\$'000 千港元	At 31 December 於12月31日 2016 HK\$'000 千港元
Non-current assets	非流動資產	1,732,809	1,738,318
Current assets	流動資產	3,810,237	3,633,297
Total assets	資產總值	5,543,046	5,371,615
Current liabilities	流動負債	1,795,516	1,671,279
Non-current liabilities	非流動負債	306,760	246,691
Total liabilities	負債總值	2,102,276	1,917,970
Net assets	資產淨值	3,440,770	3,453,645

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

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 30 June 2017, the principal financial covenant figures/ratios (according to the banks' definitions) were as follows:

於2017年6月30日，主要的財務契約數據／比率(根據銀行的定義)如下：

		At 30 June 於6月30日 2017	At 31 December 於12月31日 2016
Consolidated tangible net worth	綜合淨有形資產	HK\$3,137,199,000	HK\$3,067,813,000
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	0.2	0.2
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	16.6	17.9
Consolidated current assets to consolidated current liabilities	綜合流動資產對 綜合流動負債比例	2.1	2.2
Consolidated capital expenditure	綜合資本開支	HK\$86,607,000	HK\$256,485,000

FINANCIAL REVIEW (continued) 財務回顧 (續)

Risk Management

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

The sale and the purchase of raw materials of the Group were mainly denominated in HKD, USD and RMB. Since the Group mainly carries out production in China, we are exposed to foreign exchange risk arising from RMB exposure. As a result of persistent fluctuations in the RMB exchange rate, the Group has been closely monitoring the exchange rate fluctuation for USD and RMB and will continue to monitor the trend of the exchange rate and adopt appropriate measures in order to mitigate the foreign currency risk in a cautious manner.

In addition, bank borrowings of the Group were denominated in HKD and USD and interests were mainly charged on a floating rate basis. Since the market expects that the interest rates in the United States might rise in the coming year, the Group will continue to monitor the interest rates fluctuation in the market and will adopt appropriate measures to minimise the interest rate risk.

EMPLOYEES AND REMUNERATION POLICIES 僱員及酬金政策

As at 30 June 2017, the Group had approximately 10,170 (30 June 2016: 11,900) full-time employees. The Group will continue to implement streamlined production so as to further minimize our labour cost. The Group's emolument policies are formulated on the performance of individual employee and the salary trends in various regions, which are reviewed regularly. Subject to the Group's profitability, the Group may also distribute a 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.

風險管理

集團會依據嚴格及審慎的風險管理政策應對外匯及利率風險。

集團之銷售和原料採購以港元、美元及人民幣為主。而主要的生產基地位於中國，故涉及人民幣所產生之外匯風險。由於人民幣匯率持續波動，集團一直密切監察美元及人民幣匯率的變動，會採取謹慎的方法，適時審視匯率的走勢，安排合適的措施以減低風險。

此外，集團的銀行借貸以港元和美元為單位，利息主要以浮動利率計算。由於市場預期美國於來年仍有加息的可能，本集團將繼續留意市場的利率波動，並安排合適的措施以減低利率上升的風險。

集團於2017年6月30日之全職僱員人數約為10,170人(2016年6月30日：11,900人)。本集團將繼續實施精簡生產，以盡量減少勞動力成本。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制定並定期作出檢討。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購股權計劃，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。

DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2017, the interests and short positions of the directors of the Company (“Directors”) and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”), which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), (b) to be entered in the register referred to therein (the “Register”) pursuant to section 352 of the SFO, or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”), were as follows:

Long positions in shares of the Company (the “Shares”) and underlying Shares:

Name of Director	Number of Shares Held	Capacity	Approximate % of the Issued Shares
董事姓名	持有股份數目	身份	約佔已發行股本百分比
Dr. YEN Gordon 嚴震銘博士	8,380,000	Beneficial owner 實益擁有人	0.70

Long positions in underlying Shares – Share Options:

Name of Director	Date of Grant	Vesting and Exercise Period	Number of Underlying Shares Comprised in Share Options
董事姓名	授出日期	有效及行使期	購股權所包含之相關股份數目
Dr. YEN Gordon 嚴震銘博士	18.08.2011	19.08.2012 – 18.08.2017 (Note) (附註)	1,320,000

Note: All share options are exercisable at the end of the period under review.

Save as disclosed above, as at 30 June 2017, none of the Directors and the chief executive of the Company had any interest or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), (a) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or (b) which were recorded in the Register or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

董事之證券權益

於2017年6月30日，本公司董事（「董事」）及本公司行政總裁於本公司或其任何相聯法團（具有香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部所賦予之涵義）之股份、相關股份及債權證中擁有須(a)按證券及期貨條例第XV部第7及8分部通知本公司及聯交所之權益及淡倉（包括根據證券及期貨條例之有關規定彼等被當作或視為擁有之權益及淡倉）；(b)根據證券及期貨條例第352條記錄於該條所述之名冊（「名冊」）之權益及淡倉；或(c)按上市規則附錄10所載上市公司董事進行證券交易之標準守則（「標準守則」）通知本公司及聯交所之權益及淡倉如下：

於本公司之股份（「股份」）及相關股份的好倉情況：

於相關股份的好倉情況－購股權：

附註： 於回顧期結內可行使所有購股權。

除上述披露者外，於2017年6月30日，董事及本公司行政總裁概無於本公司或其任何相聯法團（具有證券及期貨條例第XV部所賦予之涵義）擁有任何股份、相關股份或債權證中(a)按證券及期貨條例第XV部第7及8分部已通知本公司及聯交所之權益及淡倉（包括根據證券及期貨條例之有關規定彼等被當作或視為擁有之權益及淡倉）或(b)記錄於名冊內或(c)按標準守則須通知本公司及聯交所之任何權益或淡倉。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS

主要股東及其他人士權益

As at 30 June 2017, the following persons/entities (other than the Directors or the chief executive of the Company), had interests and short positions in the Shares and underlying Shares as recorded in the register of interests of the substantial shareholders required to be kept by the Company pursuant to section 336 of the SFO (the "Substantial Shareholders' Register").

於2017年6月30日，以下人士／實體（董事或本公司行政總裁除外）於股份及相關股份中擁有本公司按證券及期貨條例第336條須存置之主要股東權益名冊（「主要股東名冊」）所記錄之權益及淡倉。

Long positions in Shares and underlying Shares:

於股份及相關股份的好倉情況：

Name of Substantial Shareholders	Number of Shares Held	Capacity	Approximate % of the Issued Shares
主要股東名稱	持有股份數目	身份	約佔已發行股本百分比
Chinatex Corporation ("Chinatex") 中國中紡集團公司（「中紡」）	433,494,000 (Notes 1 and 2) (附註1及2)	Interest of controlled corporations 控制法團的權益	35.97
Chinatex Yieldfull Investment Co., Ltd. ("Yieldfull") 中紡盈豐投資管理有限公司（「盈豐」）	409,036,000 (Note 1) (附註1)	Beneficial owner 實益擁有人	33.94
Chinatex Jinhui Investment Management Co., Ltd. ("Jinhui") 中紡錦輝投資管理有限責任公司（「錦輝」）	409,036,000 (Note 1) (附註1)	Interest of a controlled corporation 控制法團的權益	33.94
Mr. HA Chung Fong 夏松芳先生	104,944,000 (Note 3) (附註3)	Beneficial owner 實益擁有人	8.71
	69,160,948 (Notes 3 and 5) (附註3及5)	Other interests 其他權益	5.74
Ms. TANG Kuen Mui 鄧娟妹女士	174,104,948 (Note 3) (附註3)	Spouse's interests 配偶權益	14.45
Super Brilliance Company Limited ("Super Brilliance")	69,160,948 (Notes 4 and 5) (附註4及5)	Beneficial owner 實益擁有人	5.74
Island Treasure Investments Limited ("Island Treasure")	69,160,948 (Notes 4 and 5) (附註4及5)	Interest of a controlled corporation 控制法團的權益	5.74
Onwide (H.K.) Limited ("Onwide") 安和（香港）有限公司（「安和」）	69,160,948 (Notes 4 and 5) (附註4及5)	Trustee 受託人	5.74
Mr. WONG Tak Leung, Charles 王德良先生	69,160,948 (Notes 4 and 5) (附註4及5)	Interest of controlled corporations 控制法團的權益	5.74

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS (continued) 主要股東及其他人士權益(續)

Notes:

1. Yieldfull is a wholly-owned subsidiary of Jinhui and Jinhui is a wholly-owned subsidiary of Chinatex. Therefore, each of Jinhui and Chinatex is deemed to be interested in the Shares held by Yieldfull.
2. As at 30 June 2017, Chinatex (H.K.) Holding Limited held 24,458,000 Shares as beneficial owner. Chinatex (H.K.) Holding Limited is a wholly-owned subsidiary of Chinatex. Chinatex is deemed to be interested in the Shares held by Chinatex (H.K.) Holding Limited.
3. Ms. TANG Kuen Mui, spouse of Mr. HA Chung Fong, is deemed to be interested in the Shares held by Mr. HA Chung Fong.
4. Super Brilliance is a wholly-owned subsidiary of Island Treasure, Island Treasure is a wholly-owned subsidiary of Onwide and Onwide is owned as to 100% by Mr. WONG Tak Leung, Charles. Therefore, each of Island Treasure, Onwide and Mr. WONG Tak Leung, Charles is deemed to be interested in the Shares held by Super Brilliance.
5. Onwide is the trustee of the HA Trust, a discretionary trust set up by Mr. HA Chung Fong for the benefit of his family.

Save as disclosed above, as at 30 June 2017, the Directors were not aware of any persons who/entities which had any interest or short position in the Shares and underlying Shares (other than a Director or the chief executive of the Company), which were required to be recorded in the Substantial Shareholders' Register under section 336 of the SFO.

SHARE OPTION SCHEME 購股權計劃

The 2011 Scheme

The 2011 Scheme was adopted by the Company pursuant to a shareholders' resolution passed at the extraordinary general meeting held on 20 January 2011. Under the 2011 Scheme, the Board may, at its absolute discretion, grant share options pursuant to the terms of the 2011 Scheme to eligible participants, including, among others, the directors, full-time employees and part-time employees of the Company and its subsidiaries. The 2011 Scheme will expire on 20 January 2021.

The following table discloses movements of the Company's share options granted under the 2011 Scheme during the period under review:

Name of Director	Scheme	Date of Grant	Exercise Price	Outstanding as at 1 January 2017 於2017年 1月1日 尚未行使	Granted during the Period	Exercised during the Period	Lapsed during the Period	Outstanding as at 30 June 2017 於2017年 6月30日 尚未行使
Dr. YEN Gordon 嚴震銘博士	2011 2011年	18 August 2011 2011年8月18日	HK\$1.21 1.21港元	1,320,000	-	-	-	1,320,000
				1,320,000	-	-	-	1,320,000 (Note) (附註)

Note: All outstanding share options are exercisable at the end of the period under review.

附註:

1. 盈豐為錦輝的全資附屬公司，而錦輝為中紡的全資附屬公司，因此，錦輝及中紡各自被視作擁有盈豐所持股份的權益。
2. 於2017年6月30日，中紡(香港)控股有限公司持有24,458,000股股份(作為實益擁有人)。中紡(香港)控股有限公司為中紡的全資附屬公司。因此，中紡被視作擁有中紡(香港)控股有限公司所持股份的權益。
3. 鄧娟妹女士為夏松芳先生的配偶，因而被視作擁有夏松芳先生所持股份的權益。
4. Super Brilliance為Island Treasure的全資附屬公司，Island Treasure為安和的全資附屬公司，而王德良先生擁有安和的全部權益。因此，Island Treasure、安和及王德良先生各自被視作擁有Super Brilliance所持股份的權益。
5. 安和為HA Trust的受託人，HA Trust為夏松芳先生為其家族利益而成立的一項酌情信託。

除上述披露者外，於2017年6月30日，董事並不知悉任何人士／實體(董事或本公司行政總裁除外)於股份及相關股份中擁有須按證券及期貨條例第336條記錄於主要股東名冊之權益或淡倉。

2011年計劃

本公司根據於2011年1月20日舉行之股東特別大會上通過之一項股東決議案採納2011年計劃。2011年計劃下，董事會可根據2011年計劃條款全權酌情向合資格參與者(其中包括本公司及其附屬公司董事、全職僱員及兼職僱員)授出購股權。2011年計劃將於2021年1月20日屆滿。

下表披露本公司於回顧期內根據2011年計劃已授出購股權之變動情況。

附註：於回顧期期結時，可行使所有尚未行使之購股權。

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

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

於回顧期內，本公司及其任何附屬公司並無購回、出售或贖回本公司之任何上市證券。

CORPORATE GOVERNANCE CODE 企業管治守則

Throughout the period from 1 January 2017 to 30 June 2017, the Company has applied the principles of, and complied with, all the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules. However, with effect from 23 January 2015, the Chairman and Executive Director, Mr. ZHAO Yao, has taken up the position of chief executive officer of the Company, details of which were set out in the announcement of the Company dated 23 January 2015. This deviated 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.

由2017年1月1日至2017年6月30日止期間，本公司已應用及一直遵守上市規則附錄14所載之企業管治守則（「企管守則」）之原則及所有適用之守則條文。但自2015年1月23日起，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。

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

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries with all Directors, the Company confirmed that all Directors had complied with the required standard set out in the Model Code for the period under review.

本公司已採納標準守則為其有關董事進行證券交易之守則。經向所有董事作出查詢後，本公司確認所有董事於回顧期內均已遵守標準守則所要求的標準。

AUDIT COMMITTEE'S REVIEW 審核委員會審閱

The Company has established an audit committee of the Board (the "Audit Committee") for the purposes of reviewing and providing supervision over the Company's financial reporting process, risk management and internal controls. The Audit Committee presently comprises 1 non-executive Director and 2 independent non-executive Directors, and 1 of the independent non-executive Directors acts as the chairman of the Audit Committee. The Audit Committee has reviewed the unaudited interim results of the Company for the six months ended 30 June 2017 and this interim report.

本公司已成立董事會審核委員會（「審核委員會」），藉以檢討及監察本公司之財務申報程序、風險管理及內部監控制度。審核委員會現由1名非執行董事及2名獨立非執行董事組成，並由其中1名獨立非執行董事擔任審核委員會主席。審核委員會已審閱本公司截至2017年6月30日止6個月之未經審核中期業績及此中期報告。

By order of the Board
Fountain Set (Holdings) Limited
ZHAO Yao
Chairman and Chief Executive Officer

承董事會命
福田實業（集團）有限公司
趙耀
主席兼行政總裁

Hong Kong
24 August 2017

香港
2017年8月24日

CORPORATE INFORMATION 公司資料

Honorary Chairman

Mr. HA Chung Fong

Board of Directors

Executive Directors

Mr. ZHAO Yao (*Chairman and Chief Executive Officer*)

Mr. CHEN Minghong

Mr. LAN Jiang

Non-Executive Directors

Dr. YEN Gordon

Mr. ZHANG Chong

Independent Non-Executive Directors

Mr. NG Kwok Tung

Mr. YING Wei

Mr. William LAM

Joint Company Secretaries

Ms. CHENG Wai Han Charmaine

Mr. KWOK Siu Man

Registered Office & Principal Place of Business

Block A, 6/F., Eastern Sea Industrial Building
29-39 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong

Website

www.fshl.com

Principal Bankers

Bank of China (Hong Kong) Limited

Hang Seng Bank Limited

China CITIC Bank International Limited

The Hongkong and Shanghai Banking Corporation Limited

Standard Chartered Bank (Hong Kong) Limited

Fubon Bank (Hong Kong) Limited

Solicitors

Peter, Yuen & Associates in association of Fangda Partners

Vivien Chan & Co.

Independent Auditor

BDO Limited

Certified Public Accountants

Share Registrar

Tricor Secretaries Limited

(*resigned with effect from 1 August 2017*)

Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong

Boardroom Share Registrars (HK) Limited

(*appointed with effect from 1 August 2017*)

31/F., 148 Electric Road, North Point, Hong Kong

名譽主席

夏松芳先生

董事會

執行董事

趙耀先生 (*主席兼行政總裁*)

陳鳴洪先生

藍江先生

非執行董事

嚴震銘博士

張湧先生

獨立非執行董事

伍國棟先生

應偉先生

林偉成先生

聯席公司秘書

鄭惠嫻女士

郭兆文先生

註冊辦事處及主要營業地點

香港新界葵涌葵昌路29-39號
東海工業大廈A座6字樓

網址

www.fshl.com

主要往來銀行

中國銀行(香港)有限公司

恒生銀行有限公司

中信銀行(國際)有限公司

香港上海滙豐銀行有限公司

渣打銀行(香港)有限公司

富邦銀行(香港)有限公司

律師

阮保光律師事務所聯營上海市方達律師事務所

陳韻雲律師行

獨立核數師

香港立信德豪會計師事務所有限公司

執業會計師

股份登記處

卓佳秘書商務有限公司

(*自2017年8月1日辭任*)

香港皇后大道東183號合和中心22樓

寶德隆證券登記有限公司

(*自2017年8月1日委任*)

香港北角電氣道148號31樓

SHAREHOLDER INFORMATION 股東資料

Listing : Listed on the Main Board of
The Stock Exchange of Hong Kong Limited
since 20 April 1988

Stock Code : 420

Board Lot : 2,000

Shares Issued : 1,205,026,960

上市 : 自1988年4月20日起
於香港聯合交易所有限公司
主板上市

股份代號 : 420

買賣單位 : 2,000

已發行股份 : 1,205,026,960

Financial Calendar 2017/2018

Financial year end	31 December 2017
2017 interim results announced	24 August 2017
Register of members closed	N/A
Distribution of dividend	N/A
2017 annual results to be announced	Late March 2018

2017/2018年財務日誌

財政年度結算	2017年12月31日
2017中期業績公佈	2017年8月24日
股份暫停登記	不適用
股息派發	不適用
2017年度業績公佈	2018年3月下旬

Shareholder Services

For enquiries about share transfer and registration, please contact the Company's share registrar: Boardroom Share Registrars (HK) Limited
31/F., 148 Electric Road
North Point, Hong Kong
Tel +852 2153 1688
Fax +852 3020 5058

股東服務

任何有關股份過戶及登記的查詢，請聯絡本公司股份過戶登記處：寶德隆證券登記有限公司
香港北角
電氣道148號31樓
電話+852 2153 1688
傳真+852 3020 5058

Investor Relations

Ms. Charmaine CHENG
Joint Company Secretary and
Deputy General Manager
Corporate Governance Department
Block A, 6/F., Eastern Sea Industrial Building
29-39 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong
Tel +852 3478 6267
Email pr@fshl.com

投資者關係

鄭惠嫻女士
聯席公司秘書兼
企業管治部
副總經理
香港新界葵涌葵昌路29-39號
東海工業大廈A座6字樓
電話+852 3478 6267
電郵pr@fshl.com

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FOUNTAIN SET (HOLDINGS) LIMITED
福田實業（集團）有限公司

Block A, 6/F, Eastern Sea Industrial Building
29-39 Kwai Cheong Road, Kwai Chung
New Territories, Hong Kong

香港新界葵涌葵昌路29-39號
東海工業大廈A座6樓

Tel 電話 +852 2485 1881

Fountain Set has overseas marketing/representative offices in the following locations. Addresses, phone numbers and fax numbers are listed at www.fshl.com

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

Ho Chi Minh City • London • Seoul • Shanghai • Tokyo
胡志明市 • 倫敦 • 首爾 • 上海 • 東京

Production facilities are set up in the following countries:
於下列國家設有生產設施:

Cambodia • China • Indonesia • Sri Lanka
柬埔寨 • 中國 • 印尼 • 斯里蘭卡



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