



福田實業(集團)有限公司
Fountain Set (Holdings) Limited

(Incorporated in Hong Kong with limited liability)
(於香港註冊成立的有限公司)
SEHK 股份代號：420

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

2020
Interim Report
中期報告

GROUP PROFILE

About Fountain Set (Holdings) Limited (the “Company”) and its subsidiaries (the “Fountain Set Group”) (Stock Code: 00420.HK)

One of the world’s largest and long-established fabric manufacturers, the Fountain Set Group produces knitted fabric and garments through vertically integrated operations in fabric knitting, dyeing, printing, finishing and garment manufacturing, for many of the renowned apparel retailers and brands.

As a strong believer of research and development, we collaborate with brands and suppliers to develop innovative and creative fabric and garment products to consumers all over the world. Headquartered in Hong Kong and listed on the Main Board of The Stock Exchange of Hong Kong Limited, the Fountain Set Group has a total of 8 production facilities in the People’s Republic of China (the “PRC”), Sri Lanka and Indonesia, with marketing and representative offices in 4 countries and a global staff force of close to 7,700 strong.

Chinatex Corporation Limited, a wholly-owned subsidiary of COFCO Corporation, has become the largest shareholder of the Company since 2012. COFCO Corporation 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 Limited, 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(「本公司」)及其附屬公司(「福田集團」)(股份代號: 00420, 香港)

福田集團為一家世界最大及歷史悠久的針織面料生產商之一, 提供針織、染色、印花、整理及成衣製造等高度垂直綜合服務為許多知名服裝零售商和品牌製造針織面料及成衣。

作為研發的堅信者, 我們與品牌和供應商合作, 為世界各地的消費者開發創新和創意的面料及成衣產品。福田集團總部位於香港, 並於香港聯合交易所有限公司主板上市, 其於中華人民共和國(「中國」)、斯里蘭卡及印尼共設有8個生產設施, 市場推廣辦事處及代表處分佈4個國家, 全球員工接近7,700人。

中國中紡集團有限公司為中糧集團有限公司的全資附屬公司, 從2012年起, 成為本公司第一大股東。中糧集團有限公司乃一間於中國成立之國有企業, 並為中國國務院國有資產監督管理委員會之直接全資附屬公司。

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有限公司資料, 請瀏覽www.chinatex.com

欲知更多中糧集團有限公司資料, 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)

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)

INTRODUCTION

We have reviewed the interim condensed consolidated financial statements set out on pages 3 to 31 which comprise the condensed consolidated statement of financial position of Fountain Set (Holdings) Limited and its subsidiaries (collectively referred to as the “Group”) as of 30 June 2020 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 a summary of significant accounting policies and other explanatory notes (the “interim condensed consolidated financial statements”). The 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 are responsible for the preparation and presentation of the interim condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on the interim condensed consolidated financial statements 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.

引言

本行已審閱載於第3至31頁之中期簡明綜合財務報表，當中包括福田實業(集團)有限公司及其附屬公司(統稱「貴集團」)於2020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，以及主要會計政策概要及其他附註解釋(「中期簡明綜合財務報表」)。香港聯合交易所有限公司證券上市規則規定，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」)。董事須負責根據香港會計準則第34號編製及呈列此中期簡明綜合財務報表。本行之責任乃根據本行之審閱結果就中期簡明綜合財務報表提出結論。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。

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 inquiries, 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.

審閱範圍

本行已根據頒佈之《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主要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 condensed consolidated financial statements is not prepared, in all material respects, in accordance with HKAS 34.

BDO Limited

Certified Public Accountants

Lam Pik Wah

Practising Certificate Number P05325

Hong Kong, 21 August 2020

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簡明綜合財務報表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

林碧華

執業證書編號P05325

香港，2020年8月21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	
		2020	2019
		HK\$'000 千港元	HK\$'000 千港元
	Notes 附註		
Revenue	營業額	6	2,099,734
Cost of sales	銷售成本		3,388,393
			(1,886,090)
Gross profit	毛利		416,904
Other revenue	其他收入		32,013
Other gains and losses	其他收益及虧損		(18,345)
Distribution and selling expenses	分銷及銷售費用		(52,896)
Administrative expenses	行政費用		(172,999)
Finance costs	融資成本	7	(10,800)
Share of profit of an associate	應佔一間聯營公司之盈利		226
(Loss)/profit before income tax expense	除所得稅支出前(虧損)/盈利		(9,211)
Income tax expense	所得稅支出	8	(7,221)
(Loss)/profit for the period	是期間(虧損)/盈利	9	(16,432)
(Loss)/profit for the period attributable to:	應佔是期間(虧損)/盈利:		
Owners of the Company	本公司擁有人		(15,154)
Non-controlling interests	非控股權益		(1,278)
			(16,432)
			90,597
			HK cents 港仙
(Loss)/earnings per share	每股(虧損)/盈利		
– Basic	– 基本	11	(1.2)
			6.8
– Diluted	– 攤薄	11	(1.2)
			6.8

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		
		2020	2019	
		HK\$'000 千港元	HK\$'000 千港元	
	Note 附註			
(Loss)/profit for the period	是期間(虧損)/盈利	9	(16,432)	90,597
Other comprehensive loss, net of tax	其他全面虧損(經扣除稅項)			
Item that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目:			
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額			
		(8,241)	(2,022)	
Other comprehensive loss for the period	是期間其他全面虧損			
		(8,241)	(2,022)	
Total comprehensive (loss)/income for the period	是期間全面(虧損)/收益總值			
		(24,673)	88,575	
Total comprehensive (loss)/income for the period attributable to:	應佔是期間全面(虧損)/收益總值:			
Owners of the Company	本公司擁有人			
Non-controlling interests	非控股權益			
		(21,280)	81,420	
		(3,393)	7,155	
		(24,673)	88,575	

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

		(Unaudited) (未經審核)	(Audited) (經審核)
		At 30 June 於6月30日 2020	At 31 December 於12月31日 2019
		HK\$'000 千港元	HK\$'000 千港元
		Notes 附註	
Non-current assets	非流動資產		
Investment properties	投資物業	49,181	51,545
Property, plant and equipment	物業、機器及設備	1,398,589	1,435,486
Right-of-use assets	使用權資產	230,068	244,479
Other intangible assets	其他無形資產	10,553	12,060
Deposit paid for purchase of plant and equipment	購買機器及設備的已付按金	12,506	17,879
Interest in an associate	於一間聯營公司之權益	20,762	20,537
Deferred tax assets	遞延稅項資產	55,308	53,819
		1,776,967	1,835,805
Current assets	流動資產		
Inventories	存貨	970,180	1,255,906
Trade and bills receivables	營業及票據應收款項	1,046,861	1,129,994
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	112,990	127,564
Tax recoverable	可收回稅項	456	2,223
Restricted bank deposits	受限制銀行存款	9,445	8,055
Short-term bank deposits	短期銀行存款	225,759	168,175
Bank balances and cash	銀行結餘及現金	896,481	769,178
		3,262,172	3,461,095
Current liabilities	流動負債		
Trade and bills payables	營業及票據應付款項	445,398	823,798
Other payables and accruals	其他應付款項及應計費用	205,135	266,863
Contract liabilities	合約負債	14,729	15,315
Lease liabilities – current portion	租賃負債 – 流動部份	32,896	31,053
Amounts due to non-controlling shareholders	欠非控股股東款項	66,490	80,100
Amount due to an associate	欠一間聯營公司款項	5,204	7,179
Deferred income – current portion	遞延收入 – 流動部份	1,622	1,622
Tax payable	應付稅項	22,038	37,800
Bank borrowings – due within one year	銀行借貸 – 一年內到期	504,181	67,923
		1,297,693	1,331,653
Net current assets	流動資產淨值	1,964,479	2,129,442
Total assets less current liabilities	資產總值減流動負債	3,741,446	3,965,247

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 2020 HK\$'000 千港元	(Audited) (經審核) At 31 December 於12月31日 2019 HK\$'000 千港元
		Notes 附註		
Non-current liabilities	非流動負債			
Deferred income – non-current portion	遞延收入 – 非流動部份		54,935	55,745
Bank borrowings – due after one year	銀行借貸 – 一年後到期	17	99,334	154,459
Lease liabilities – non-current portion	租賃負債 – 非流動部份		145,472	158,783
Deferred tax liabilities	遞延稅項負債		9,215	11,204
			308,956	380,191
Net assets	資產淨值		3,432,490	3,585,056
Capital and reserves	資本及儲備			
Share capital	股本	18	889,810	889,810
Reserves	儲備		2,380,478	2,529,651
Equity attributable to owners of the Company	本公司擁有人應佔權益		3,270,288	3,419,461
Non-controlling interests	非控股權益		162,202	165,595
Total equity	權益總值		3,432,490	3,585,056

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	Translation reserve	Share options reserve	Statutory reserves	Retained earnings	Total	Non-controlling interests	Total equity
		股本 HK\$'000 千港元	匯兌儲備 HK\$'000 千港元	購股權儲備 HK\$'000 千港元	法定儲備 HK\$'000 千港元	滾存盈利 HK\$'000 千港元	總值 HK\$'000 千港元	非控股權益 HK\$'000 千港元	權益總值 HK\$'000 千港元
At 1 January 2020 (audited)	於2020年1月1日(經審核)	889,810	(53,224)	607	100,118	2,482,150	3,419,461	165,595	3,585,056
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	(6,126)	-	-	-	(6,126)	(2,115)	(8,241)
Loss for the period	是期間虧損	-	-	-	-	(15,154)	(15,154)	(1,278)	(16,432)
Total comprehensive loss for the period	是期間全面虧損總值	-	(6,126)	-	-	(15,154)	(21,280)	(3,393)	(24,673)
Dividend recognised as distribution	已確認為分派之股息	-	-	-	-	(127,893)	(127,893)	-	(127,893)
Transfer from share options reserve to retained earnings	由購股權儲備調撥至滾存盈利	-	-	(607)	-	607	-	-	-
At 30 June 2020 (unaudited)	於2020年6月30日(未經審核)	889,810	(59,350)	-	100,118	2,339,710	3,270,288	162,202	3,432,490

		Attributable to owners of the Company 本公司擁有人應佔							
		Share capital	Translation reserve	Share options reserve	Statutory reserves	Retained earnings	Total	Non-controlling interests	Total equity
		股本 HK\$'000 千港元	匯兌儲備 HK\$'000 千港元	購股權儲備 HK\$'000 千港元	法定儲備 HK\$'000 千港元	滾存盈利 HK\$'000 千港元	總值 HK\$'000 千港元	非控股權益 HK\$'000 千港元	權益總值 HK\$'000 千港元
At 1 January 2019 as originally presented (audited)	於2019年1月1日·按原先呈列(經審核)	865,716	(47,400)	2,597	89,382	2,522,505	3,432,800	168,445	3,601,245
Initial application of HKFRS 16	初始應用香港財務報告準則第16號	-	28	-	-	(24,407)	(24,379)	(11)	(24,390)
Restated balance at 1 January 2019	於2019年1月1日之經重列結餘	865,716	(47,372)	2,597	89,382	2,498,098	3,408,421	168,434	3,576,855
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	(1,265)	-	-	-	(1,265)	(757)	(2,022)
Profit for the period	是期間盈利	-	-	-	-	82,685	82,685	7,912	90,597
Total comprehensive income for the period	是期間全面收益總值	-	(1,265)	-	-	82,685	81,420	7,155	88,575
Equity-settled share-based payments	以權益結算以股份為基礎之付款	-	-	133	-	-	133	-	133
Exercise of share options	行使購股權	21,022	-	(1,826)	-	-	19,196	-	19,196
Dividend recognised as distribution	已確認為分派之股息	-	-	-	-	(146,330)	(146,330)	-	(146,330)
Transfer from retained earnings to statutory reserves	由滾存盈利調撥至法定儲備	-	-	-	555	(555)	-	-	-
Transfer from share options reserve to retained earnings	由購股權儲備調撥至滾存盈利	-	-	(30)	-	30	-	-	-
At 30 June 2019 (unaudited)	於2019年6月30日(未經審核)	886,738	(48,637)	874	89,937	2,433,928	3,362,840	175,589	3,538,429

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	
		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Net cash (used in)/generated from operating activities	營運項目(所用)／所得的現金淨值	(2,608)	221,091
Net cash used in investing activities:	投資項目所用的現金淨值：		
Purchases of property, plant and equipment	購買物業、機器及設備	(42,883)	(43,295)
Other investing cash flows	其他投資之現金流量	12,493	10,828
		(30,390)	(32,467)
Net cash generated from/(used in) financing activities:	融資項目所得／(所用)的現金淨值：		
New bank borrowings raised	新籌集之銀行借貸	432,426	742,590
Repayment of bank borrowings	償還銀行借貸	(51,560)	(814,558)
Dividends paid	已付股息	(127,893)	(146,330)
Repayment of principal portion of the lease liabilities	償還租賃負債之本金部份	(9,581)	(10,408)
Payment of interest portion of the lease liabilities	支付租賃負債之利息部份	(4,534)	(5,173)
Other financing cash flows	其他融資之現金流量	(18,157)	4,685
		220,701	(229,194)
Net increase/(decrease) in cash and cash equivalents	現金及等同現金項目的增加／(減少)淨值	187,703	(40,570)
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	937,353	975,666
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	(2,816)	(518)
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	1,122,240	934,578
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	225,759	119,023
Bank balances and cash	銀行結餘及現金	896,481	815,555
		1,122,240	934,578

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 issued shares are listed on The Stock Exchange of Hong Kong Limited (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 2019 that is included in this Interim Report 2020 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 Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (the “Companies Ordinance”) is as follows:

The Company has delivered the statutory annual consolidated financial statements for the year ended 31 December 2019 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

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 Companies Ordinance.

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，其已發行股份於香港聯合交易所有限公司（「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。

本2020年中期報告所載作為比較資料之有關截至2019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。有關根據香港法例第622章公司條例（「公司條例」）第436條須予披露之該等法定財務報表之進一步資料如下：

本公司已根據公司條例第662(3)條及附表6第3部規定向公司註冊處處長呈交截至2019年12月31日止年度之法定年度綜合財務報表。

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；及並無載有根據公司條例第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. IMPACTS OF COVID-19 PANDEMIC

The World Health Organisation declared the novel coronavirus disease 2019 (the “COVID-19”) a global health emergency on 30 January 2020. Since then, the Group has experienced significant effects on its operations.

The significant events and transactions that have occurred since 31 December 2019 relate to the effects of the global pandemic on the Group’s condensed consolidated interim financial statements for the six months ended 30 June 2020 and are summarised as follows:

(a) Impairment assessment of non-financial assets

Several cash generating units (the “CGUs”) of the Group related to dyed fabrics, yarns and garments production were tested for impairment. The recoverable amount of all CGUs is the higher of fair value less costs of disposal and value in use. Value in use was higher in all cases due to the nature of the assets included in the carrying amount of the CGUs.

Recoverable amounts exceeded the carrying amounts in these CGUs based on cash flow forecast, which was probability weighted based on different scenarios taken into account the length of continuation and magnitude of the COVID-19 pandemic.

(b) Rent concession received from lessors

The Group has received rent concessions from lessors due to the COVID-19 pandemic in the form of rent relief (e.g. reductions in rent contractually due under the terms of lease agreements).

As discussed in note 4, the Group has elected to early apply the practical expedient introduced by the amendment to Hong Kong Financial Reporting Standard (“HKFRS”) 16 to all rent concessions that satisfy the criteria. Substantially all of the rent concessions entered into during the six-month period ended 30 June 2020 satisfy the criteria to apply the practical expedient.

The application of the practical expedient has resulted in the reduction of total lease liabilities of HK\$1,813,000. The effect of this reduction has been recorded as negative variable lease payments in profit or loss in the period in which the event or condition that triggers those payments occurs.

3. COVID-19大流行之影響

世界衛生組織於2020年1月30日宣佈2019年新型冠狀病毒病(「COVID-19」)為國際公共衛生緊急事件。自此，本集團之營運遭受重大影響。

自2019年12月31日以來就全球疫情對本集團截至2020年6月30日止6個月之簡明綜合中期財務報表所產生影響相關已發生之重大事件及交易概述如下：

(a) 非金融資產之減值評估

本集團對與色布、紗及成衣生產有關之若干現金產生單位(「現金產生單位」)已作出減值測試。所有現金產生單位之可收回金額乃公平價值減出售成本與使用價值兩者之間之較高者。因計入現金產生單位賬面值之資產之性質使然，於任何情況下使用價值均為較高者。

根據預測現金流量計算，該等現金產生單位內之可收回金額均超過其賬面值，該結果乃基於不同情況下之加權概率，經計及COVID-19大流行之持續時間及嚴重程度而作出。

(b) 出租人之租金優惠

本集團因COVID-19大流行而收到出租人的租金優惠，方式為減免租金(如：減少根據租賃協議條款到期應付的合約租金)。

誠如附註4所討論，本集團已選擇對符合標準之所有租金優惠提早應用香港財務報告準則(「香港財務報告準則」)第16號之修訂本所引入之可行權宜法。基本上所有於截至2020年6月30日止6個月期間訂立之租金優惠均符合標準應用可行權宜法。

應用可行權宜法已導致租賃負債總額減少1,813,000港元。此減少之影響已於導致該等付款之事件或條件產生期間於損益內入賬作為負浮動租賃付款。

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

3. IMPACTS OF COVID-19 PANDEMIC (continued)

(c) Government grants

The Group applied for government support programs introduced in response to the COVID-19 pandemic. Included in profit or loss is HK\$4,608,000 of government grants obtained relating to supporting the payroll of the Group's employees from the Hong Kong Government. The Group has elected to present this government grant separately, rather than reducing the related expense. The Group had to commit to spending the assistance on payroll expenses, and not to reduce employee head count below prescribed levels for a specified period of time. The Group does not have any unfulfilled obligations relating to this program.

4. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost basis. These condensed consolidated financial statements have been prepared with the same accounting policies adopted in the 2019 annual financial statements, except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 January 2020.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations issued by the HKICPA, which are effective for the Group's financial year beginning on 1 January 2020.

Amendments to HKFRS 3 Definition of a Business

Amendments to HKFRS 7, Interest Rate Benchmark Reform
HKFRS 9 and HKAS 39

Amendments to HKAS 1 Definition of Material
and HKAS 8 Conceptual
Framework for Financial
Reporting (Revised)

The new and revised standards, amendments and interpretations that are effective from 1 January 2020 did not have any significant impact on the Group's accounting policies.

3. COVID-19大流行之影響(續)

(c) 政府補貼

本集團申請應對COVID-19大流行而引入之政府支持計劃。就支持本集團支付僱員之工資而取得香港政府之政府補貼4,608,000港元計入損益。本集團選擇單獨呈列該政府補貼，而非減少相關開支。本集團須承諾將補貼用於支付工資開支，且於特定期間內不可將員工人數減少至低於所規定的水平。本集團就該計劃並無任何尚未履行之責任。

4. 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。此等簡明綜合財務報表所採用之會計政策與編製2019年全年財務報表所採用者相同，惟與開始期間於2020年1月1日或之後首次生效的新訂準則或詮釋相關的會計政策除外。

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2020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。

香港財務報告準則 業務的定義
第3號之修訂本

香港財務報告準則第7號、 利率基準改革
香港財務報告準則第9號
及香港會計準則第39號
之修訂本

香港會計準則第1號 重大的定義
及香港會計準則第8號
財務報告之概念框架
之修訂本(經修訂)

自2020年1月1日起生效之新訂及經修訂準則、修訂本及詮釋並無對本集團之會計政策造成任何重大影響。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註(續)

4. PRINCIPAL ACCOUNTING POLICIES (continued)

The following amendments to HKAS and HKFRS, potentially relevant to the Group's condensed consolidated financial statements, have been issued, but are not yet effective. Except for the amendment to HKFRS 16 COVID-19-Related Rent Concessions, the other amendments have not been early adopted by the Group.

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
------------------------------------	--

Amendment to HKFRS 16	COVID-19-Related Rent Concessions ²
-----------------------	--

¹ The amendments were originally intended to be effective for annual 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.

² The amendment was issued in June 2020 and is effective for annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including interim or annual financial statements not yet authorised for issue as at 4 June 2020.

Amendment to HKFRS 16 – COVID-19-Related Rent Concessions

The Group elected to early adopt the amendment to HKFRS 16 COVID-19-Related Rent Concessions from the interim period beginning on 1 January 2020.

The amendment allows, as a practical expedient, a lessee to elect not to assess whether a rent concession that meets the conditions below is a lease modification.

A lessee that makes this election shall account for any change in lease payments resulting from the rent concession in the same way it would account for the change in applying HKFRS 16 as if the change was not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

4. 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香港會計準則及香港財務報告準則之修訂本已經頒佈，惟尚未生效。除香港財務報告準則第16號之修訂本－與COVID-19有關的租金優惠之外，其他修訂本未經本集團提早採納。

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 ¹
-----------------------------	---------------------------------------

香港財務報告準則第16號之修訂本	與COVID-19有關的租金優惠 ²
------------------	-------------------------------

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

² 該修訂已於2020年6月發佈且於2020年6月1日或之後開始之年度報告期間生效。該修訂允許提早應用，包括於2020年6月4日未經授權發佈的中期或年度財務報表。

香港財務報告準則第16號之修訂本－與COVID-19有關的租金優惠

本集團於2020年1月1日開始之中期期間選擇提前採納香港財務報告準則第16號之修訂本－與COVID-19有關的租金優惠。

此修訂容許，作為可行權宜方法，承租人選擇不評估符合以下條件的租金優惠是否屬於租賃修改。

承租人作出此選擇後，應將租金優惠產生的租賃付款的任何變動入賬，方法與如該變動並非租賃修改而對應用香港財務報告準則第16號的變動的入賬方法相同。

此可行權宜方法僅在滿足以下所有條件的情況下，才能應用於由於COVID-19大流行的直接影響而產生的租金優惠：

- (i) 租賃付款的變動導致修訂租賃的代價，與緊接變動前的租賃代價大致相同或低於該代價；

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

4. PRINCIPAL ACCOUNTING POLICIES (continued)

Amendment to HKFRS 16 – COVID-19-Related Rent Concessions (continued)

- (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
- (iii) there is no substantive change to other terms and conditions of the lease.

Accounting for the rent concessions as lease modifications would have resulted in the Group remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset. By applying the practical expedient, the Group is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs. The effect of applying the practical expedient is disclosed in note 3(b).

Except as amendment to HKFRS 16 COVID-19-Related Rent Concessions described above, the Group has already commenced an assessment of the impact of adopting the other amendments to HKFRSs and HKASs to the Group. The directors of the Company (the “Directors”) anticipate that the application of these amendments to HKFRSs and HKASs will have no material impact on the Group’s financial performance and positions and/or the disclosures to these condensed consolidated financial statements of the Group.

5. USE OF JUDGEMENTS AND ESTIMATES

In preparing these condensed consolidated interim financial statements, the significant judgements made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2019 annual consolidated financial statements.

However, as disclosed in note 3, the effects of COVID-19 have required significant judgements and estimates to be made, including:

- (a) Whether rent concessions satisfy the criteria to be accounted for using the practical expedient introduced by the amendments to HKFRS 16;
- (b) Assessing whether the entity has reasonable assurance as to whether it will comply with the conditions attached to government grants; and

4. 主要會計政策(續)

香港財務報告準則第16號之修訂本—與COVID-19有關的租金優惠(續)

- (ii) 租賃付款的任何減少僅影響原定於2021年6月30日或之前到期的付款(例如,倘租金優惠導致2021年6月30日或之前租賃付款減少而於2021年6月30日之後租賃付款增加,則其滿足此條件);及
- (iii) 租賃的其他條款及條件並無實質性變動。

將租金優惠入賬作為租賃修改會導致本集團重新計量租賃負債以使用經修訂折現率反映經修訂代價,並存在針對使用權資產而錄得租賃負債變動之影響。透過應用可行權宜法,本集團毋須釐定經修訂折現率,而租賃負債變動之影響於導致租金優惠之事件或條件產生之期間之損益內反映。應用可行權宜方法之影響已於附註3(b)列出。

除上文所述香港財務報告準則第16號之修訂本—與COVID-19有關的租金優惠之外,本集團已開始對採納其他香港財務報告準則及香港會計準則的修訂本對本集團產生的影響進行評估。本公司董事(「董事」)預計應用香港財務報告準則及香港會計準則的該等修訂將不會對本集團的財務表現及狀況及/或本集團的該等簡明綜合財務報表披露資料造成重大影響。

5. 使用判斷及估計

於編製該等簡明綜合中期財務報表過程中,管理層於應用本集團之會計政策及估計不確定因素之主要來源所作出之重大判斷與2019年年度綜合財務報表所應用者相同。

然而,誠如附註3所披露,就COVID-19所產生之影響要求作出重大判斷及估計,包括:

- (a) 租金優惠是否符合使用香港財務報告準則第16號之修訂本所引入之可行權宜方法進行入賬之標準;
- (b) 評估實體是否具有合理理據以證明其將符合政府補貼所附帶之條件;及

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註(續)

5. USE OF JUDGEMENTS AND ESTIMATES (continued)

- (c) Calculating the recoverable amounts for the CGUs that exhibit indicators of impairment as at the period end, and determining the amount of impairment on non-financial assets attributable to the CGUs.

Additionally, while the changes in the following estimates and judgements have not had a material impact on the Group, the effects of COVID-19 have required revisions to:

- (a) Determining the net realisable value of inventory that has become slow moving due to the effects of COVID-19;
- (b) Estimates of customer returns and the determination of the Group's methodology for estimating the transaction price for sales subject to rights of return;
- (c) Estimates of expected credit losses attributable to trade receivable arising from sales to customers on credit terms, including the incorporation of forward-looking information to supplement historical credit loss rates; and
- (d) Assessment of the Group's ability to continue as a going concern. Although the Group has experienced downturns in several segments by location during the period, the Directors do not consider that there are material uncertainties that cast doubt on the Group's going concern status over the course of the next 18 months. This judgement was made with consideration of the Group's liquidity position, given the underlying strength of the statement of financial position, the maturity dates of existing borrowings, the availability of undrawn finance facilities in place, and based on the assumptions and potential scenarios modelled as described in note 3, alongside the Directors' proposed responses to each scenario. Under each scenario, mitigating actions are all within management control, can be initiated as they relate to discretionary spending, and do not impact on the ability to meet demand. No significant structural changes to the business are assumed to be required under each scenario. Under each scenario, after taking mitigating actions as needed, the forecasts indicate that it is appropriate for the going concern basis to be adopted in preparing the interim report and financial statements, and that there are no material uncertainties over the assumptions underpinning this judgement that are required to be disclosed.

5. 使用判斷及估計(續)

- (c) 計算於期終顯示出現減值指標之現金產生單位之可收回金額，並釐定現金產生單位應佔之非金融資產之減值金額。

此外，倘以下估計及判斷之變動並無對本集團產生重大影響，則COVID-19所產生之影響須作出以下修訂：

- (a) 釐定受COVID-19所影響而導致流動緩慢之存貨之可變現淨值；
- (b) 估計客戶退貨並釐定本集團估計具有退貨權之銷售之交易價格之方法；
- (c) 估計於信貸期內自客戶銷售所產生之營業應收賬款應佔之預期信貸虧損，包括載入前瞻性資料以補充過往信貸虧損率；及
- (d) 評估本集團持續經營之能力。儘管本集團於是期間按地理位置劃分之若干分部表現低迷，惟董事認為並不存在會對本集團於未來18個月之持續經營狀況構成疑問的重大不確定性。該判斷乃經考慮本集團之流動資金狀況，及鑑於以下因素作出：財務狀況表之基本實力、現有借款之到期日、具備可用之未提取融資額度，並以附註3所述之假設及所建模的可能情形，以及董事對各個情形提出之應對措施為基準。在各情形下，減輕影響行動均在管理層控制範圍之內，及因其與可支配開支有關而可隨時啟動，且不會影響滿足需求之能力。本集團假設毋須根據各情形對業務作出重大架構變動。在各情形下，相關預測表明，於採取所需之減輕影響行動後，於編製中期報告及財務報表過程中採納持續經營基準乃屬妥當，且支持該判斷之有關假設並不存在重大不確定性而須予以披露。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註(續)

6. REVENUE AND SEGMENT INFORMATION (continued)

Six months ended 30 June 2019 (unaudited)

6. 營業額及分類資料(續)

截至2019年6月30日止6個月(未經審核)

		Hong Kong	The PRC	Taiwan	Korea	Sri Lanka	America	Europe	Others	Segment total	Eliminations	Consolidated
		香港	中國	台灣	韓國	斯里蘭卡	美洲	歐洲	其他地區	分類總值	對銷	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
REVENUE	營業額											
External sales	對外銷售	620,145	811,865	371,465	423,068	421,084	235,010	17,130	488,626	3,388,393	-	3,388,393
Inter-segment sales (note)	分類間銷售(附註)	2,054,130	1,069,574	-	-	143,701	-	-	77,780	3,345,185	(3,345,185)	-
Total segment revenue	分類營業額總值	2,674,275	1,881,439	371,465	423,068	564,785	235,010	17,130	566,406	6,733,578	(3,345,185)	3,388,393
RESULTS	業績											
Segment profit	分類盈利	56,276	88,650	37,783	43,005	34,652	14,945	1,742	48,866			325,919
Interest income	利息收入											4,103
Unallocated income	未分配收入											3,711
Unallocated expenses	未分配支出											(199,280)
Finance costs	融資成本											(19,476)
Share of profit of an associate	應佔一間聯營公司之盈利											286
Profit before income tax expense	除所得稅支出前盈利											115,263

Note: Inter-segment sales are charged at price by 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 of investment properties, property, plant and equipment and other intangible assets, interest income, impairment loss and loss on disposal/written-off of property, plant and equipment, finance costs, share of profit of an associate, etc.. This is the measure reported to the Board for the purposes of resource allocation and performance assessment.

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（包括與非生產有關之僱員福利開支、董事酬金、銀行費用等）、投資物業、物業、機器及設備及其他無形資產之折舊及攤銷、利息收入、物業、機器及設備之減值損失及出售／撇銷虧損、融資成本、應佔一間聯營公司之盈利等。此乃為資源分配及績效評估而向董事會匯報之基準。

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

6. REVENUE AND SEGMENT INFORMATION (continued)

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by products and timing of revenue recognition are as follows:

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Revenue from contracts with customers within the scope of HKFRS 15:	香港財務報告準則第15號範圍內的客戶合同收入:		
Production and sales of dyed fabrics and yarns	製造及銷售色布及紗	1,851,603	2,963,069
Production and sales of garments	製造及銷售成衣	248,131	425,324
		2,099,734	3,388,393
Timing of revenue recognition:	確認收入的時間:		
At a point in time	在某時間點	2,099,734	3,388,393
Transferred over time	隨時間轉移	-	-
		2,099,734	3,388,393

6. 營業額及分類資料(續)

營業額分列

按產品及按確認收入時間劃分的客戶合同收入分列如下:

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Revenue from contracts with customers within the scope of HKFRS 15:	香港財務報告準則第15號範圍內的客戶合同收入:		
Production and sales of dyed fabrics and yarns	製造及銷售色布及紗	1,851,603	2,963,069
Production and sales of garments	製造及銷售成衣	248,131	425,324
		2,099,734	3,388,393
Timing of revenue recognition:	確認收入的時間:		
At a point in time	在某時間點	2,099,734	3,388,393
Transferred over time	隨時間轉移	-	-
		2,099,734	3,388,393

7. FINANCE COSTS

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Finance costs on:	融資成本:		
Bank borrowings	銀行借貸	6,266	14,303
Lease liabilities	租賃負債	4,534	5,173
		10,800	19,476

7. 融資成本

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Finance costs on:	融資成本:		
Bank borrowings	銀行借貸	6,266	14,303
Lease liabilities	租賃負債	4,534	5,173
		10,800	19,476

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註(續)

8. INCOME TAX EXPENSE

8. 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	
		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Current tax:	是期間稅項：		
Hong Kong	香港	152	13,457
The PRC	中國	9,644	12,121
Other jurisdictions	其他司法地區	755	4,110
		10,551	29,688
(Over)/under provision in prior years:	過往年度(超額撥備)/ 撥備不足：		
The PRC	中國	(454)	745
Other jurisdictions	其他司法地區	555	783
		101	1,528
Deferred tax:	遞延稅項：		
Hong Kong	香港	(1,900)	(882)
The PRC	中國	(1,041)	(5,354)
Other jurisdictions	其他司法地區	(490)	(314)
		(3,431)	(6,550)
		7,221	24,666

Under the Hong Kong two-tiered profits tax rates regime, the first HK\$2 million of assessable profits of one subsidiary of the Company, which is a qualifying corporation, is taxed at 8.25% and the remaining assessable profits at 16.5%. The profits of other group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at 16.5%.

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

Pursuant to the relevant laws and regulations in Sri Lanka, the tax rate of Sri Lanka subsidiary is 14%.

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

根據香港利得稅兩級制，本公司一間為合資格企業的附屬公司的首2,000,000港元應課稅盈利之稅率為8.25%，而餘下的應課稅盈利之稅率為16.5%。不符合利得稅兩級制資格的其他集團實體之盈利將繼續按稅率16.5%課稅。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司之稅率為25%。

根據斯里蘭卡有關之法律及法規，斯里蘭卡附屬公司之稅率為14%。

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)

9. (LOSS)/PROFIT FOR THE PERIOD

9. 是期間(虧損)/盈利

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2020 HK\$'000 千港元	2019 HK\$'000 千港元
(Loss)/profit for the period has been arrived at after charging/(crediting):	是期間(虧損)/盈利已扣減/(計入)下列各項:		
Amortisation of other intangible assets	其他無形資產之攤銷	1,508	1,508
Depreciation of investment properties	投資物業之折舊	1,748	1,783
Credit relating to negative variable lease payments not included in the measurement of lease liabilities* (note)	不計入租賃負債計量之負浮動租賃付款相關抵免*(附註)	(1,813)	-
Depreciation and impairment of property, plant and equipment	物業、機器及設備之折舊及減值	80,013	109,144
Depreciation of right-of-use assets	使用權資產之折舊	15,521	14,215
Employee costs (including directors' emoluments)	僱員成本(包括董事酬金)	354,492	492,129
(Gain)/loss on disposal/written-off of property, plant and equipment#	出售/撇銷物業、機器及設備之(收益)/虧損#	(1,440)	897
Government grants*	政府補貼*	(9,081)	(3,227)
Provision for impairment loss on trade and bills receivables, net#	營業及票據應收款項之減值損失撥備淨值#	11,858	9,370
Interest income*	利息收入*	(3,856)	(4,103)
Net exchange losses/(gains)#	匯兌虧損/(收益)淨值#	7,927	(2,727)
Net rental income from investment properties*	投資物業之租金收入淨值*	(5,643)	(5,201)

* Included in other revenue

Included in other gains and losses

* 包括在其他收入內

包括在其他收益及虧損內

Note: Negative variable lease payments represent COVID-19-related rent concessions reduced lease payments provided by lessors.

附註: 負浮動租賃付款為出租人提供與COVID-19有關減少租賃付款的租金優惠。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註(續)

10. DIVIDENDS

10. 股息

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Dividend recognised as distribution during the period:	是期間已確認為分派之股息：		
2019 final dividend of HK9.28 cents (2018 final dividend: HK10.64 cents) per share	2019年末期股息 每股9.28港仙(2018年 末期股息：每股10.64港仙)	113,683	130,071
2019 special dividend of HK1.16 cents (2018 special dividend: HK1.33 cents) per share	2019年特別股息 每股1.16港仙(2018年 特別股息：每股1.33港仙)	14,210	16,259
		127,893	146,330

No interim dividend in respect of the six months ended 30 June 2020 has been declared by the Board (six months ended 30 June 2019: Nil).

董事會並無宣派截至2020年6月30日止6個月之中期股息(截至2019年6月30日止6個月：無)。

The final dividend of HK9.28 cents in respect of the year ended 31 December 2019 (2018: HK10.64 cents) per share, amounting to approximately HK\$113,683,000 (2018: HK\$130,071,000) in total, and the special dividend of HK1.16 cents in respect of the year ended 31 December 2019 (2018: HK1.33 cents) per share, amounting to approximately HK\$14,210,000 (2018: HK\$16,259,000) in total, had been approved by the shareholders at the annual general meeting of the Company held on 8 May 2020 and was paid during the six months ended 30 June 2020.

截至2019年12月31日止年度之末期股息每股9.28港仙(2018年：每股10.64港仙)，合共約113,683,000港元(2018年：130,071,000港元)，以及截至2019年12月31日止年度之特別股息每股1.16港仙(2018年：每股1.33港仙)，合共約14,210,000港元(2018年：16,259,000港元)，已於2020年5月8日舉行之本公司股東週年大會上獲股東批准，並已於截至2020年6月30日止6個月內派付。

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

11. (LOSS)/EARNINGS PER SHARE

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

11. 每股(虧損)/盈利

本公司擁有人應佔每股基本(虧損)/盈利及攤薄(虧損)/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	
		2020 HK\$'000 千港元	2019 HK\$'000 千港元
(Loss)/earnings	(虧損)/盈利		
(Loss)/profit for the period attributable to owners of the Company for the purpose of computation of basic (loss)/earnings and diluted (loss)/earnings per share	就計算每股基本(虧損)/盈利及攤薄(虧損)/盈利所用之本公司擁有人應佔是期間(虧損)/盈利	(15,154)	82,685

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2020	2019
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of computation of basic (loss)/earnings per share	就計算每股基本(虧損)/盈利所用之普通股加權平均數目	1,225,026,960	1,213,558,396
Effect of dilutive potential ordinary shares in respect of share options outstanding	有關尚未行使購股權對攤薄潛在普通股之影響	-	889,195
Weighted average number of ordinary shares for the purpose of computation of diluted (loss)/earnings per share	就計算每股攤薄(虧損)/盈利所用之普通股加權平均數目	1,225,026,960	1,214,447,591

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註(續)

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

(a) Basic (loss)/earnings per share

The computation of basic loss per share for the six months ended 30 June 2020 (six months ended 30 June 2019: basic earnings per share) is based on the loss attributable to ordinary equity shareholders of the Company of HK\$15,154,000 (six months ended 30 June 2019: profit attributable to ordinary equity shareholders of the Company of HK\$82,685,000) and on 1,225,026,960 (six months ended 30 June 2019: the weighted average of 1,213,558,396) ordinary shares in issue during the period.

(b) Diluted (loss)/earnings per share

The Company had no potentially dilutive ordinary shares outstanding for the six months ended 30 June 2020. The computation of diluted earnings per share for the six months ended 30 June 2019 was based on the profit attributable to ordinary equity shareholders of the Company of HK\$82,685,000 and the weighted average of 1,214,447,591 ordinary shares after adjusting for the potential dilutive effect caused by the share options granted under the share option scheme (note 20). Its computation is done to determine the number of ordinary shares that could have been acquired at fair value (determined as the average market price of the Company's ordinary shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of ordinary shares calculated above is compared with the number of ordinary shares that would have been issued assuming the exercise of the share options.

12. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

The Group incurred expenditure of HK\$48,257,000 during the six months ended 30 June 2020 (six months ended 30 June 2019: HK\$43,295,000) on property, plant and equipment to expand and upgrade the Group's manufacturing facilities.

13. MOVEMENTS IN RIGHT-OF-USE ASSETS

During the six months ended 30 June 2020, the Group entered into new lease agreements for use of production equipment for 2 years and a warehouse for 5 years, and therefore recognised the additions to right-of-use assets of HK\$1,295,000 (six months ended 30 June 2019: HK\$17,349,000).

11. 每股(虧損)/盈利(續)

(a) 每股基本(虧損)/盈利

截至2020年6月30日止6個月之每股基本虧損(截至2019年6月30日止6個月:每股基本盈利)乃按期內本公司普通股股權持有人應佔虧損15,154,000港元(截至2019年6月30日止6個月:本公司普通股股權持有人應佔盈利82,685,000港元)及已發行普通股數目1,225,026,960股(截至2019年6月30日止6個月:加權平均數目1,213,558,396股)計算。

(b) 每股攤薄(虧損)/盈利

截至2020年6月30日止6個月,本公司並無發行在外之具潛在攤薄影響之普通股。截至2019年6月30日止6個月之每股攤薄盈利乃於調整根據購股權計劃(附註20)授出之購股權導致之潛在攤薄影響後,根據本公司普通股股權持有人應佔盈利82,685,000港元及加權平均數目1,214,447,591股普通股計算。已根據尚未行使的購股權附帶之認購權之貨幣價值計算可按公平價值(釐定為本公司普通股之平均市價)收購之普通股數目。上述所計算之普通股數目會與假設購股權獲行使時理應發行之普通股數目作出比較。

12. 物業、機器及設備之變動

本集團於截至2020年6月30日止6個月,為擴大及提升本集團之生產設施而用於物業、機器及設備的開支為48,257,000港元(截至2019年6月30日止6個月:43,295,000港元)。

13. 使用權資產之變動

於截至2020年6月30日止6個月,本集團就使用生產設備(2年)及倉庫(5年)訂立新租賃協議,因此確認使用權資產增加1,295,000港元(截至2019年6月30日止6個月:17,349,000港元)。

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

14. INVENTORIES

		(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
		2020	2019
		HK\$'000 千港元	HK\$'000 千港元
Spare parts	備件	37,890	35,597
Raw materials	原料	325,320	489,695
Work-in-progress	半製品	313,548	422,006
Finished goods	製成品	293,422	308,608
		970,180	1,255,906

14. 存貨

15. 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 invoice dates, as at the end of the reporting period:

		(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
		2020	2019
		HK\$'000 千港元	HK\$'000 千港元
Within 1 month	1個月內	522,192	667,466
1 to 2 months	1至2個月	276,518	322,236
2 to 3 months	2至3個月	137,513	93,737
Over 3 months	3個月以上	135,862	61,093
		1,072,085	1,144,532
Less: allowance for doubtful debts	減: 呆賬撥備	(25,224)	(14,538)
		1,046,861	1,129,994

15. 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發票日期於報告期終的賬齡分析如下:

Other receivables as at 30 June 2020 represented value-added tax recoverable of HK\$41,398,000 (31 December 2019: HK\$57,036,000) and prepayments, deposits and other receivables of HK\$71,592,000 (31 December 2019: HK\$70,528,000).

於2020年6月30日，其他應收款項乃指可收回增值稅41,398,000港元(2019年12月31日: 57,036,000港元)及預付款項、按金及其他應收款項71,592,000港元(2019年12月31日: 70,528,000港元)。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註(續)

16. TRADE AND BILLS PAYABLES/OTHER PAYABLES AND ACCRUALS

16. 營業及票據應付款項/其他應付款項及應計費用

		(Unaudited) (未經審核)	(Audited) (經審核)
		At 30 June 於6月30日 2020	At 31 December 於12月31日 2019
		HK\$'000 千港元	HK\$'000 千港元
Trade payables	營業應付款項	392,197	640,537
Bills payables	票據應付款項	53,201	183,261
		445,398	823,798

The following is an ageing analysis of trade and bills payables based on the invoice dates, as at the end of the reporting period:

營業及票據應付款項按發票日期於報告期終的賬齡分析如下：

		(Unaudited) (未經審核)	(Audited) (經審核)
		At 30 June 於6月30日 2020	At 31 December 於12月31日 2019
		HK\$'000 千港元	HK\$'000 千港元
Within 1 month	1個月內	298,976	627,948
1 to 2 months	1至2個月	94,634	117,429
2 to 3 months	2至3個月	23,830	38,800
Over 3 months	3個月以上	27,958	39,621
		445,398	823,798

Other payables and accruals as at 30 June 2020 represented other payables of HK\$78,872,000 (31 December 2019: HK\$98,961,000) and accruals of HK\$126,263,000 (31 December 2019: HK\$167,902,000).

於2020年6月30日，其他應付款項及應計費用指其他應付款項78,872,000港元(2019年12月31日：98,961,000港元)及應計費用126,263,000港元(2019年12月31日：167,902,000港元)。

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

17. BANK BORROWINGS

During the six months ended 30 June 2020, the Group obtained new bank borrowings of HK\$432,426,000 (six months ended 30 June 2019: HK\$742,590,000) and made repayments of HK\$51,560,000 (six months ended 30 June 2019: HK\$814,558,000). These bank borrowings obtained and repaid were 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 rate of bank borrowings of the Group is 2.82% (31 December 2019: 3.81%) per annum and are repayable by installments over a period from one to three years. All bank borrowings were unsecured for the six months ended 30 June 2020 and the year ended 31 December 2019.

17. 銀行借貸

截至2020年6月30日止6個月，本集團取得新銀行借貸432,426,000港元(截至2019年6月30日止6個月：742,590,000港元)及已償還51,560,000港元(截至2019年6月30日止6個月：814,558,000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2.82%(2019年12月31日：3.81%)，並須於介乎1年至3年期間內分期償還。截至2020年6月30日止6個月及截至2019年12月31日止年度，所有銀行借貸均為無抵押。

18. SHARE CAPITAL

		(Unaudited) (未經審核) At 30 June 2020 於2020年6月30日		(Audited) (經審核) At 31 December 2019 於2019年12月31日	
		Number of shares 股份數目	HK\$'000 千港元	Number 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				
At beginning of the period/year	於期／年初	1,225,026,960	889,810	1,205,026,960	865,716
Exercise of share options	行使購股權	-	-	20,000,000	24,094
At end of the period/year	於期／年終	1,225,026,960	889,810	1,225,026,960	889,810

In accordance with section 135 of the Hong Kong Companies Ordinance (Cap. 622), the ordinary shares of the Company do not have a par value.

根據香港公司條例(第622章)第135條，本公司的普通股並無票面價值。

19. CAPITAL COMMITMENTS

		(Unaudited) (未經審核) At 30 June 於6月30日 2020 HK\$'000 千港元	(Audited) (經審核) At 31 December 於12月31日 2019 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	90,565	84,406

19. 資本承擔

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

20. SHARE-BASED PAYMENT TRANSACTIONS

The 2011 Scheme

The Company adopted a share option scheme (the “2011 Scheme”) pursuant to a resolution passed by the shareholders of the Company at the extraordinary general meeting (the “EGM”) held on 20 January 2011 (the “Adoption Date”). The purpose of the 2011 Scheme is to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the Participants (as defined in the 2011 Scheme) and for such other purposes as the Board may approve from time to time.

The Participants of the 2011 Scheme include (i) any directors or any employees (whether full-time or part-time) of the Company and its subsidiaries, associated companies, jointly controlled entities and related companies from time to time (the “FSH Group”); (ii) any discretionary objects of a discretionary trust established by any directors or any employees (whether full-time or part-time) of each member of the FSH Group; (iii) any consultants, professional and other advisers to each member of the FSH Group (including their employees or executives or any persons, firms or companies proposed to be appointed for providing such services); and (iv) any chief executives or substantial shareholders of the Company, provided that the Board may have absolute discretion to determine whether or not one falls within the above categories.

The maximum number of shares which may be issued upon exercise of all options to be granted under the 2011 Scheme and the maximum number of shares which may be issued upon the exercise of all options to be granted under any other share option schemes of the Company (if any) are in aggregate equal to 10% of the total number of shares in issue as at the Adoption Date, i.e. 79,401,096 shares. Under the 2011 Scheme, share options comprising 26,100,000 shares were granted on 19 January 2018. The share option was fully vested after 12 months from the date of grant and the exercisable period of share option was from 19 January 2019 to 18 January 2020. The closing price of the shares immediately before the date of grant was HK\$1.07 each. Among those granted on 19 January 2018, share options comprising 5,800,000 shares lapsed during the six months ended 30 June 2020 due to non-exercise during the pre-determined exercisable period.

20. 以股份為基礎之付款交易

2011年計劃

本公司根據於2011年1月20日(「採納日」)舉行之股東特別大會(「股東特別大會」)上經本公司股東通過之一項決議案採納一項購股權計劃(「2011年計劃」)。2011年計劃旨在給予本公司一種靈活方案,以向參與者(如2011年計劃所定義)給予獎勵、回饋、酬勞、報酬及/或提供利益,及就董事會可不時批准之其他目的。

2011年計劃之參與者包括(i)本公司、其不時之附屬公司、相關連公司、共同控制公司及相關的公司(「FSH集團」)的任何董事或任何僱員(不論全職或兼職);(ii)FSH集團各成員公司的任何董事或任何職員(不論全職或兼職)所成立全權信託的任何全權受益人;(iii)FSH集團各成員公司的任何諮詢顧問、專業及其他顧問(包括彼等僱員或行政人員或擬委聘提供該等服務的任何人士、商號或公司);及(iv)本公司的任何主要行政人員或主要股東,惟董事會可全權酌情決定任何人士是否屬於上述類別。

因行使根據2011年計劃將予授出的所有購股權及本公司任何其他購股權計劃(如有)項下將予授出的所有購股權獲行使而可能發行的股份總數,最多合共相當於採納日已發行股份總數的10%,即數目為79,401,096股。根據2011年計劃,於2018年1月19日已授出包含26,100,000股股份之購股權。購股權自授出日期起12個月後悉數歸屬,而購股權的行使期為2019年1月19日至2020年1月18日。股份於緊接授出日期前之收市價為每股1.07港元。2018年1月19日授予的購股權中,其中5,800,000股股份之購股權於截至2020年6月30日止6個月內,由於在預先釐定之行使期內未獲行使而失效。

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

20. SHARE-BASED PAYMENT TRANSACTIONS (continued)

The 2011 Scheme (continued)

The total number of shares issued and to be issued upon exercise of the share options granted and to be granted pursuant to the 2011 Scheme and any other share option schemes of the Company to each Participant (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue (the "Individual Limit"). Any further grant of share options in excess of the Individual Limit shall be subject to shareholders' approval with such grantee and his close associates (or his associates if such grantee is a connected person) abstaining from voting.

In addition, share options granted to a substantial shareholder (as defined in the Listing Rules) of the Company or an independent non-executive director or any of their respective associates (as defined in the Listing Rules) in any 12-month period up to and including the date of such grant in excess of 0.1% of the shares in issue and having an aggregate value, based on the closing price of the shares at the date of each grant, exceeding HK\$5 million must be approved by shareholders in general meeting in advance.

The exercise price is determined by the Board at the date of grant and should be the higher of (a) the average of the closing prices of each share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (b) the closing price of each share as stated in the Stock Exchange's daily quotation sheet on the date of grant. The amount payable on acceptance of the share option granted is HK\$1.00. Acceptance must be made within a period from date of grant to such date as the Board may determine and specify in the offer letter (both dates inclusive). The Board is empowered to impose, at its discretion, any minimum period that an option must be held at the time of granting any option. The option period of the share option granted is determined by the Board at the time of offering the grant and, in any event, shall not be longer than 10 years from the date of grant.

The 2011 Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further share option will be granted.

As at 30 June 2020, there were no outstanding share options (31 December 2019: 5,800,000) under the 2011 Scheme.

20. 以股份為基礎之付款交易(續)

2011年計劃(續)

於任何12個月期間因根據2011年計劃及本公司任何其他購股權計劃授予及將授予每名參與者的購股權(包括已行使、註銷及尚未行使的購股權)獲行使而已經及將予發行的股份總數,不得超過已發行股份總數的1%(「個別限額」),進一步授出任何超逾個別限額之購股權須經股東另行批准,方可授出,而該承授人及其緊密聯繫人(或其聯繫人(如該名承授人屬關連人士))須放棄表決。

此外,於直至及包括相關授出日期的任何12個月期間內,向本公司之主要股東(定義見上市規則)或獨立非執行董事或彼等各自之任何聯繫人士(定義見上市規則所列明)授出超逾本公司已發行股份之0.1%,且總值(按股份於各授出日期之收市價計算)超逾5,000,000港元之購股權,須事先於股東大會上獲股東批准。

行使價由董事會於提出授予購股權時釐定,但必須為下列較高者:(a)於緊接授出該購股權之日前五個營業日於聯交所發出之每日報價表所示之每股股份平均收市價;及(b)於授出該購股權之日於聯交所發出之每日報價表所示之每股股份收市價。接納所授購股權的代價為1.00港元。必須自授出日期至董事會可能釐定之有關日期(須在要約函中指明)(包括首尾兩日)內接受。董事會有權於授出任何購股權時自行決定必須持有購股權的任何最短期限。購股權之行使期限由董事會於提出授予購股權時釐定,惟任何情況下,由授出日期起計,不得超過10年。

2011年計劃之有效期自採納日起生效,為期10年,於該期限後將不可再授予購股權。

於2020年6月30日,2011年計劃下並無尚未行使的購股權(2019年12月31日:5,800,000股股份)。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註 (續)

20. SHARE-BASED PAYMENT TRANSACTIONS (continued)

The 2011 Scheme (continued)

The following table discloses movements of the Company's share options granted under the 2011 Scheme during the six months ended 30 June 2020:

	Scheme	Date of grant	Exercise price	(Audited) (經審核) Outstanding at 1 January 2020 於2020年 1月1日 尚未行使	Exercised during the period 期內已行使	Cancelled/ Lapsed/ Forfeited during the period 期內已 註銷/失效 /沒收	(Unaudited) (未經審核) Outstanding at 30 June 2020 於2020年 6月30日 尚未行使
	計劃	授出日期	行使價				
Employees 僱員	2011 2011年	19 January 2018 2018年1月19日	HK\$1.10 1.10港元	5,800,000	-	(5,800,000)	-
Exercisable as at 1 January 2020/ 30 June 2020	於2020年1月1日/ 2020年6月30日 可予行使			5,800,000			-

The following table discloses movements of the Company's share options granted under the 2011 Scheme during the six months ended 30 June 2019:

	Scheme	Date of grant	Exercise price (Note)	(Audited) (經審核) Outstanding at 1 January 2019 於2019年 1月1日 尚未行使	Exercised during the period 期內已行使	Cancelled/ Lapsed/ Forfeited during the period 期內已 註銷/失效 /沒收	(Unaudited) (未經審核) Outstanding at 30 June 2019 於2019年 6月30日 尚未行使
	計劃	授出日期	行使價 (附註)				
Category 1: Director 第1類: 董事	2011 2011年	19 January 2018 2018年1月19日	HK\$1.10 1.10港元	1,800,000	(1,000,000)	-	800,000
Category 2: Employees 第2類: 僱員	2011 2011年	19 January 2018 2018年1月19日	HK\$1.10 1.10港元	24,300,000	(16,450,000)	(300,000)	7,550,000
Total of two categories 兩個類別合共				26,100,000	(17,450,000)	(300,000)	8,350,000
Exercisable as at 1 January 2019/ 30 June 2019	於2019年1月1日/ 2019年6月30日 可予行使			-			8,350,000

Note: The weighted average closing price of the shares immediately before the dates on which the options were exercised was HK\$1.35.

20. 以股份為基礎之付款交易 (續)

2011年計劃 (續)

下表披露本公司於截至2020年6月30日止6個月期間根據2011年計劃已授出購股權之變動情況:

下表披露本公司於截至2019年6月30日止6個月期間根據2011年計劃已授出購股權之變動情況。

附註: 緊接購股權行使日期前股份的加權平均收市價為 1.35港元。

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

20. SHARE-BASED PAYMENT TRANSACTIONS (continued)

The 2011 Scheme (continued)

The following assumptions were used to calculate the fair value of share options:

		Under the 2011 Scheme Share options granted on 19 January 2018 根據2011年計劃 於2018年1月19日 已授出的購股權
Number of options	購股權數目	26,100,000
Grant date fair value	授出日期之公平價值	HK\$2,732,000港元
Grant date share price	授出日期之股價	HK\$1.10港元
Exercise price	行使價	HK\$1.10港元
Suboptimal exercise factor	次優行使因素	2.86
Contractual life	合約年期	2 years年
Expected volatility	預計波幅	23.81%
Dividend yield	股息率	4.82%
Risk-free interest rate	無風險利率	1.28%

The Polynomial model has been used to estimate the fair value of the share options granted on 19 January 2018. The variables and assumptions used in computing the fair value of the share options are based on the Directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates, if any, is recognised in profit or loss, with a corresponding adjustment to the share options reserve.

Expected volatilities were determined by using historical volatilities of the stock return of the Company over the previous 2 years. The risk-free interest rate used in the model was determined based on the yield of Hong Kong Sovereign Curve for the share options granted on 19 January 2018.

As at 30 June 2020, there was no remaining contractual life (31 December 2019: weighted average remaining contractual life of 0.05 year) of outstanding share options as all lapsed after 18 January 2020.

20. 以股份為基礎之付款交易(續)

2011年計劃(續)

以下假設乃用作計算購股權之公平價值:

Under the
2011 Scheme
Share options
granted on
19 January 2018
根據2011年計劃
於2018年1月19日
已授出的購股權

於2018年1月19日授出的購股權之公平價值採用多項式模式估計。於計算購股權公平價值時使用之變數及假設乃按董事之最佳估計釐定。變數及假設變動可能引致購股權之公平價值變動。

於各報告期終，本集團修訂其對預期最終歸屬的購股權數目之估計。修訂估計產生之影響(如有)於損益賬內確認，並於購股權儲備作出相應調整。

預期波幅乃採用本公司過去2年股票回報之歷史波幅釐定。模式中所採用之無風險利率乃根據香港主權曲線回報率(就2018年1月19日已授出之購股權)釐定。

於2020年6月30日，尚未行使之購股權並無餘下合約年期(2019年12月31日：加權平均剩餘合約年期0.05年)，原因為其在2020年1月18日後全部失效。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註(續)

20. SHARE-BASED PAYMENT TRANSACTIONS (continued)

The 2011 Scheme (continued)

For the six months ended 30 June 2020, there was no expense charged (six months ended 30 June 2019: HK\$133,000) in relation to share options granted by the Company.

All share options granted on 19 January 2018 under the 2011 Scheme lapsed after 18 January 2020.

21. FINANCIAL INSTRUMENTS

Fair value

Financial instruments not measured at fair value

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

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

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 30 June 2020 and 31 December 2019.

22. RELATED PARTY DISCLOSURES

(a) Related party balances

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

	(Unaudited) (未經審核)	(Audited) (經審核)
	At 30 June 於6月30日 2020	At 31 December 於12月31日 2019
	HK\$'000 千港元	HK\$'000 千港元
Amounts due to non-controlling shareholders	66,490	80,100
Amount due to an associate	5,204	7,179

20. 以股份為基礎之付款交易(續)

2011年計劃(續)

截至2020年6月30日止6個月，並無與本公司授出之購股權有關之開支(截至2019年6月30日止6個月：133,000港元)。

根據2011年計劃於2018年1月19日授出的所有購股權在2020年1月18日後失效。

21. 金融工具

公平價值

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、受限制銀行存款、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、租賃負債、欠非控股股東款項、欠一間聯營公司的款項及銀行借貸。

由於屬短期性質，現金及等同現金項目、受限制銀行存款、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、欠非控股股東款項及欠一間聯營公司款項的賬面值與其公平價值相若。

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2020年6月30日及2019年12月31日的公平價值並無重大差異。

22. 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載列如下：

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

22. RELATED PARTY DISCLOSURES (continued)

(a) Related party balances (continued)

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-day credit period.

(b) Compensation of key management personnel

The remuneration of the 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	
		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Fees	袍金	425	425
Short-term benefits	短期福利	2,091	2,091
Post-employment benefits	離職後福利	92	92
Equity-settled share-based payments	以權益結算以股份為基礎之付款	-	9
		2,608	2,617

(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 Directors consider that state-owned entities are independent third parties so far as the Group's business transactions with them are concerned.

During the six months ended 30 June 2020, 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 purchases 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\$425,141,000 and HK\$384,751,000 (31 December 2019: HK\$462,440,000 and HK\$102,791,000) respectively were placed/arranged with state-owned banks as at 30 June 2020.

22. 關聯人士的披露(續)

(a) 關聯人士的結餘(續)

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

(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	
		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Fees	袍金	425	425
Short-term benefits	短期福利	2,091	2,091
Post-employment benefits	離職後福利	92	92
Equity-settled share-based payments	以權益結算以股份為基礎之付款	-	9
		2,608	2,617

(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。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。

截至2020年6月30日止6個月，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2020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425,141,000港元及384,751,000港元(2019年12月31日：分別為462,440,000港元及102,791,000港元)為存放於國有銀行/由國有銀行安排。

BUSINESS REVIEW

The outbreak of the 2019 novel coronavirus disease (the “COVID-19”) worldwide (the “Pandemic”) and the various public health measures put in place in many countries to prevent the spread of the COVID-19 have disrupted the Group’s production at different times and overall business during the first half of 2020 (“1H2020”). During the beginning of the Pandemic, the Group’s production sites in China as well as some of our suppliers’ factories and garment manufacturer clients’ factories in China were required to have temporary suspension of operations after the Chinese new year in February 2020. The business of the production was affected by the lock-down of cities implemented in China in the early stage of the Pandemic, resulting in a failure to resume work as scheduled after the Chinese new year, which led to sluggish domestic sales.

In addition, facing the delivery chasing requests from the customers of the European and the United States (“US”) markets, the Group made a decisive measure to increase the production manpower by picking up healthy employees who were affected by the traffic and failed to return to work in the production mills shortly after the Chinese new year. Until March 2020, when the Pandemic was reversed, the domestic market and the Japanese market slowly recovered, the European and the US markets had been affected by the epidemic, and the Group faced the poor market sentiment in the US, Europe and the United Kingdom, which led to a decrease in the production operation and the production level of the Group. While the COVID-19 restrictions had been gradually lifted in various countries subsequently, a full normalization of the operation was not achieved during 1H2020.

As a consequence of the lock-down and restrictions on public life in many cities around the world, a number of key apparel retailers had been forced to restructure their operations, including the closure of a significant number of stores for months or permanently, resulting in delays to the shipment of orders and cancellation of other orders by some of our end-buyer customers. The deteriorating financial position experienced by delay in account receivable payment by some customers was due to the fact that their cities were locked down and their business operation was seriously affected.

Our total sales volume of fabric reduced by approximately 33.4% as compared to the first half of 2019 (“1H2019”). Our total revenue was HK\$2,099.7 million in 1H2020 (1H2019: HK\$3,388.4 million), a 38.0% reduction as compared with 1H2019. The gross profit margin decreased by 2.1 percentage points from 12.3% in 1H2019 to 10.2% in 1H2020. Loss for the period was HK\$16.4 million in 1H2020 (1H2019: Profit for the period was HK\$90.6 million).

Our overall operating costs were under control in 1H2020. The distribution and selling expenses during the period under review decreased by 27.0% to HK\$52.9 million (1H2019: HK\$72.5 million). At the same time, the administrative expenses for the period under review also decreased by 20.5% to HK\$173.0 million (1H2019: HK\$217.7 million).

業務回顧

鑒於2019年新型冠狀病毒於世界各地爆發（「大流行」）以及眾多國家實施各種公眾衛生措施以防止新型冠狀病毒病擴散從而在各時間點及整體業務上影響本集團在2020年上半年（「1H2020」）的生產。於大流行的初期，本集團於國內的生產廠房連同國內部分的供應商廠房及服裝製造商客戶的廠房在2020年2月農曆年後被要求臨時停工。本公司生產業務亦受早段大流行國內封城所影響而在年後未能如期復工，導致內銷停滯。

另外，面對歐美市場的客戶催促交貨之壓力，本集團採取果斷措施增加生產人手，以維持農曆新年後的生產能力，同時，接載各省受交通影響而未能回廠房工作的健康員工上班。直至2020年3月，大流行逆轉，內銷及日本市場回暖之際，歐美市場受疫情衝擊，本集團又面臨歐美市場和英國市道低迷，導致本集團生產業務和生產量有所下降。儘管多國就新型冠狀病毒病採取的限制措施已逐步解除，但在1H2020期間仍未能達致全面操作正常化。

由於全球很多城市被封鎖及公眾活動受到限制，若干主要服裝零售商被迫重組業務，包括大量門市關閉數月或永久停業，從而導致訂單延期及部分最終買家客戶取消訂單。由於封城導致業務營運受到嚴重影響而延遲了應收款項的支付，並引致部分客戶的財務狀況惡化。

本集團的面料總銷售量較2019年上半年（「1H2019」）減少了近33.4%。本集團在1H2020的總營業額為2,099.7百萬港元（1H2019：3,388.4百萬港元），較1H2019下跌38.0%。毛利率由1H2019的12.3%下跌2.1個百分點至1H2020的10.2%。1H2020的回顧期內虧損為16.4百萬港元（1H2019：回顧期內盈利為90.6百萬港元）。

本集團於1H2020的營運成本受控。回顧期內的分銷及銷售費用下降27.0%至52.9百萬港元（1H2019：72.5百萬港元）。同時，回顧期內的行政費用亦下跌至173.0百萬港元（1H2019：217.7百萬港元）。

BUSINESS REVIEW (continued)

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 RMB12,213/ton as at 30 June 2020 and was RMB13,915/ton as at 2 January 2020. The China cotton price index was at the highest in January 2020 at RMB14,271/ton and at the lowest in April 2020 at RMB11,468/ton. When compared with a year before, the China cotton price index CCINDEX2129B was RMB14,549/ton as at 28 June 2019, and RMB15,839/ton as at 2 January 2019. From the year-on-year comparison between 28 June 2019 and 30 June 2020, a 16.1% decrease was recorded.

According to the China coal market website, the monitoring data shown on 22 June 2020 based on the China coal price index (national comprehensive) was 148.2, down by 12 points year-on-year. The Group continued focusing on lean management, technology automation, machinery upgrade, cost reduction and control initiatives to boost overall operating profitability. Basic loss per share was HK1.2 cents in 1H2020 (1H2019: Basic earnings per share was HK6.8 cents).

Continuous restructuring and consolidating of 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 total production capacity of four fabric mills in both the PRC and Sri Lanka was approximately 27.5 million pounds of fabric dyeing per month, which was the same figure for the same period last year.

For the period under review, the Group's core business, production and sales of dyed fabrics and yarns, generated revenue of approximately HK\$1,851.6 million and accounted for 88.2% of the Group's total revenue.

Production and Sales of Garments

Revenue from the production and sales of garments for 1H2020 was approximately HK\$248.1 million and accounted for 11.8% of the Group's total revenue.

Dividend

In view of the general practice of the Company to only recommend a final dividend, the Board has resolved not to declare any interim dividend for the six months ended 30 June 2020. Nevertheless, the Board will consider changing the practice and may declare interim dividends in the future. Whether the Group is able to maintain a similar range of dividend payout ratio as our dividend policy will largely depend on the results in second half of 2020. The Group is committed to providing rewarding investment return to the shareholders of the Company (the "Shareholders"), subject to the dividend policy stated in 2019 annual report of the Company.

業務回顧 (續)

根據中國棉花協會網站公佈資訊，中國棉花價格指數CCINDEX2129B於2020年6月30日為每噸人民幣12,213元，而2020年1月2日則為每噸人民幣13,915元。中國棉花價格指數分別於2020年1月及2020年4月錄得最高每噸人民幣14,271元和最低每噸人民幣11,468元的水平。對比上一年度，中國棉花價格指數CCINDEX2129B於2019年6月28日為每噸人民幣14,549元，於2019年1月2日則為每噸人民幣15,839元，於2019年6月28日至2020年6月30日期間，按年錄得16.1%下跌。

根據中國煤炭市場網，中國煤炭價格指數(全國綜合指數)監測數據顯示於2020年6月22日中國煤炭指數為148.2，按年下跌12點。集團繼續注重精益管理、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1H2020，每股基本虧損為1.2港仙(1H2019：每股基本盈利為6.8港仙)。

於回顧期內，本集團持續重組及整合附屬公司的工作得以圓滿實施，成功精簡營運並降低成本。

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每月約2,750萬磅，數字與去年同期一樣。

在回顧期內，本集團核心業務一色布及紗的製造及銷售，為集團帶來約1,851.6百萬港元的營業額，佔集團總營業額的88.2%。

製造及銷售成衣

1H2020成衣製造及銷售的營業額約為248.1百萬港元，佔集團總營業額的11.8%。

股息

鑒於本公司於一般情況下只建議派發末期股息，本公司董事會決定及宣佈就截至2020年6月30日止6個月內不予派發任何中期股息。然而，董事會將考慮改變此做法及有可能於未來派發中期股息。本集團能否維持與股息政策相類似的股息派息比率，將很大程度上取決於2020年下半年的業績。本集團承諾向本公司股東(「股東」)提供豐厚的投資回報，但須遵守本公司2019年年報之股息政策。

BUSINESS REVIEW (continued)**Awards and Certifications**

Our awards and certificates accredited during 1H2020 were as follows:

業務回顧 (續)**獎項及認證**

在2020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 Award/ Certification 獎項／認證類型	Date of Issue (Year/Month) 頒發日期(年/月)	Issuing Unit/Organisation 發出單位／機構
Jiangyin Fuhui Textiles Limited 江陰福匯紡織有限公司				
1	2019 Key and Major Enterprise of Jiangyin* 2019年度江陰市重點骨幹企業	Award 獎項	2020/1	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	2019 Outstanding Unit of Safety in Production* 2019年度安全生產先進單位	Award 獎項	2020/1	Administration Committee of Jiangyin High-tech Industrial Development Zone* 江陰高新技術產業開發區管理委員會
3	2019 Outstanding Unit of Ecological Civilization* 2019年度生態文明建設先進單位	Award 獎項	2020/2	Jiangyin High-tech Industrial Development Zone Committee of Communist Party of China* 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* 江陰高新技術產業開發區管理委員會
4	2019 Outstanding Enterprise of Foreign Investment* 2019年度外商投資先進企業	Award 獎項	2020/2	Jiangyin High-tech Industrial Development Zone Committee of Communist Party of China* 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* 江陰高新技術產業開發區管理委員會
5	2019 Charitable Enterprise* 2019年度熱心慈善企業	Award 獎項	2020/2	Jiangyin High-tech Industrial Development Zone Committee of Communist Party of China* 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* 江陰高新技術產業開發區管理委員會
6	2019-2020 Advanced Grass-roots Party Organisation of High-tech Industrial Development Zone* 2019-2020年度高新區先進基層黨組織	Award 獎項	2020/6	Jiangyin High-tech Industrial Development Zone Committee of Communist Party of China* 中共江陰高新區工作委員會

BUSINESS REVIEW (continued)

Awards and Certifications (continued)

業務回顧 (續)

獎項及認證 (續)

No. 文件序號	Name of Award/Certification 獎項／認證名稱	Type of Award/ Certification 獎項／認證類型	Date of Issue (Year/Month) 頒發日期(年/月)	Issuing Unit/Organisation 發出單位／機構
Yancheng Fuhui Textiles Limited 鹽城福匯紡織有限公司				
7	2019 High Quality Development Contribution Award* 2019年度高質量發展貢獻獎	Award 獎項	2020/1	CPC Yancheng Economic-Technological Development Zone Working Committee* 中共鹽城經濟技術開發區工作委員會 Yancheng Economic-Technological Development Zone Management Committee* 鹽城經濟技術開發區管理委員會
8	2019 Outstanding Three-star Enterprise* 2019年度爭星創優三星企業	Award 獎項	2020/1	Yancheng Municipal People's Government* 鹽城市人民政府
9	Three-star Enterprise of Yancheng* 鹽城市三星企業	Medal 獎牌	2020/3	Yancheng Municipal People's Government* 鹽城市人民政府
10	2019 Advanced Unit for Fire Safety Management Work in the District* 2019年度全區消防安全管理工作先進單位	Award 獎項	2020/4	Fire Rescue Brigade of Yancheng Economic-Technological Development Zone* 鹽城經濟技術開發區消防救援大隊
11	Supplier of 10 Years Corporation* 合作十年供應商	Trophy 獎杯	2020	Hongxing Erke (Xiamen) Industrial Co., Ltd. 鴻星爾克(廈門)實業有限公司
12	Outstanding Supplier* 優秀供應商	Trophy 獎杯	2020	Hongxing Erke (Xiamen) Industrial Co., Ltd. 鴻星爾克(廈門)實業有限公司

BUSINESS REVIEW (continued)**業務回顧** (續)**Awards and 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 Award/ Certification 獎項／認證類型	Date of Issue (Year/Month) 頒發日期(年/月)	Issuing Unit/Organisation 發出單位／機構
Dongguan Shatin Lake Side Textiles Printing & Dyeing Co., Ltd. 東莞沙田麗海紡織印染有限公司				
13	Certificate of Compliance in Global Organic Textile Standard 有機含量標準認證 [#]	Certification 認證	2020/5	ECOCERT Greenlife
14	Certificate of Compliance in Organic Content Standard 有機含量標準認證 [#]	Certification 認證	2020/5	ECOCERT Greenlife
15	Mill Qualification Program 工廠資格認證計劃 [#]	Certification 認證	2020/5	Intertek Group 天祥集團
16	Environmental Management System Certification 環境管理體系認證證書	Certification 認證	2020/6	China Great Wall (Tianjin) Quality Assurance Centre 長城(天津)質量保證中心
Ocean Lanka (Private) Limited 海洋蘭卡(私人)有限公司				
17	Express Laboratory Certification Express實驗室認證 [#]	Certification 認證	2020/1	Express Laboratory
18	bluesign® SYSTEM PARTNER bluesign® SYSTEM夥伴 [#]	Certification 認證	2020/2	bluesign technologies ag
19	Organic Content Standard (OCS) 2.0 有機含量標準(OCS) 2.0 [#]	Certification 認證	2020/2	Control Union Certifications B.V. 世優認證(上海)有限公司
20	Global Recycled Standard (GRS) 4.0 全球回收標準(GRS) 4.0 [#]	Certification 認證	2020/3	Control Union Certifications B.V. 世優認證(上海)有限公司
21	Global Organic Textiles (GOTS) 5.0 全球有機紡織品(GOTS) 5.0 [#]	Certification 認證	2020/6	Control Union Certifications B.V. 世優認證(上海)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

According to the Global Economic Prospects June 2020 issued by the World Bank Group, the Pandemic has, with alarming speed, delivered a global economic shock of enormous magnitude, leading to steep recessions in many countries. The baseline forecast envisions a 5.2 percent contraction in global GDP (gross domestic product) in 2020—the deepest global recession in eight decades, despite unprecedented policy support. Per capita incomes in the vast majority of emerging market and developing economies (“EMDEs”) are expected to shrink this year, tipping many millions back into poverty.

The Pandemic has struck a devastating blow to an already-fragile global economy. Lockdowns and other restrictions which needed to address the public health crisis, together with spontaneous reductions in economic activity by many consumers and producers, constitute an unprecedented combination of adverse shocks that is causing deep recessions in many advanced economies and EMDEs. Those EMDEs that have weak health systems; those that rely heavily on global trade, tourism, or remittances from abroad; and those that depend on commodity exports will be particularly hard-hit. Beyond its short-term impact, deep recessions triggered by the Pandemic are likely to leave lasting scars through multiple channels, including lower investment; erosion of the human capital of the unemployed; and a retreat from global trade and supply linkages. These effects may well lower the potential growth and labour productivity in the longer term.

Looking forward to the second half of 2020, the world economy and the retail market are expected to remain highly uncertain. The Group holds a prudently conservative attitude towards the performance in the second half of the year. Nevertheless, the Group has been working closely with our existing clients in the China domestic market to co-develop new collections using innovative fabrics, which provide attractive business potential going forward. As the economy in China has been rebounding speedily in the second half of 2020, we believe that the growth momentum will be concentrated in this market as well as several popular and quality Japanese brands that we have been working together. 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 do the best altogether to bring long-term values and returns to all Shareholders through various measures on cost reduction.

OUR APPRECIATION

Finally, we would like to express our gratitude to the Shareholders, customers, business partners and suppliers for their continuous unfaltering support during the increase in economic instability. We would also like to thank our dedicated staff for their commitment and contributions to the success of the Group.

展望

根據世界銀行集團2020年6月的《全球經濟展望報告》，大流行以驚人的速度對全球經濟帶來了巨大的衝擊，導致許多國家的經濟嚴重衰退。基線預測預計2020年全球國內生產總值將收縮5.2%，為80年來程度最深的衰退，儘管有史無前例的政策支持。預計今年絕大多數新興市場和發展中經濟體的人均收入將出現收縮，使數百萬人陷入貧困。

大流行對已脆弱的全球經濟造成了毀滅性打擊。解決公共衛生危機所需的封鎖和其他限制，以及許多消費者和生產者自發地減少經濟活動，構成前所未有的不利組合，衝擊並正在造成許多發達經濟體及新興市場和發展中經濟體的嚴重衰退。衛生系統薄弱的、嚴重依賴全球貿易、旅遊業或國外匯款的、以及依賴商品出口的發展中經濟體將受到特別嚴重的打擊。除了短期影響外，大流行引發的嚴重衰退可能還會通過多種渠道留下持久的傷痕，包括降低投資、失業者人力資源的侵蝕、及全球貿易和供應聯繫回落。從長遠來看，這些影響可能會降低潛在的增長和勞動生產率。

展望2020年下半年，全球經濟及零售市場預期依然非常不明朗。集團對下半年的表現持審慎保守態度。儘管如此，本集團一直與我們在中國國內市場的現有客戶緊密合作，使用創新面料共同開發新系列產品，這些產品具有廣闊的商業潛力。由於中國經濟在2020年下半年迅速反彈，我們相信增長動力將集中在這個市場以及我們一直在努力的幾個受歡迎和優質的日本品牌。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。

儘管全球經濟市場形勢不斷地變化，本集團仍決心通過各項降低成本的措施方案，為所有股東帶來長期價值及回報。

致謝

最後，我們謹向所有股東、客戶、業務夥伴和供應商致謝，感謝他們在經濟不確定性增加的同時仍持續給予支持。我們亦感激各位員工為集團的成功所作出的投入、承諾和貢獻。

FINANCIAL REVIEW

The key operating and financial indicators of the Group for the six months ended 30 June 2020 are set out below:

財務回顧

本集團截至2020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	
		2020	2019
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	2,099,734	3,388,393
Gross profit	毛利	213,644	416,904
EBITDA*	息稅折舊及攤銷前利潤	101,657	236,782
(Loss)/profit for the period	是期間(虧損)/盈利	(16,432)	90,597
(Loss)/profit attributable to owners of the Company	本公司擁有人應佔(虧損)/盈利	(15,154)	82,685
Basic (loss)/earnings per share (HK cents)	每股基本(虧損)/盈利(港仙)	(1.2)	6.8
Key Financial Ratios	主要財務比率		
Profitability ratios	盈利能力比率		
Gross profit margin (%)	毛利率(%)	10.2%	12.3%
EBITDA* margin (%)	息稅折舊及攤銷前利潤率(%)	4.8%	7.0%
Expenses as a % of revenue	開支佔營業額比率		
Distribution and selling expenses	分銷及銷售費用	2.5%	2.1%
Administrative expenses	行政費用	8.2%	6.4%
Finance costs	融資成本	0.5%	0.6%
Asset efficiency	資產效率		
Inventory turnover period (days)	存貨周轉期(日)	94	89
Trade and bills receivables turnover period (days)	營業及票據應收款項周轉期(日)	91	69
Trade and bills payables turnover period (days)	營業及票據應付款項周轉期(日)	43	49

* EBITDA means earnings before interest, tax, depreciation and amortisation.

* EBITDA解釋為息稅折舊及攤銷前利潤。

		At 30 June	At 31 December
		於6月30日	於12月31日
		2020	2019
Asset ratios	資產比率		
Current ratio [#]	流動比率 [#]	2.5	2.6
Net debt/EBITDA ratio (annualised)	淨債務/息稅折舊及攤銷前利潤率(年化)	(2.6)	(1.6)
Gearing ratio	資本負債比率		
Total liabilities/Equity attributable to owners of the Company	負債總額/本公司擁有人應佔權益	49.1%	53.8%

[#] Current ratio is calculated by dividing current assets by current liabilities.

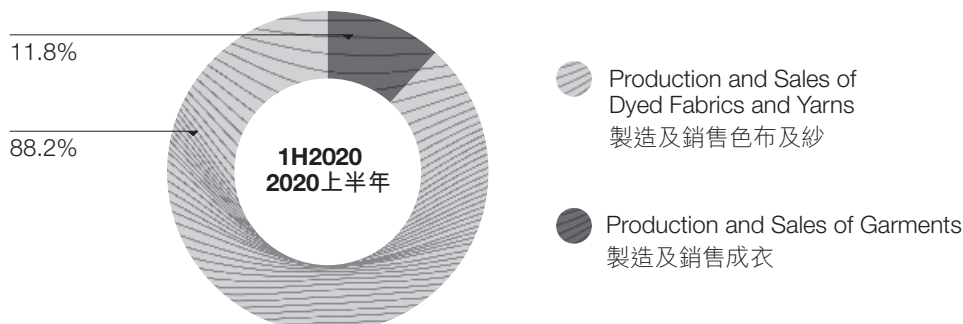
[#] 流動比率的計算方法是將流動資產除以流動負債。

FINANCIAL REVIEW (continued)

Revenue

The Group's revenue for the six months ended 30 June 2020 amounted to approximately HK\$2,099,734,000 (six months ended 30 June 2019: HK\$3,388,393,000).

Revenue by business segments



In the first half of 2020, the Group's core business, production and sales of dyed fabrics and yarns, generated revenue of approximately HK\$1,851,603,000 (six months ended 30 June 2019: HK\$2,963,069,000), which accounted for 88.2% (six months ended 30 June 2019: 87.4%) of the Group's total revenue. Revenue from production and sales of garments was approximately HK\$248,131,000 (six months ended 30 June 2019: HK\$425,324,000), which accounted for 11.8% (six months ended 30 June 2019: 12.6%) of the Group's total revenue.

Cost of Sales and Gross Profit

For the six months ended 30 June 2020, overall cost of sales of the Group amounted to approximately HK\$1,886,090,000 (six months ended 30 June 2019: HK\$2,971,489,000) and overall gross profit margin was 10.2% (six months ended 30 June 2019: 12.3%).

During the period under review, the Group's revenue decreased by 38% compared with the same period last year, which was mainly due to a decrease in sales volume of fabric by 33.4% triggered by the outbreak of the COVID-19 worldwide. Compared with the same period last year, the decrease in percentage of revenue was larger than the decrease in percentage of production cost, which led to the decrease in gross profit margin.

Distribution and Selling Expenses

For the six months ended 30 June 2020, the Group's overall distribution and selling expenses amounted to approximately HK\$52,896,000 (six months ended 30 June 2019: HK\$72,509,000), which accounted for 2.5% (six months ended 30 June 2019: 2.1%) of the Group's total revenue.

財務回顧 (續)

營業額

集團截至2020年6月30日止6個月的營業額約為2,099,734,000港元(截至2019年6月30日止6個月:3,388,393,000港元)。

營業額按業務分類

於2020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1,851,603,000港元(截至2019年6月30日止6個月:2,963,069,000港元),佔集團營業額總值的88.2%(截至2019年6月30日止6個月:87.4%)。製造及銷售成衣的營業額約為248,131,000港元(截至2019年6月30日止6個月:425,324,000港元),佔集團營業額總值的11.8%(截至2019年6月30日止6個月:12.6%)。

銷售成本及毛利

集團截至2020年6月30日止6個月之整體銷售成本約為1,886,090,000港元(截至2019年6月30日止6個月:2,971,489,000港元),整體毛利率為10.2%(截至2019年6月30日止6個月:12.3%)。

於回顧期內,本集團的營業額較去年同期下跌38%,主要是由於新型冠狀病毒病於世界各地爆發引致面料銷售量減少33.4%。與去年同期相比,營業額的下降幅度大於生產成本的下降幅度,引致毛利率下降。

分銷及銷售費用

集團截至2020年6月30日止6個月之整體分銷及銷售費用約為52,896,000港元(截至2019年6月30日止6個月:72,509,000港元),佔集團營業額總值的2.5%(截至2019年6月30日止6個月:2.1%)。

FINANCIAL REVIEW (continued)

Administrative Expenses

For the six months ended 30 June 2020, the Group's overall administrative expenses amounted to approximately HK\$172,999,000 (six months ended 30 June 2019: HK\$217,720,000), which accounted for 8.2% (six months ended 30 June 2019: 6.4%) of the Group's total revenue.

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

For the six months ended 30 June 2020, the Group's EBITDA amounted to approximately HK\$101,657,000 (six months ended 30 June 2019: HK\$236,782,000) and the EBITDA margin was 4.8% (six months ended 30 June 2019: 7.0%).

Finance Costs

For the six months ended 30 June 2020, the Group's finance costs amounted to approximately HK\$10,800,000 (six months ended 30 June 2019: HK\$19,476,000), representing 0.5% (six months ended 30 June 2019: 0.6%) of the Group's total revenue.

Capital Expenditure

During the period under review, the Group invested approximately HK\$48,257,000 (six months ended 30 June 2019: HK\$43,295,000) in additions of property, plant and equipment. The Group's capital commitments primarily related to the acquisition of property, plant and equipment. As at 30 June 2020, the Group had contracted capital commitments of approximately HK\$90,565,000 (31 December 2019: HK\$84,406,000) in relation to the acquisition of property, plant and equipment.

Income Tax Expense

For the six months ended 30 June 2020, income tax expense of the Group amounted to approximately HK\$7,221,000 (six months ended 30 June 2019: HK\$24,666,000).

財務回顧 (續)

行政費用

集團截至2020年6月30日止6個月之整體行政費用約為172,999,000港元(截至2019年6月30日止6個月:217,720,000港元)·佔集團營業額總值的8.2%(截至2019年6月30日止6個月:6.4%)。

息稅折舊及攤銷前利潤(EBITDA)

集團截至2020年6月30日止6個月之息稅折舊及攤銷前利潤約為101,657,000港元(截至2019年6月30日止6個月:236,782,000港元)·息稅折舊及攤銷前利潤率為4.8%(截至2019年6月30日止6個月:7.0%)。

融資成本

集團截至2020年6月30日止6個月之融資成本約10,800,000港元(截至2019年6月30日止6個月:19,476,000港元)·佔集團營業額總值的0.5%(截至2019年6月30日止6個月:0.6%)。

資本開支

於回顧期內·集團已投資約為48,257,000港元(截至2019年6月30日止6個月:43,295,000港元)以增加物業、機器及設備。集團的資本承擔主要涉及購買物業、機器及設備。於2020年6月30日·集團有關購買物業、機器及設備的已簽約資本承擔約為90,565,000港元(2019年12月31日:84,406,000港元)。

所得稅支出

集團截至2020年6月30日止6個月之所得稅支出約為7,221,000港元(截至2019年6月30日止6個月:24,666,000港元)。

FINANCIAL REVIEW (continued)

Liquidity and Financial Resources

As at 30 June 2020, the Group's net assets amounted to approximately HK\$3,432,490,000 (31 December 2019: HK\$3,585,056,000). The key figures of the Group's financial position were as follows:

		At 30 June 於6月30日 2020 <i>HK\$'000</i> 千港元	At 31 December 於12月31日 2019 <i>HK\$'000</i> 千港元
Non-current assets	非流動資產	1,776,967	1,835,805
Current assets	流動資產	3,262,172	3,461,095
Total assets	資產總值	5,039,139	5,296,900
Current liabilities	流動負債	1,297,693	1,331,653
Non-current liabilities	非流動負債	308,956	380,191
Total liabilities	負債總值	1,606,649	1,711,844
Net assets	資產淨值	3,432,490	3,585,056

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.

As at 30 June 2020, the principal financial covenant figures/ratios (according to the definitions of the Group's principal banks) were as follows:

財務回顧 (續)

資金流動性及財政資源

於2020年6月30日，集團資產淨值約為3,432,490,000港元(2019年12月31日：3,585,056,000港元)。財務狀況的主要資料如下：

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。

於2020年6月30日，主要的財務契約數據／比率(根據本集團主要往來銀行的定義)如下：

		At 30 June 於6月30日 2020	At 31 December 於12月31日 2019
Consolidated tangible net worth	綜合淨有形資產	HK\$3,161,942,000	HK\$3,182,250,000
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	0.1
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	9.4	11.8
Consolidated current assets to consolidated current liabilities	綜合流動資產對綜合流動負債比例	2.5	2.6
Consolidated capital expenditure	綜合資本開支	HK\$48,257,000	HK\$134,619,000

FINANCIAL REVIEW (continued)

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 Renminbi ("RMB"). Since the Group mainly carries out production in China, we are exposed to foreign exchange risk arising from RMB exposure. 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. The average effective interest rate of bank borrowings of the Group was 2.82% per annum for the period under review (31 December 2019: 3.81%) and the bank borrowings were repayable by installments over a period from one to three years. All bank borrowings were unsecured for the six months ended 30 June 2020 and the year ended 31 December 2019. 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

As at 30 June 2020, the Group had approximately 7,700 (30 June 2019: 8,800) full-time employees. The Group will continue to implement streamlined production so as to further minimise its labour cost. The Group's emolument policies are formulated based 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 Company 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.

財務回顧 (續)

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(「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。集團一直密切留意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。本集團銀行借貸之平均實際年利率為2.82% (2019年12月31日：3.81%)，並須於介乎1年至3年期間內分期償還。截至2020年6月30日止6個月及截至2019年12月31日止年度，所有銀行借貸均為無抵押。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。

僱員及酬金政策

集團於2020年6月30日之全職僱員人數約為7,700人(2019年6月30日：8,800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。

本公司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。

UPDATE ON THE DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B(1) of the Listing Rules, there were no changes in the information of the Directors since the date of the 2019 annual report of the Company required to be disclosed in this interim report.

DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2020, the interests and short positions of the 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 to be: (a) 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) recorded in the register required to be kept by the Company pursuant to section 352 of the SFO (the "Register"), or (c) 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 the shares of the Company (the "Shares"):

Name of Directors	Capacity	Nature of Interests	Number of Shares Held	Total	Approximate % of the Issued Shares
董事姓名	身份	權益性質	持有股份數目	總數	約佔已發行股本百分比
Dr. YEN Gordon 嚴震銘博士	Beneficial owner 實益擁有人	Personal interest 個人權益	8,380,000	8,380,000	0.68
Mr. YAU Hang Tat Andrew 邱恒達先生	Beneficial owner 實益擁有人	Personal interest 個人權益	2,250,000	2,730,000	0.22
	Spouse's interests 配偶權益	Family interest 家族權益	480,000 (Note) (附註)		

Note: Mr. YAU Hang Tat Andrew is deemed to be interested in 480,000 Shares held by his spouse under the SFO.

Save as disclosed above, as at 30 June 2020, none of the Directors and the chief executive of the Company had any interests or short positions 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), which (a) 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) were recorded in the Register, or (c) had been notified to the Company and the Stock Exchange pursuant to the Model Code.

根據上市規則第13.51B(1)條更新有關董事資料的最新資料

根據上市規則第13.51B(1)條，自本公司2019年年度報告日期起，本中期報告沒有須予披露的董事資料變動。

董事之證券權益

於2020年6月30日，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條記錄於本公司按要求備存名冊（「名冊」）之權益及淡倉；或(c)按上市規則附錄10所載的上市發行人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之權益及淡倉如下：

於本公司之股份（「股份」）的好倉情況：

附註：根據證券及期貨條例，邱恒達先生被視為擁有其配偶所持有的480,000股股份之權益。

除上述披露者外，於2020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)按標準守則已通知本公司及聯交所之任何權益或淡倉。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS

As at 30 June 2020, the following persons (other than a Director or the chief executive of the Company)/entities 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").

Long positions in the Shares:

主要股東及其他人士權益

於2020年6月30日，以下人士（董事或本公司行政總裁除外）／實體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。

於股份的好倉情況：

Name of Substantial Shareholders	Capacity	Nature of Interests	Number of Shares Held	Total	Approximate % of the Issued Shares 約佔已發行股本百分比
主要股東姓名／名稱	身份	權益性質	持有股份數目	總數	
COFCO Corporation ("COFCO") 中糧集團有限公司（「中糧」）	Interest of controlled corporations 控制法團的權益	Corporate interest 法團權益	452,252,000 (Notes 1 and 2) (附註1及2)	452,252,000	36.92
Chinatex Corporation Limited ("Chinatex") 中國中紡集團有限公司（「中紡」）	Interest of controlled corporations 控制法團的權益	Corporate interest 法團權益	452,252,000 (Notes 1 and 2) (附註1及2)	452,252,000	36.92
Chinatex Yieldfull Investment Co., Ltd. ("Yieldfull") 中紡盈豐投資管理有限公司（「盈豐」）	Beneficial owner 實益擁有人	Personal interest 個人權益	409,036,000 (Note 1) (附註1)	409,036,000	33.39
Chinatex Jinhui Investment Management Co., Ltd.* ("Jinhui") 中紡錦輝投資管理有限責任公司（「錦輝」）	Interest of a controlled corporation 控制法團的權益	Corporate interest 法團權益	409,036,000 (Note 1) (附註1)	409,036,000	33.39
Mr. SUN Weiting ("Mr. SUN") 孫偉挺先生（「孫先生」）	Spouse's interests 配偶權益	Family interest 家族權益	3,380,000 (Note 3) (附註3)	211,896,000	17.30
	Interest of controlled corporations 控制法團的權益	Corporate interest 法團權益	208,516,000 (Note 4) (附註4)		
Ms. CHEN Lingfen ("Ms. CHEN") 陳玲芬女士（「陳女士」）	Beneficial owner 實益擁有人	Personal interest 個人權益	3,380,000 (Note 3) (附註3)	211,896,000	17.30
	Interest of controlled corporations 控制法團的權益	Corporate interest 法團權益	208,516,000 (Note 4) (附註4)		
Huafu Holding Co., Ltd. ("Huafu Holding") 華孚控股有限公司（「華孚控股」）	Interest of controlled corporations 控制法團的權益	Corporate interest 法團權益	208,516,000 (Note 4) (附註4)	208,516,000	17.02
Huafu Fashion Co., Ltd. ("Huafu Fashion") 華孚時尚股份有限公司 （「華孚時尚」）	Interest of controlled corporations 控制法團的權益	Corporate interest 法團權益	208,516,000 (Note 4) (附註4)	208,516,000	17.02

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS (continued)

主要股東及其他人士權益(續)

Name of Substantial Shareholders	Capacity	Nature of Interests	Number of Shares Held	Total	Approximate % of the Issued Shares 約佔已發行股本百分比
主要股東姓名/名稱	身份	權益性質	持有股份數目	總數	
Mr. HA Chung Fong ("Mr. HA") 夏松芳先生 (「夏先生」)	Beneficial owner 實益擁有人	Personal interest 個人權益	104,770,581 (Note 5) (附註5)	104,770,581	8.55
Ms. TANG Kuen Mui 鄧娟妹女士	Spouse's interests 配偶權益	Family interest 家族權益	104,770,581 (Note 5) (附註5)	104,770,581	8.55

* For identification purpose only

* 只供辨識之用

Notes:

附註:

- Yieldfull is a wholly-owned subsidiary of Jinhui. Jinhui is a wholly-owned subsidiary of Chinatex and Chinatex is a wholly-owned subsidiary of COFCO. Therefore, each of Jinhui, Chinatex and COFCO is deemed to be interested in the Shares held by Yieldfull under the SFO.
- As at 30 June 2020, Chinatex (H.K.) Holding Limited ("Chinatex (H.K.)") held 43,216,000 Shares as beneficial owner. Chinatex (H.K.) is a wholly-owned subsidiary of Chinatex and Chinatex is a wholly-owned subsidiary of COFCO. Therefore, each of Chinatex and COFCO is deemed to be interested in the Shares held by Chinatex (H.K.) under the SFO.
- Mr. SUN, spouse of Ms. CHEN, is deemed to be interested in the Shares held by Ms. CHEN under the SFO.
- Hong Kong Tin Shing Trading Limited ("Tin Shing") held 208,516,000 Shares as beneficial owner. Tin Shing is a wholly-owned subsidiary of Huafu HK Co. Limited ("Huafu HK"). Huafu HK is a wholly-owned subsidiary of Shenzhen Huafu Import and Export Co., Ltd. ("Shenzhen Huafu") and Shenzhen Huafu is a wholly-owned subsidiary of Huafu Fashion. Huafu Fashion is owned as to 34.27% by Huafu Holding and Huafu Holding is owned as to 50% by each of Mr. SUN and Ms. CHEN. Therefore, each of Huafu HK, Shenzhen Huafu, Huafu Fashion, Huafu Holding, Mr. SUN and Ms. CHEN is deemed to be interested in the Shares held by Tin Shing under the SFO.
- Ms. TANG Kuen Mui, spouse of Mr. HA, is deemed to be interested in the Shares held by Mr. HA under the SFO.

- 盈豐為錦輝之全資附屬公司，錦輝為中紡之全資附屬公司，而中紡則為中糧的全資附屬公司。因此，根據證券及期貨條例，錦輝、中紡及中糧各自被視作擁有盈豐所持股份之權益。
- 於2020年6月30日，中紡(香港)控股有限公司(「中紡(香港)」)持有43,216,000股股份(作為實益擁有人)。中紡(香港)為中紡之全資附屬公司，而中紡則為中糧之全資附屬公司。因此，根據證券及期貨條例，中紡及中糧各自被視作擁有中紡(香港)所持股份之權益。
- 孫先生為陳女士之配偶，因而根據證券及期貨條例，被當作擁有陳女士所持股份之權益。
- 香港天成貿易有限公司(「天成」)持有208,516,000股股份(作為實益擁有人)。天成為香港華孚有限公司(「香港華孚」)之全資附屬公司。香港華孚為深圳市華孚進出口有限公司(「深圳華孚」)之全資附屬公司，而深圳華孚為華孚時尚之全資附屬公司。華孚時尚由華孚控股持有34.27%權益，而華孚控股由孫先生及陳女士分別持有50%權益。因此，根據證券及期貨條例，香港華孚、深圳華孚、華孚時尚、華孚控股、孫先生及陳女士均被視為擁有天成持有的股份的權益。
- 鄧娟妹女士為夏先生之配偶，因而根據證券及期貨條例，被當作擁有夏先生所持股份之權益。

Save as disclosed above, as at 30 June 2020, the Directors were not aware of any persons (other than a Director or the chief executive of the Company) who/entities which had any interests or short positions in the Shares and underlying Shares, which were recorded in the Substantial Shareholders' Register.

除上述披露者外，於2020年6月30日，董事並不知悉任何人士(董事或本公司行政總裁除外)／實體於股份及相關股份中擁有記錄於主要股東名冊之權益或淡倉。

SHARE OPTION SCHEME

The 2011 Scheme

The 2011 Scheme was adopted by the Company pursuant to a resolution passed by the Shareholders at the EGM 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:

Grantees	Date of Grant	Exercise Price	Outstanding as at 1 January 2020 於2020年 1月1日 尚未行使	Granted during the Period	Exercised during the Period	Cancelled/ Lapsed during the Period 期內已註銷/ 失效	Outstanding as at 30 June 2020 於2020年 6月30日 尚未行使
承授人	授出日期	行使價		期內已授出	期內已行使		
Employees 僱員	19/01/2018	HK\$1.10 1.10港元	5,800,000	-	-	(5,800,000)	-
Total 總數			5,800,000	-	-	(5,800,000)	-

Notes:

- The share option was fully vested after 12 months from the date of grant and the exercisable period of share option is from 19/01/2019 to 18/01/2020.
- The closing price of the Shares immediately before the date of grant was HK\$1.07.

購股權計劃

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由股東通過之一項決議案採納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：

- 該購股權自授出日期起12個月後已悉數歸屬，而該購股權行使期限由19/01/2019開始至18/01/2020。
- 緊接授出日期前股份的收市價為1.07港元。

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

During the period under review, the Company had not redeemed its listed securities, nor did the Company or any of its subsidiaries purchase or sell any of such securities.

CORPORATE GOVERNANCE CODE

Throughout the period from 1 January 2020 to 30 June 2020, the Company has applied the principles of, and complied with, all the applicable code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules (the "CG Code") except for code provision A.2.1 of the CG Code. Since 23 January 2015, Mr. ZHAO Yao, the Chairman and an Executive Director, 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 and should not be performed by the same person. 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 plan its overall strategy more efficiently 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 a sufficient number thereof being independent non-executive Directors (the "INEDs").

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

AUDIT COMMITTEE'S REVIEW

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 control systems. The Audit Committee presently comprises 1 non-executive Director and 2 INEDs, and 1 of the INEDs acts as the chairman of the Audit Committee. The Audit Committee has reviewed the unaudited consolidated interim results of the Group for the six months ended 30 June 2020 and the 2020 interim report of the Company.

By Order of the Board

Fountain Set (Holdings) Limited

ZHAO Yao

Chairman and Chief Executive Officer

Hong Kong

21 August 2020

購回、出售及贖回本公司之上市證券

於回顧期內，本公司並無贖回其上市證券，本公司或其任何附屬公司亦無購回或出售任何有關證券。

企業管治守則

由2020年1月1日至2020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，惟企管守則之守則條文第A.2.1條除外。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，詳情已載於本公司日期為2015年1月23日之公告。此會偏離企管守則之守則條文第A.2.1條的規定，主席與行政總裁的職責應有區分及不應由同一名人士擔任，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、專業及高質素人士組成（包括充足的獨立非執行董事人數），董事會相信會有足夠能力確保職能及權力在此安排下得到平衡。

董事進行證券交易的標準守則

本公司已採納標準守則為其有關董事進行證券交易之守則。經本公司向所有董事作出具體查詢後，所有董事已確認彼等於回顧期內均已遵守標準守則所要求的標準。

審核委員會審閱

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集團截至2020年6月30日止6個月之未經審核綜合中期業績及本公司2020年中期報告。

承董事會命

福田實業(集團)有限公司

趙耀

主席兼行政總裁

香港

2020年8月21日

CORPORATE INFORMATION

Honorary Chairman

Mr. HA Chung Fong

Board of Directors

Executive Directors

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

Mr. LIU Xianfu

Mr. TAO Yongming

Mr. YAU Hang Tat Andrew

Non-executive Directors

Dr. YEN Gordon (*Non-executive Vice Chairman*)

Mr. SUN Fuji

Independent Non-executive Directors

Mr. NG Kwok Tung

Mr. YING Wei

Mr. William LAM

Company Secretary

Ms. CHENG Wai Han Charmaine

Registered Office and Principal Place of Business

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

Company Website

www.fshl.com

Principal Banks

Bank of China (Hong Kong) Limited

Hang Seng Bank Limited

The Hongkong and Shanghai Banking Corporation Limited

Standard Chartered Bank (Hong Kong) Limited

Fubon Bank (Hong Kong) Limited

CTBC Bank Co., Ltd.

Solicitors

Vivien Chan & Co.

Independent Auditor

BDO Limited

Certified Public Accountants

Share Registrar

Boardroom Share Registrars (HK) Limited

Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong

公司資料

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*)

劉賢福先生

陶永銘先生

邱恒達先生

非執行董事

嚴震銘博士 (*非執行副主席*)

孫福紀先生

獨立非執行董事

伍國棟先生

應偉先生

林偉成先生

公司秘書

鄭惠嫻女士

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

公司網址

www.fshl.com

主要往來銀行

中國銀行(香港)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

恒生銀行有限公司

富邦銀行(香港)有限公司

中國信託商業銀行股份有限公司

律師

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

寶德隆證券登記有限公司

香港北角電氣道148號21樓2103B室

SHAREHOLDER INFORMATION

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
Number of Shares Issued	:	1,225,026,960 (as at 30 June 2020)

Financial Calendar 2020/2021

Financial year end	31 December 2020
2020 interim results announced	21 August 2020
Register of members closed	N/A
Interim dividend distributed/to be distributed	N/A
2020 annual results to be announced	Late March 2021

Shareholder Services

For enquiries about share transfer and registration,
change of correspondence address, etc.,
please contact the Company's share registrar:

Boardroom Share Registrars (HK) Limited
Room 2103B, 21/F.
148 Electric Road
North Point, Hong Kong
Tel +852 2153 1688
Fax +852 3020 5058

Investor Relations

Ms. Charmaine CHENG
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
Email pr@fshl.com

股東資料

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股
已發行股份數目	:	1,225,026,960 (截至2020年6月30日)

2020/2021年財務日誌

財政年度結算	2020年12月31日
2020年中期業績公佈	2020年8月21日
股份暫停登記	不適用
中期股息派發／將予派發	不適用
2020年年度業績公佈	2021年3月下旬

股東服務

任何有關股份過戶及登記，
變更通信地址等的查詢，
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
21樓2103B室
電話+ 852 2153 1688
傳真+ 852 3020 5058

投資者關係

鄭惠嫻女士
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
電郵pr@fshl.com

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

www.fshl.com
SEHK: 420

Overseas Offices 海外辦事處:

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

Production Countries 生產國家:

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