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

(Incorporated in Hong Kong with limited liability) (Stock Code: 420)

## FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The board of directors of Fountain Set (Holdings) Limited (the “Company” and the “Directors”, respectively) announces that the audited consolidated results of the Company and its subsidiaries (collectively, the “Group” or the “Fountain Set Group”) for the year ended 31 December 2022 are as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 綜合損益及其他全面收益表 FOR THE YEAR ENDED 31 DECEMBER 2022 截至2022年12月31日止年度

|  |                       | Notes 附註 | 2022<br>HK\$'000 千港元 | 2021<br>HK\$'000 千港元 |
|--|-----------------------|----------|----------------------|----------------------|
| <b>Revenue</b>                                 | <b>營業額</b>            | 3        | <b>6,053,645</b>     | 6,751,277            |
| Cost of sales                                  | 銷售成本                  |          | <b>(5,475,828)</b>   | (5,871,738)          |
| <b>Gross profit</b>                            | <b>毛利</b>             |          | <b>577,817</b>       | 879,539              |
| Other revenue                                  | 其他收入                  | 6a       | <b>73,001</b>        | 86,483               |
| Other gains and losses                         | 其他收益及虧損               | 6b       | <b>1,681</b>         | (14,406)             |
| Distribution and selling expenses              | 分銷及銷售費用               |          | <b>(92,291)</b>      | (141,310)            |
| Administrative expenses                        | 行政費用                  |          | <b>(559,179)</b>     | (458,436)            |
| Finance costs                                  | 融資成本                  | 4        | <b>(21,408)</b>      | (15,225)             |
| Share of profit of an associate                | 應佔一間聯營公司之盈利           |          | <b>169</b>           | 805                  |
| <b>(Loss)/profit before income tax expense</b> | <b>除所得稅支出前(虧損)/盈利</b> |          | <b>(20,210)</b>      | 337,450              |
| Income tax expense                             | 所得稅支出                 | 5        | <b>(72,954)</b>      | (67,192)             |
| <b>(Loss)/profit for the year</b>              | <b>是年度(虧損)/盈利</b>     | 6c       | <b>(93,164)</b>      | 270,258              |
| (Loss)/profit for the year attributable to:    | 應佔是年度(虧損)/盈利:         |          |                      |                      |
| Owners of the Company                          | 本公司擁有人                |          | <b>(115,532)</b>     | 241,334              |
| Non-controlling interests                      | 非控股權益                 |          | <b>22,368</b>        | 28,924               |
|  |                       |          | <b>(93,164)</b>      | 270,258              |
|  |                       |          | <b>HK cents 港仙</b>   | <b>HK cents 港仙</b>   |
| <b>(Loss)/earnings per share</b>               | <b>每股(虧損)/盈利</b>      |          |                      |                      |
| - Basic  | - 基本                  | 8        | <b>(9.4)</b>         | 19.7                 |
| - Diluted                                      | - 攤薄                  | 8        | <b>(9.4)</b>         | 19.7                 |

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

FOR THE YEAR ENDED 31 DECEMBER 2022 截至2022年12月31日止年度

|   |                           | Note 附註 | 2022<br>HK\$'000 千港元 | 2021<br>HK\$'000 千港元 |
|---|---------------------------|---------|----------------------|----------------------|
| <b>(Loss)/profit for the year</b>   | <b>是年度(虧損)/盈利</b>         | 6c      | <b>(93,164)</b>      | 270,258              |
| <b>Other comprehensive (expense)/income, net of tax</b>                   | <b>其他全面(開支)/收益(經扣除稅項)</b> |         |                      |                      |
| <b>Item that may be reclassified subsequently to profit or loss:</b>      | <b>其後可能重新分類至損益之項目:</b>    |         |                      |                      |
| Exchange differences arising on translation of foreign operations         | 換算海外業務產生之匯兌差額             |         | <b>(35,178)</b>      | 13,456               |
| <b>Other comprehensive (expense)/income for the year</b>                  | <b>是年度其他全面(開支)/收益</b>     |         | <b>(35,178)</b>      | 13,456               |
| <b>Total comprehensive (expense)/income for the year</b>                  | <b>是年度全面(開支)/收益總值</b>     |         | <b>(128,342)</b>     | 283,714              |
| <b>Total comprehensive (expense)/income for the year attributable to:</b> | <b>應佔是年度全面(開支)/收益總值:</b>  |         |                      |                      |
| Owners of the Company   | 本公司擁有人                    |         | <b>(143,167)</b>     | 251,418              |
| Non-controlling interests   | 非控股權益                     |         | <b>14,825</b>        | 32,296               |
|   |                           |         | <b>(128,342)</b>     | 283,714              |

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

AS AT 31 DECEMBER 2022 於2022年12月31日

|  |                  |          | At 31 December<br>於12月31日<br>2022<br>HK\$'000 千港元 | At 31 December<br>於12月31日<br>2021<br>HK\$'000 千港元 |
|--|------------------|----------|---|---|
|  |                  | Notes 附註 |   |   |
| <b>Non-current assets</b>                        | <b>非流動資產</b>     |          |   |   |
| Investment properties                            | 投資物業             |          | 72,225  | 83,195  |
| Property, plant and equipment                    | 物業、機器及設備         |          | 1,307,647   | 1,336,105   |
| Right-of-use assets                              | 使用權資產            |          | 194,534   | 196,861   |
| Other intangible assets                          | 其他無形資產           |          | 3,015   | 6,030   |
| Deposit paid for purchase of plant and equipment | 購買機器及設備的已付按金     |          | 17,324  | 16,808  |
| Interest in an associate                         | 於一間聯營公司之權益       |          | 23,767  | 23,598  |
| Deferred tax assets                              | 遞延稅項資產           |          | 53,030  | 65,914  |
|  |                  |          | <b>1,671,542</b>                                  | 1,728,511   |
| <b>Current assets</b>                            | <b>流動資產</b>      |          |   |   |
| Inventories                                      | 存貨               | 9        | 929,526   | 1,717,220   |
| Trade and bills receivables                      | 營業及票據應收款項        | 10       | 928,721   | 1,270,335   |
| Prepayments, deposits and other receivables      | 預付款項、按金及其他應收款項   |          | 114,952   | 195,848   |
| Tax recoverable                                  | 可收回稅項            |          | 2,888   | 7,300   |
| Restricted bank deposits                         | 受限制銀行存款          |          | 5,457   | 4,197   |
| Short-term bank deposits                         | 短期銀行存款           |          | 246,116   | 57,846  |
| Bank balances and cash                           | 銀行結餘及現金          |          | 1,147,563   | 767,133   |
|  |                  |          | <b>3,375,223</b>                                  | 4,019,879   |
| <b>Current liabilities</b>                       | <b>流動負債</b>      |          |   |   |
| Trade and bills payables                         | 營業及票據應付款項        | 11       | 491,299   | 956,450   |
| Other payables and accruals                      | 其他應付款項及應計費用      |          | 374,840   | 322,984   |
| Contract liabilities                             | 合約負債             |          | 21,216  | 32,701  |
| Lease liabilities – current portion              | 租賃負債—流動部分        |          | 26,768  | 24,641  |
| Amounts due to non-controlling shareholders      | 欠非控股股東款項         |          | 37,027  | 62,834  |
| Amount due to an associate                       | 欠一間聯營公司款項        |          | 2,429   | 6,443   |
| Deferred income – current portion                | 遞延收入—流動部分        |          | 5,231   | 5,457   |
| Tax payable                                      | 應付稅項             |          | 22,630  | 32,247  |
| Bank borrowings – due within one year            | 銀行借貸—一年內到期       |          | 200,734   | 327,342   |
|  |                  |          | <b>1,182,174</b>                                  | 1,771,099   |
| <b>Net current assets</b>                        | <b>流動資產淨值</b>    |          | <b>2,193,049</b>                                  | 2,248,780   |
| <b>Total assets less current liabilities</b>     | <b>資產總值減流動負債</b> |          | <b>3,864,591</b>                                  | 3,977,291   |

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

AS AT 31 DECEMBER 2022 於2022年12月31日

|   |              |         | At 31 December<br>於12月31日<br>2022 | At 31 December<br>於12月31日<br>2021 |
|---|--------------|---------|-----------------------------------|-----------------------------------|
|   |              | Note 附註 | HK\$'000 千港元                      | HK\$'000 千港元                      |
| <b>Non-current liabilities</b>                  | <b>非流動負債</b> |         |                                   |                                   |
| Deferred income – non-current portion           | 遞延收入—非流動部分   |         | 76,154                            | 83,147                            |
| Bank borrowings – due after one year            | 銀行借貸—一年後到期   |         | 235,514                           | –                                 |
| Lease liabilities – non-current portion         | 租賃負債—非流動部分   |         | 116,234                           | 130,330                           |
| Deferred tax liabilities                        | 遞延稅項負債       |         | 12,922                            | 4,716                             |
|   |              |         | <b>440,824</b>                    | 218,193                           |
| <b>Net assets</b>                               | <b>資產淨值</b>  |         | <b>3,423,767</b>                  | 3,759,098                         |
| <b>Capital and reserves</b>                     | <b>資本及儲備</b> |         |                                   |                                   |
| Share capital                                   | 股本           | 12      | 889,810                           | 889,810                           |
| Reserves  | 儲備           |         | 2,331,257                         | 2,670,428                         |
| Equity attributable to owners<br>of the Company | 本公司擁有人應佔權益   |         | <b>3,221,067</b>                  | 3,560,238                         |
| Non-controlling interests                       | 非控股權益        |         | <b>202,700</b>                    | 198,860                           |
| <b>Total equity</b>                             | <b>權益總值</b>  |         | <b>3,423,767</b>                  | 3,759,098                         |

# NOTES 附註

## 1. GENERAL INFORMATION

The Company is a public limited company incorporated in Hong Kong. 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 years ended 31 December 2022 and 31 December 2021 included in this final results announcement does not constitute the Company’s statutory annual consolidated financial statements for those years 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 (Chapter 622 of the Laws of Hong Kong) (the “Companies Ordinance”) is as follows:

The Company has delivered the financial statements of the Group for the year ended 31 December 2021 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements of the Group for the year ended 31 December 2022 in due course.

The Company’s independent auditor has reported on those financial statements of the Group for both years. 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 section 406(2), 407(2) or (3) of the Companies Ordinance.

## 2. ADOPTION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

### (a) Adoption of amended HKFRSs

In the current year, the Group has applied, for the first time, the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) which are effective for the Group’s financial year beginning 1 January 2022:

|                       |   |
|-----------------------|---|
| Amendments to HKFRS 3 | Reference to the Conceptual Framework                       |
| Amendments to HKAS 16 | Property, Plant and Equipment: Proceeds before Intended Use |
| Amendments to HKAS 37 | Onerous Contracts – Cost of Fulfilling a Contract           |
| Amendments to HKFRSs  | Annual Improvements to HKFRSs 2018-2020 Cycle               |

None of these amended HKFRSs has a material impact on the Group’s results and financial position for the current and prior periods and/or on the disclosures set out in these consolidated financial statements. The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting period.

## 1. 簡介

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。

本末期業績公告所載有關截至2022年12月31日及2021年12月31日止年度之財務資料，並不構成本公司於該等年度之法定年度綜合財務報表，但摘錄自該等財務報表。根據香港法例第622章公司條例（「公司條例」）第436條須予披露有關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本集團截至2021年12月31日止年度之財務報表，並將會在適當時間遞交本集團截至2022年12月31日止年度之財務報表。

本公司獨立核數師已就本集團該兩個年度之財務報表作出報告。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作出保留意見之情況下，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. 採納新訂及經修訂之香港財務報告準則（「香港財務報告準則」）

### (a) 採納經修訂之香港財務報告準則

於本年度，本集團已首次應用下列由香港會計師公會（「香港會計師公會」）頒佈並於本集團2022年1月1日開始之財政年度生效之香港財務報告準則之修訂本：

|                 |                            |
|-----------------|----------------------------|
| 香港財務報告準則第3號之修訂本 | 概念框架的引用                    |
| 香港會計準則第16號之修訂本  | 物業、機器及設備：用作擬定用途前的所得款項      |
| 香港會計準則第37號之修訂本  | 虧損合約—履行合約的成本               |
| 香港財務報告準則之修訂本    | 香港財務報告準則2018年至2020年週期之年度改進 |

以上經修訂香港財務報告準則對本集團當前及過往期間的業績及財務狀況及／或該等綜合財務報表所載之披露並無重大影響。於本會計期間，本集團並無提前應用任何尚未生效之新訂或經修訂香港財務報告準則。

## 2. ADOPTION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

### (b) New or amended HKFRSs that have been issued but are not yet effective

The following new or amendments to HKFRSs have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

|  |  |
|--|--|
| HKFRS 17 (including the October 2020 and February 2022 amendments to HKFRS 17) | Insurance contracts <sup>1</sup>   |
| Amendments to HKFRS 16   | Lease Liability in a Sale and Leaseback <sup>2</sup>   |
| Amendments to HKFRS 10 and HKAS 28   | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>   |
| Amendments to HKAS 1   | Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>2</sup> |
| Amendments to HKAS 1   | Non-current Liabilities with Covenants <sup>2</sup>  |
| Amendments to HKAS 1 and HKFRS Practice Statement 2                            | Disclosures of Accounting Policies <sup>1</sup>  |
| Amendments to HKAS 8   | Definition of Accounting Estimates <sup>1</sup>  |
| Amendments to HKAS 12  | Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>  |

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that, except as described below, the application of the new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

## 2. 採納新訂及經修訂之香港財務報告準則(「香港財務報告準則」)(續)

### (b) 已頒佈但尚未生效之新訂或經修訂香港財務報告準則

下列香港財務報告準則之新訂或修訂本已經頒佈，惟尚未生效，且未經本集團提早採納。本集團目前擬於該等變動生效日期應用該等變動。

|  |   |
|--|---|
| 香港財務報告準則第17號(包括2020年10月及2022年2月香港財務報告準則第17號之修訂本) | 保險合約 <sup>1</sup>   |
| 香港財務報告準則第16號之修訂本                                 | 售後租回之租賃負債 <sup>2</sup>  |
| 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 <sup>3</sup>                                     |
| 香港會計準則第1號之修訂本                                    | 流動或非流動負債分類及香港詮釋第5號(2020年)，財務報表的呈報—借入人對載有按要求償還條款的定期貸款的分類之相關修訂 <sup>2</sup> |
| 香港會計準則第1號之修訂本                                    | 附帶契諾之非流動負債 <sup>2</sup>   |
| 香港會計準則第1號及香港財務報告準則作業準則第2號之修訂本                    | 會計政策的披露 <sup>1</sup>  |
| 香港會計準則第8號之修訂本                                    | 會計估計的定義 <sup>1</sup>  |
| 香港會計準則第12號之修訂本                                   | 與單一交易產生的資產及負債有關的遞延稅項 <sup>1</sup>   |

<sup>1</sup> 於2023年1月1日或之後開始之年度期間生效。

<sup>2</sup> 於2024年1月1日或之後開始之年度期間生效。

<sup>3</sup> 於有待釐定的日期或之後開始之年度期間生效。

除下文所述外，本公司董事預期應用新訂及經修訂香港財務報告準則將不會對本集團業績及財務狀況產生重大影響。

## 2. ADOPTION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

### (b) New or amended HKFRSs that have been issued but are not yet effective (continued)

#### ***Amendments to HKFRS 16, Lease Liability in a Sale and Leaseback***

The amendments add subsequent measurement requirements for a sale and leaseback transaction, where the transfer of the asset satisfies the requirements in HKFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. HKFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place. However, HKFRS 16 had not specified how to measure the transaction when reporting after that date. The amendments add to the sale and leaseback requirements in HKFRS 16, thereby supporting the consistent application of the accounting standard.

The directors of the Company do not anticipate that the application of the amendments to HKFRS 16 will have a significant impact on the Group's consolidated financial statements.

#### ***Amendments to HKFRS 10 and HKAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***

The amendments to HKFRS 10 and HKAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The directors of the Company anticipate that the application of these amendments to HKFRS 10 and HKAS 28 may have an impact on the Group's consolidated financial statements in future periods should such transaction would arise.

## 2. 採納新訂及經修訂之香港財務報告準則（「香港財務報告準則」）（續）

### (b) 已頒佈但尚未生效之新訂或經修訂香港財務報告準則（續）

#### ***香港財務報告準則第16號之修訂本，售後租回之租賃負債***

該等修訂本就售後租回交易增加後續計量規定，即資產轉讓如符合香港財務報告準則第15號客戶合約收益要求可作為銷售入賬。香港財務報告準則第16號就於交易發生當日如何入賬售後租回作出要求。然而，香港財務報告準則第16號並未訂明於該日期後報告時如何計量交易。該等修訂本於香港財務報告準則第16號中增加售後租回要求，從而支持會計準則的貫徹應用。

本公司董事預期應用香港財務報告準則第16號之修訂本將不會對本集團綜合財務報表產生重大影響。

#### ***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***

香港財務報告準則第10號及香港會計準則第28號之修訂本處理投資者與其聯營公司或合營公司之間的資產出售或注資的情況。具體而言，該等修訂本指出，於與採用權益法入賬的聯營公司或合營公司的交易中，因失去對不包含業務的附屬公司的控制權而產生的任何收益或虧損於母公司的損益確認，惟僅以非關聯投資者於該聯營公司或合營公司的權益為限。同樣，將任何已成為採用權益法入賬的聯營公司或合營公司的前附屬公司的保留投資按公平價值重新計量而產生的任何收益及虧損於前母公司的損益確認，惟僅以非關聯投資者於新聯營公司或合營公司的權益為限。

本公司董事預期應用香港財務報告準則第10號及香港會計準則第28號之修訂本可能對未來期間之本集團綜合財務報表產生影響（倘發生有關交易）。

## 2. ADOPTION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

### (b) New or amended HKFRSs that have been issued but are not yet effective (continued)

#### ***Amendments to HKAS 1, Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause; Amendments to HKAS 1, Non-current Liabilities with Covenants***

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current issued in 2020 (the “2020 Amendments”) clarify the requirements for classifying liabilities as current or non-current. Amendments to HKAS 1 Non-current Liabilities with Covenants issued in 2022 (the “2022 Amendments”) further clarify the requirements for classification of non-current liabilities with covenants. The amendments specify that if an entity’s right to defer settlement of a liability is subject to the entity complying with future covenants, the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered as settlement of a liability. The amendments require additional disclosures by an entity that classifies liabilities arising from loan arrangements as non-current when it has a right to defer settlement of those liabilities that are subject to the entity complying with future covenants within twelve months.

Based on the Group’s outstanding liabilities as at 31 December 2022, the directors of the Company do not anticipate the application of the amendments will result in change in the classification of the Group’s liabilities.

#### ***Amendments to HKAS 1 and HKFRS Practice Statement 2, Disclosures of Accounting Policies***

The amendments to HKAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to HKFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The directors of the Company do not anticipate that the application of the amendments will have significant impact on the Group’s consolidated financial statements except for the disclosures of the Group’s significant accounting policies.

## 2. 採納新訂及經修訂之香港財務報告準則（「香港財務報告準則」）（續）

### (b) 已頒佈但尚未生效之新訂或經修訂香港財務報告準則（續）

#### ***香港會計準則第1號之修訂本，流動或非流動負債分類及香港詮釋第5號(2020年)，財務報表的呈報－借款人對載有按要求償還條款的定期貸款的分類之相關修訂；香港會計準則第1號之修訂本，附帶契諾之非流動負債***

於2020年頒佈的香港會計準則第1號流動或非流動負債分類之修訂本（「2020年修訂本」）澄清將負債分類為流動或非流動的規定。於2022年頒佈的香港會計準則第1號附帶契諾之非流動負債之修訂本（「2022年修訂本」）進一步澄清附帶契諾之非流動負債分類的規定。該等修訂指明，倘實體延遲償還負債的權利受限於實體遵守未來契諾，即使其未遵守該等契諾，該實體仍有權於報告期終延遲償還負債。負債的分類不受該實體行使其延遲償還負債權利的可能性的影響。該等修訂本亦澄清被視為償還負債的情況。該等修訂本要求若實體將由貸款安排產生的負債歸類為非流動負債，並有權推遲在未來十二個月內遵守契諾時償還該等負債，則須作出額外披露。

根據本集團於2022年12月31日未償還的負債，本公司董事預期應用該等修訂本將不會導致本集團負債分類產生變動。

#### ***香港會計準則第1號及香港財務報告準則作業準則第2號之修訂本，會計政策的披露***

香港會計準則第1號之修訂本要求公司披露其主要會計政策資料，而非其重大會計政策。香港財務報告準則作業準則第2號之修訂本就重要性概念應用於會計政策披露之方式提供指引。

本公司董事預期應用該等修訂本將不會對本集團綜合財務報表產生重大影響，惟本集團之重大會計政策披露除外。



## 2. ADOPTION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

### (b) New or amended HKFRSs that have been issued but are not yet effective (continued)

#### *Amendments to HKAS 8, Definition of Accounting Estimates*

The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty – that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information. In addition, the concept of changes in accounting estimates in HKAS 8 is retained with additional clarifications. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The directors of the Company do not anticipate that the application of the amendments to HKAS 8 will have significant impact on the Group’s consolidated financial statements.

#### *Amendments to HKAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in HKAS 12. Upon the application of the amendments, the Group will recognise a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with (i) the right-of-use assets and the lease liabilities and (ii) the provision for decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset.

The directors of the Company do not anticipate that the application of the amendments to HKAS 12 will have significant impact on the Group’s consolidated financial statements.

## 2. 採納新訂及經修訂之香港財務報告準則（「香港財務報告準則」）（續）

### (b) 已頒佈但尚未生效之新訂或經修訂香港財務報告準則（續）

#### *香港會計準則第8號之修訂本，會計估計的定義*

該等修訂本定義會計估計為「財務報表中受計量不確定性影響的貨幣金額」。會計政策可能規定對涉及計量不確定因素的財務報表的項目進行計量—即會計政策可能規定該等項目按不可直接觀察而必須進行估計的貨幣金額計量。於此情況下，一間實體應編製會計估計，以達到會計政策所設立的目標。編製會計估計涉及使用根據最新可得的可靠資料作出的判斷或假設。此外，香港會計準則第8號的會計估計變動的概念被保留，惟有進一步澄清。該等修訂本應用於該期間開始或之後發生的會計政策變動及會計估計變動。

本公司董事預期應用香港會計準則第8號之修訂本將不會對本集團綜合財務報表產生重大影響。

#### *香港會計準則第12號之修訂本，與單一交易產生的資產及負債有關的遞延稅項*

該等修訂本將香港會計準則第12號遞延稅項負債及遞延稅項資產之確認豁免範圍收窄。於應用該等修訂本時，本集團將就與(i)使用權資產及租賃負債及(ii)棄置、復原及類似負債，以及確認為相關資產成本一部分的相應金額撥備相關之所有可扣減及應課稅暫時差額確認遞延稅項資產（以可能有可供利用的暫時差額以抵扣應課稅溢利為限）及遞延稅項負債。

本公司董事預期應用香港會計準則第12號之修訂本將不會對本集團綜合財務報表產生重大影響。

### 3. REVENUE AND SEGMENT INFORMATION

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

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

| 2022   | 2022年       | Hong Kong<br>香港<br>HK\$'000<br>千港元 | The PRC<br>中國<br>HK\$'000<br>千港元 | Taiwan<br>台灣<br>HK\$'000<br>千港元 | Korea<br>韓國<br>HK\$'000<br>千港元 | Sri Lanka<br>斯里蘭卡<br>HK\$'000<br>千港元 | America<br>美洲<br>HK\$'000<br>千港元 | Europe<br>歐洲<br>HK\$'000<br>千港元 | Others<br>其他地區<br>HK\$'000<br>千港元 | Segment total<br>分類總值<br>HK\$'000<br>千港元 | Eliminations<br>對銷<br>HK\$'000<br>千港元 | Consolidated<br>綜合<br>HK\$'000<br>千港元 |
|--|-------------|------------------------------------|----------------------------------|---------------------------------|--------------------------------|--------------------------------------|----------------------------------|---------------------------------|-----------------------------------|--|---------------------------------------|---------------------------------------|
| Revenue  | 營業額         |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |  |                                       |                                       |
| External sales                                 | 對外銷售        | 784,537                            | 2,046,010                        | 319,967                         | 339,944                        | 978,471                              | 524,590                          | 74,897                          | 985,229                           | 6,053,645                                | -                                     | 6,053,645                             |
| Inter-segment sales (note)                     | 分類間銷售 (附註)  | 3,259,209                          | 1,101,808                        | -                               | -                              | 269,775                              | -                                | -                               | 189,727                           | 4,820,519                                | (4,820,519)                           | -                                     |
| Total segment revenue                          | 分類營業額總值     | 4,043,746                          | 3,147,818                        | 319,967                         | 339,944                        | 1,248,246                            | 524,590                          | 74,897                          | 1,174,956                         | 10,874,164                               | (4,820,519)                           | 6,053,645                             |
| Results  | 業績          |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |  |                                       |                                       |
| Segment profit                                 | 分類盈利        | 49,435                             | 129,228                          | 19,849                          | 21,280                         | 79,436                               | 42,432                           | 4,711                           | 64,153                            |  |                                       | 410,524                               |
| Interest income                                | 利息收入        |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |  |                                       | 9,069                                 |
| Unallocated income                             | 未分配收入       |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |  |                                       | 21,565                                |
| Depreciation, amortisation and impairment loss | 折舊、攤銷及減值損失  |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |  |                                       | (180,399)                             |
| Other unallocated expenses                     | 其他未分配支出     |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |  |                                       | (259,730)                             |
| Finance costs                                  | 融資成本        |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |  |                                       | (21,408)                              |
| Share of profit of an associate                | 應佔一間聯營公司之盈利 |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |  |                                       | 169                                   |
| Loss before income tax expense                 | 除所得稅支出前損失   |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |  |                                       | (20,210)                              |

### 3. 營業額及分類資料

本公司執行董事(即主要營運決策者)定期根據客戶所在地區不同的地域位置審閱經營業績及財務資料,包括香港(本公司所屬地)、中華人民共和國(「中國」)、台灣、韓國、斯里蘭卡、美洲、歐洲及其他地區(即指其他地域位置,主要為孟加拉國、越南、新加坡及澳門)。所有該等地域位置為營運分類,而「其他地區」則為綜合之營運分類。

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

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

The following is an analysis of the Group's revenue and profit from the production and sales of dyed fabrics, yarns and garments and results by reportable segments for the year. (continued)

| 2021   | 2021年       | Hong Kong<br>香港<br>HK\$'000<br>千港元 | The PRC<br>中國<br>HK\$'000<br>千港元 | Taiwan<br>台灣<br>HK\$'000<br>千港元 | Korea<br>韓國<br>HK\$'000<br>千港元 | Sri Lanka<br>斯里蘭卡<br>HK\$'000<br>千港元 | America<br>美洲<br>HK\$'000<br>千港元 | Europe<br>歐洲<br>HK\$'000<br>千港元 | Others<br>其他地區<br>HK\$'000<br>千港元 | Segment total<br>分類總值<br>HK\$'000<br>千港元 | Eliminations<br>對銷<br>HK\$'000<br>千港元 | Consolidated<br>綜合<br>HK\$'000<br>千港元 |
|--|-------------|------------------------------------|----------------------------------|---------------------------------|--------------------------------|--------------------------------------|----------------------------------|---------------------------------|-----------------------------------|--|---------------------------------------|---------------------------------------|
| Revenue  | 營業額         |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |  |                                       |                                       |
| External sales                                 | 對外銷售        | 798,421                            | 2,146,338                        | 391,790                         | 396,295                        | 1,077,315                            | 536,395                          | 64,156                          | 1,340,567                         | 6,751,277                                | -                                     | 6,751,277                             |
| Inter-segment sales (note)                     | 分類間銷售 (附註)  | 3,548,512                          | 1,897,481                        | -                               | -                              | 349,085                              | -                                | -                               | 154,940                           | 5,950,018                                | (5,950,018)                           | -                                     |
| Total segment revenue                          | 分類營業額總值     | 4,346,933                          | 4,043,819                        | 391,790                         | 396,295                        | 1,426,400                            | 536,395                          | 64,156                          | 1,495,507                         | 12,701,295                               | (5,950,018)                           | 6,751,277                             |
| Results  | 業績          |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |  |                                       |                                       |
| Segment profit                                 | 分類盈利        | 84,571                             | 214,139                          | 42,201                          | 42,484                         | 82,555                               | 53,448                           | 6,894                           | 140,739                           |  |                                       | 667,031                               |
| Interest income                                | 利息收入        |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |  |                                       | 7,790                                 |
| Unallocated income                             | 未分配收入       |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |  |                                       | 4,091                                 |
| Depreciation, amortisation and impairment loss | 折舊、攤銷及減值損失  |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |  |                                       | (173,481)                             |
| Other unallocated expenses                     | 其他未分配支出     |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |  |                                       | (153,561)                             |
| Finance costs                                  | 融資成本        |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |  |                                       | (15,225)                              |
| Share of profit of an associate                | 應佔一間聯營公司之盈利 |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |  |                                       | 805                                   |
| Profit before income tax expense               | 除所得稅支出前盈利   |                                    |                                  |                                 |                                |                                      |                                  |                                 |                                   |  |                                       | 337,450                               |

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

The accounting policies of the reportable segments are the same as the Group's accounting policies. 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 gain/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 chief operating decision makers for the purposes of resource allocation and performance assessment. No analysis on segment assets and liabilities is disclosed as it is not presented to the chief operating decision makers.

### 3. 營業額及分類資料 (續)

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

附註：分類間銷售之價格乃參照當時之市場價格而釐定。

可申報分類之會計政策與本集團會計政策相同。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／撇銷收益／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主要營運決策者匯報之基準。對分類資產及負債並沒有作出分析披露，因該資料沒有向主要營運決策者呈列。

### 3. 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:

|  |                                | 2022<br>HK\$'000 千港元 | 2021<br>HK\$'000 千港元 |
|--|--------------------------------|----------------------|----------------------|
| <b>Revenue from contracts with customers within the scope of HKFRS 15:</b> | <b>香港財務報告準則第15號範圍內的客戶合同收入：</b> |                      |                      |
| Production and sales of dyed fabrics and yarns                             | 製造及銷售色布及紗                      | 5,150,345            | 5,917,779            |
| Production and sales of garments   | 製造及銷售成衣                        | 903,300              | 833,498              |
|  |                                | <b>6,053,645</b>     | 6,751,277            |
| <b>Timing of revenue recognition:</b>                                      | <b>確認收入的時間：</b>                |                      |                      |
| At a point in time   | 在某時間點                          | 6,053,645            | 6,751,277            |
| Transferred over time  | 隨時間轉移                          | -                    | -                    |
|  |                                | <b>6,053,645</b>     | 6,751,277            |

The following table provides information about trade and bills receivables and contract liabilities from contracts with customers.

|                                       |                  | At 31 December<br>於12月31日<br>2022<br>HK\$'000 千港元 | At 31 December<br>於12月31日<br>2021<br>HK\$'000 千港元 |
|---------------------------------------|------------------|---|---|
| Trade and bills receivables (note 10) | 營業及票據應收款項 (附註10) | 928,721   | 1,270,335   |
| Contract liabilities                  | 合約負債             | 21,216  | 32,701  |

#### Information about major customers

No revenue from individual customer contributed over 10% of the total revenue of the Group for the years ended 31 December 2022 and 31 December 2021.

### 3. 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：

|  |                                | 2022<br>HK\$'000 千港元 | 2021<br>HK\$'000 千港元 |
|--|--------------------------------|----------------------|----------------------|
| <b>Revenue from contracts with customers within the scope of HKFRS 15:</b> | <b>香港財務報告準則第15號範圍內的客戶合同收入：</b> |                      |                      |
| Production and sales of dyed fabrics and yarns                             | 製造及銷售色布及紗                      | 5,150,345            | 5,917,779            |
| Production and sales of garments   | 製造及銷售成衣                        | 903,300              | 833,498              |
|  |                                | <b>6,053,645</b>     | 6,751,277            |
| <b>Timing of revenue recognition:</b>                                      | <b>確認收入的時間：</b>                |                      |                      |
| At a point in time   | 在某時間點                          | 6,053,645            | 6,751,277            |
| Transferred over time  | 隨時間轉移                          | -                    | -                    |
|  |                                | <b>6,053,645</b>     | 6,751,277            |

下表提供有關營業及票據應收款項以及來自客戶合同的合約負債資料。

|                                       |                  | At 31 December<br>於12月31日<br>2022<br>HK\$'000 千港元 | At 31 December<br>於12月31日<br>2021<br>HK\$'000 千港元 |
|---------------------------------------|------------------|---|---|
| Trade and bills receivables (note 10) | 營業及票據應收款項 (附註10) | 928,721   | 1,270,335   |
| Contract liabilities                  | 合約負債             | 21,216  | 32,701  |

#### 有關主要客戶之資料

截至2022年12月31日及2021年12月31日止年度，來自個別客戶之收入佔本集團營業總額均無超過10%。

#### 4. FINANCE COSTS

#### 4. 融資成本

|                   |       | 2022<br>HK\$'000 千港元 | 2021<br>HK\$'000 千港元 |
|-------------------|-------|----------------------|----------------------|
| Finance costs on: | 融資成本： |                      |                      |
| Bank borrowings   | 銀行借貸  | 13,469               | 6,670                |
| Lease liabilities | 租賃負債  | 7,939                | 8,555                |
|                   |       | <b>21,408</b>        | 15,225               |

#### 5. INCOME TAX EXPENSE

#### 5. 所得稅支出

|  |                  | 2022<br>HK\$'000 千港元 | 2021<br>HK\$'000 千港元 |
|--|------------------|----------------------|----------------------|
| Current tax:                           | 是年度稅項：           |                      |                      |
| Hong Kong                              | 香港               | 3,125                | 23,534               |
| The PRC                                | 中國               | 20,345               | 28,324               |
| Other jurisdictions                    | 其他司法地區           | 14,690               | 13,202               |
|  |                  | <b>38,160</b>        | 65,060               |
| Under/(over) provision in prior years: | 過往年度撥備不足／(超額撥備)： |                      |                      |
| Hong Kong                              | 香港               | 311                  | 358                  |
| The PRC                                | 中國               | 12,680               | (812)                |
| Other jurisdictions                    | 其他司法地區           | 1,266                | (558)                |
|  |                  | <b>14,257</b>        | (1,012)              |
|  |                  | <b>52,417</b>        | 64,048               |
| Deferred tax:                          | 遞延稅項：            |                      |                      |
| Hong Kong                              | 香港               | 1,962                | (2,006)              |
| The PRC                                | 中國               | 10,358               | 8,123                |
| Other jurisdictions                    | 其他司法地區           | 8,217                | (2,973)              |
|  |                  | <b>20,537</b>        | 3,144                |
|  |                  | <b>72,954</b>        | 67,192               |

Under the Hong Kong two-tiered profits tax rates regime, the first HK\$2,000,000 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 entitled to the two-tiered profits tax rates regime will continue to be taxed at 16.5%.

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港元應課稅盈利稅率為8.25%，而餘下的應課稅盈利稅率則為16.5%。不符合利得稅兩級制的其他集團實體之盈利將繼續按稅率16.5%課稅。

## 5. INCOME TAX EXPENSE (continued)

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 was 14% from January to September 2022 and has been increased to 30% from October 2022 (2021: 14%).

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

## 6. OTHER REVENUE, OTHER GAINS AND LOSSES AND (LOSS)/PROFIT FOR THE YEAR

(a) An analysis of the Group's other revenue is as follows:

|  |               | 2022<br>HK\$'000 千港元 | 2021<br>HK\$'000 千港元 |
|--|---------------|----------------------|----------------------|
| Amortisation of deferred income (note i)     | 遞延收入之攤銷 (附註i) | 5,328                | 3,105                |
| Compensation income                          | 補償收入          | 21,290               | 24,832               |
| Government grants (note iii)                 | 政府補貼 (附註iii)  | 10,304               | 7,077                |
| Interest income                              | 利息收入          | 9,069                | 7,790                |
| Net rental income from investment properties | 投資物業之租金收入淨值   | 14,299               | 13,574               |
| Others                                       | 其他            | 12,711               | 30,105               |
|  |               | <b>73,001</b>        | <b>86,483</b>        |

(b) An analysis of the Group's other gains and losses is as follows:

|  |                           | 2022<br>HK\$'000 千港元 | 2021<br>HK\$'000 千港元 |
|--|---------------------------|----------------------|----------------------|
| Net exchange (losses)/gains  | 匯兌 (虧損) / 收益淨值            | (6,223)              | 3,113                |
| 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) | 1,467                | (61)                 |
| Provision for impairment loss recognised on trade and bills receivables, net     | 營業及票據應收款項之減值損失撥備確認淨值      | (17,867)             | (11,343)             |
| Reversal of/(provision for) impairment loss recognised on other receivables, net | 其他應收款項之減值損失撥回 / (撥備) 確認淨值 | 6,105                | (6,115)              |
| Others   | 其他                        | 18,199               | -                    |
|  |                           | <b>1,681</b>         | <b>(14,406)</b>      |

## 5. 所得稅支出 (續)

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, 2022年1月至9月, 斯里蘭卡附屬公司之稅率為14%, 並已自2022年10月起增加至30% (2021年: 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。

## 6. 其他收入、其他收益及虧損以及是年度 (虧損) / 盈利

(a) 本集團其他收入之分析如下:

|  |               | 2022<br>HK\$'000 千港元 | 2021<br>HK\$'000 千港元 |
|--|---------------|----------------------|----------------------|
| Amortisation of deferred income (note i)     | 遞延收入之攤銷 (附註i) | 5,328                | 3,105                |
| Compensation income                          | 補償收入          | 21,290               | 24,832               |
| Government grants (note iii)                 | 政府補貼 (附註iii)  | 10,304               | 7,077                |
| Interest income                              | 利息收入          | 9,069                | 7,790                |
| Net rental income from investment properties | 投資物業之租金收入淨值   | 14,299               | 13,574               |
| Others                                       | 其他            | 12,711               | 30,105               |
|  |               | <b>73,001</b>        | <b>86,483</b>        |

(b) 本集團其他收益及虧損之分析如下:

|  |                           | 2022<br>HK\$'000 千港元 | 2021<br>HK\$'000 千港元 |
|--|---------------------------|----------------------|----------------------|
| Net exchange (losses)/gains  | 匯兌 (虧損) / 收益淨值            | (6,223)              | 3,113                |
| 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) | 1,467                | (61)                 |
| Provision for impairment loss recognised on trade and bills receivables, net     | 營業及票據應收款項之減值損失撥備確認淨值      | (17,867)             | (11,343)             |
| Reversal of/(provision for) impairment loss recognised on other receivables, net | 其他應收款項之減值損失撥回 / (撥備) 確認淨值 | 6,105                | (6,115)              |
| Others   | 其他                        | 18,199               | -                    |
|  |                           | <b>1,681</b>         | <b>(14,406)</b>      |

## 6. OTHER REVENUE, OTHER GAINS AND LOSSES AND (LOSS)/PROFIT FOR THE YEAR (continued)

(c) An analysis of the Group's (loss)/profit for the year is as follows:

|  |  | 2022<br>HK\$'000 千港元 | 2021<br>HK\$'000 千港元 |
|--|--|----------------------|----------------------|
| (Loss)/profit for the year has been arrived at after charging: | 是年度(虧損)/盈利已扣減：                               |                      |                      |
| Amortisation of other intangible assets <sup>1</sup>           | 其他無形資產之攤銷 <sup>1</sup>                       | 3,015                | 3,015                |
| Auditors' remuneration   | 核數師之薪酬                                       |                      |                      |
| – SHINEWING (HK) CPA Limited (2021:BDO Limited)                | – 信永中和(香港)會計師事務所有限公司(2021年:香港立信德豪會計師事務所有限公司) | 2,495                | 2,961                |
| – Other auditors   | – 其他核數師                                      | 34                   | 51                   |
| Cost of sales (note ii)  | 銷售成本(附註ii)                                   | 5,475,828            | 5,871,738            |
| Depreciation of investment properties                          | 投資物業之折舊                                      | 5,521                | 4,991                |
| Depreciation and impairment of property, plant and equipment   | 物業、機器及設備之折舊及減值                               | 171,863              | 165,475              |
| Depreciation of right-of-use assets                            | 使用權資產之折舊                                     | 28,866               | 28,881               |
| Employee costs (including directors' emoluments)               | 僱員成本(包括董事酬金)                                 | 975,745              | 982,519              |
| Research and development costs                                 | 研發成本   | 59,115               | 54,219               |

<sup>1</sup> Included in administrative expenses

Notes:

- (i) Amortisation of deferred income mainly represents i) grants received from the PRC local government authority as subsidies to the Group for acquiring property, plant and equipment for business development and energy saving scheme implemented by the PRC local government and ii) rental income received in advance for the leasing of three investment properties.
- (ii) Cost of sales includes HK\$1,417,055,000 (2021: HK\$1,672,851,000) of staff costs, depreciation and impairment of property, plant and equipment, depreciation of right-of-use assets, subcontracting fee, reversal of write-down of inventories and other manufacturing overheads. Staff costs, depreciation and impairment of property, plant and equipment and depreciation of right-of-use assets are also included in the respective total amounts disclosed above for each of these types of expenses.

## 6. 其他收入、其他收益及虧損以及是年度(虧損)/盈利(續)

(c) 本集團是年度(虧損)/盈利之分析如下：

|  |  | 2022<br>HK\$'000 千港元 | 2021<br>HK\$'000 千港元 |
|--|--|----------------------|----------------------|
| (Loss)/profit for the year has been arrived at after charging: | 是年度(虧損)/盈利已扣減：                               |                      |                      |
| Amortisation of other intangible assets <sup>1</sup>           | 其他無形資產之攤銷 <sup>1</sup>                       | 3,015                | 3,015                |
| Auditors' remuneration   | 核數師之薪酬                                       |                      |                      |
| – SHINEWING (HK) CPA Limited (2021:BDO Limited)                | – 信永中和(香港)會計師事務所有限公司(2021年:香港立信德豪會計師事務所有限公司) | 2,495                | 2,961                |
| – Other auditors   | – 其他核數師                                      | 34                   | 51                   |
| Cost of sales (note ii)  | 銷售成本(附註ii)                                   | 5,475,828            | 5,871,738            |
| Depreciation of investment properties                          | 投資物業之折舊                                      | 5,521                | 4,991                |
| Depreciation and impairment of property, plant and equipment   | 物業、機器及設備之折舊及減值                               | 171,863              | 165,475              |
| Depreciation of right-of-use assets                            | 使用權資產之折舊                                     | 28,866               | 28,881               |
| Employee costs (including directors' emoluments)               | 僱員成本(包括董事酬金)                                 | 975,745              | 982,519              |
| Research and development costs                                 | 研發成本   | 59,115               | 54,219               |

<sup>1</sup> 包括在行政費用內

附註：

- (i) 遞延收入之攤銷主要指i)收取來自中國當地政府機構授予本集團用作購入物業、機器及設備之補貼，該等補貼乃用於業務發展及中國當地政府執行的節能計劃及ii)租賃三個投資物業而預收的租金收入。
- (ii) 銷售成本包括1,417,055,000港元(2021年:1,672,851,000港元)之員工成本、物業、機器及設備折舊及減值、使用權資產折舊、加工費用、回撥存貨撇銷及其他製造費用。員工成本、物業、機器及設備折舊及減值以及使用權資產折舊亦已包括在上文所披露各類開支之相關總額內。

## 6. OTHER REVENUE, OTHER GAINS AND LOSSES AND (LOSS)/PROFIT FOR THE YEAR (continued)

Notes: (continued)

- (iii) For the year ended 31 December 2022, government grants included grants of HK\$6,489,000 (2021: HK\$7,077,000) received from the PRC local government authority as subsidies to the Group for incentive of foreign trade and steady growth of business and there were no restrictions with the use of such government grants.

For the year ended 31 December 2022, the Group applied for government support programs introduced in response to the COVID-19 pandemic. Government grants of HK\$3,759,000 was received from the Hong Kong Government relating to supporting the payroll of the Group's employees and recognised in profit or loss. The Group 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 did not have any unfulfilled obligations relating to this program. No such government grants were obtained for the year ended 31 December 2021.

## 7. DIVIDENDS

|   |                                     |
|---|-------------------------------------|
| Dividend recognised as distribution during the year:                | 是年度已確認為分派之股息：                       |
| 2021 final dividend of HK16.00 cents (2020: HK7.00 cents) per share | 2021年末期股息每股16.00港仙 (2020年：每股7.00港仙) |

No final dividend in respect of the year ended 31 December 2022 has been recommended by the Board, nor has any dividend proposed since the end of the reporting period.

## 6. 其他收入、其他收益及虧損以及是年度(虧損)/盈利(續)

附註：(續)

- (iii) 截至2022年12月31日止年度，政府補貼包括收取來自中國當地政府機構授出作為本集團鼓勵外貿及業務穩定增長之補貼6,489,000港元(2021年：7,077,000港元)，而該等政府補貼的使用並無限制。

截至2022年12月31日止年度，本集團申請為應對COVID-19疫情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3,759,000港元並於損益內確認。本集團選擇單獨呈列該政府補貼，而非扣減相關開支。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。截至2021年12月31日止年度，概無獲取該政府補貼。

## 7. 股息

|   | 2022<br>HK\$'000 千港元 | 2021<br>HK\$'000 千港元 |
|---|----------------------|----------------------|
| Dividend recognised as distribution during the year:                |                      |                      |
| 2021 final dividend of HK16.00 cents (2020: HK7.00 cents) per share | 196,004              | 85,752               |

董事會並無建議派發截至2022年12月31日止年度之末期股息，自報告期終起亦無建議任何股息。



## 8. (LOSS)/EARNINGS PER SHARE

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

|  |  | 2022<br>HK\$'000 千港元 | 2021<br>HK\$'000 千港元 |
|--|--|----------------------|----------------------|
| <b>(Loss)/earnings</b>   | <b>(虧損)／盈利</b>                         |                      |                      |
| (Loss)/profit for the year attributable to owners of the Company for the purpose of computation of basic and diluted (loss)/earnings per share | 就計算每股基本及攤薄(虧損)／盈利所用之本公司擁有人應佔是年度(虧損)／盈利 | <b>(115,532)</b>     | 241,334              |
|  |  | <b>2022</b>          | 2021                 |
| <b>Number of shares</b>  | <b>股份數目</b>                            |                      |                      |
| Weighted average number of ordinary shares for the purpose of computation of basic and diluted (loss)/earnings per share                       | 就計算每股基本及攤薄(虧損)／盈利所用之普通股加權平均數目          | <b>1,225,026,960</b> | 1,225,026,960        |

### (a) Basic (loss)/earnings per share

The computation of basic (loss)/earnings per share for the year ended 31 December 2022 is based on the loss attributable to owners of the Company of HK\$115,532,000 (2021: profit attributable to owners of the Company of HK\$241,334,000) and the weighted average of 1,225,026,960 ordinary shares (2021: 1,225,026,960 ordinary shares) during the year.

### (b) Diluted (loss)/earnings per share

The Company had no potentially dilutive ordinary shares outstanding for the years ended 31 December 2022 and 31 December 2021.

## 8. 每股(虧損)／盈利

本公司擁有人應佔每股基本及攤薄(虧損)／盈利乃根據下列數據計算：

|  |  | 2022<br>HK\$'000 千港元 | 2021<br>HK\$'000 千港元 |
|--|--|----------------------|----------------------|
| <b>(a) 每股基本(虧損)／盈利</b>   |  |                      |                      |
| 截至2022年12月31日止年度之每股基本(虧損)／盈利乃按年內本公司擁有人應佔虧損115,532,000港元(2021年：本公司擁有人應佔盈利241,334,000港元)及加權平均數目1,225,026,960股普通股(2021年：1,225,026,960股普通股)計算。 |  |                      |                      |
| <b>(b) 每股攤薄(虧損)／盈利</b>   |  |                      |                      |
| 截至2022年12月31日及2021年12月31日止年度，本公司並無已發行之具潛在攤薄影響之普通股。   |  |                      |                      |

## 9. INVENTORIES

|                  |     | At 31 December<br>於12月31日<br>2022<br>HK\$'000 千港元 | At 31 December<br>於12月31日<br>2021<br>HK\$'000 千港元 |
|------------------|-----|---|---|
| Spare parts      | 備件  | 33,417  | 28,039  |
| Raw materials    | 原料  | 270,560   | 526,525   |
| Work-in-progress | 半製品 | 313,308   | 580,700   |
| Finished goods   | 製成品 | 312,241   | 581,956   |
|                  |     | <b>929,526</b>                                    | 1,717,220   |

## 10. TRADE AND BILLS RECEIVABLES

|   |            | At 31 December<br>於12月31日<br>2022<br>HK\$'000 千港元 | At 31 December<br>於12月31日<br>2021<br>HK\$'000 千港元 |
|---|------------|---|---|
| Trade receivables                                   | 營業應收款項     | 797,805   | 1,037,003   |
| Bills receivables                                   | 票據應收款項     | 183,025   | 270,164   |
| Less: allowance for expected credit loss<br>("ECL") | 減：預期信貸虧損撥備 | <b>(52,109)</b>                                   | (36,832)  |
|   |            | <b>928,721</b>                                    | 1,270,335   |

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, which approximates the respective revenue recognition dates, as at the end of the reporting period:

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按發票日期（與有關收入確認日期相若）於報告期末的賬齡分析如下：

|                         |            | At 31 December<br>於12月31日<br>2022<br>HK\$'000 千港元 | At 31 December<br>於12月31日<br>2021<br>HK\$'000 千港元 |
|-------------------------|------------|---|---|
| Within 1 month          | 1個月內       | 400,699   | 753,219   |
| 1 to 2 months           | 1至2個月      | 274,643   | 331,739   |
| 2 to 3 months           | 2至3個月      | 136,582   | 128,921   |
| Over 3 months           | 3個月以上      | 168,906   | 93,288  |
|                         |            | <b>980,830</b>                                    | 1,307,167   |
| Less: allowance for ECL | 減：預期信貸虧損撥備 | <b>(52,109)</b>                                   | (36,832)  |
|                         |            | <b>928,721</b>                                    | 1,270,335   |

## 11. TRADE AND BILLS PAYABLES

## 11. 營業及票據應付款項

|                |        | <b>At 31 December</b><br><b>於12月31日</b><br><b>2022</b><br><b>HK\$'000 千港元</b> | At 31 December<br>於12月31日<br>2021<br>HK\$'000 千港元 |
|----------------|--------|---|---|
| Trade payables | 營業應付款項 | <b>386,071</b>  | 727,898   |
| Bills payables | 票據應付款項 | <b>105,228</b>  | 228,552   |
|                |        | <b>491,299</b>  | 956,450   |

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：

|                |       | <b>At 31 December</b><br><b>於12月31日</b><br><b>2022</b><br><b>HK\$'000 千港元</b> | At 31 December<br>於12月31日<br>2021<br>HK\$'000 千港元 |
|----------------|-------|---|---|
| Within 1 month | 1個月內  | <b>260,063</b>  | 608,512   |
| 1 to 2 months  | 1至2個月 | <b>146,126</b>  | 226,591   |
| 2 to 3 months  | 2至3個月 | <b>39,177</b>   | 44,258  |
| Over 3 months  | 3個月以上 | <b>45,933</b>   | 77,089  |
|                |       | <b>491,299</b>  | 956,450   |

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

於報告期終，本集團之所有票據應付款項均未到期。

As at 31 December 2022, bills payables of HK\$19,200,000 (31 December 2021: HK\$13,038,000) were secured by the Group's restricted bank deposits of HK\$3,840,000 (31 December 2021: HK\$2,608,000).

於2022年12月31日，票據應付款項19,200,000港元（2021年12月31日：13,038,000港元）乃由本集團之受限制銀行存款3,840,000港元（2021年12月31日：2,608,000港元）作為抵押。

The credit period on purchase of goods ranges from 30 days to 120 days.

購貨的信貸期介乎30天至120天。

## 12. SHARE CAPITAL

## 12. 股本

|   |            | <b>At 31 December</b><br><b>於12月31日</b><br><b>2022</b> |                               | At 31 December<br>於12月31日<br>2021   |                               |
|---|------------|--|-------------------------------|-------------------------------------|-------------------------------|
|   |            | <b>No. of shares</b><br><b>股份數目</b>                    | <b>HK\$'000</b><br><b>千港元</b> | <b>No. of shares</b><br><b>股份數目</b> | <b>HK\$'000</b><br><b>千港元</b> |
| Ordinary shares,<br>issued and fully paid | 普通股，已發行及繳足 |  |                               |                                     |                               |
| At beginning and at end<br>of the year    | 於年初及於年終    | <b>1,225,026,960</b>                                   | <b>889,810</b>                | 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。

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

In 2022, the multiple factors such as the continuous recurrence of the novel coronavirus 2019 disease (the “COVID-19” or the “Pandemic”), the intensification of geopolitical conflicts, the deteriorating global inflation, and the abrupt slowdown in economic growth have resulted in the overall demand in the market dropped sharply, the slow recovery of the consumers’ spending power, fluctuating prices of production elements and the accelerated adjustment of the industrial and supply chain. During the year 2022, in order to fully contain the soaring inflation levels, the major central banks in developed countries in Europe and America successively withdraw from the unprecedented quantitative easing policies, and instead, implement a quantitative tightening policy of raising interest rates and shrinking the balance sheet of the central banks, which resulted in the tightening of the offshore liquidity of the world’s leading currencies, caused certain emerging economies to experience a serious status of the debt burdens, further promoted a sharp slowdown in global economic growth to a “risky level of approaching recession”, leading to a serious shortage of sales orders of the Group, which has been focusing in the European and American markets, and putting it under tremendous pressure in its production and operation.

The supply chain crisis caused by the COVID-19 in 2020 had accelerated the restructuring of the global supply chain of the textile apparels, and there exists an obvious substitution effect among key exporters of clothing in the world. Since the second half of 2022, the industrial production of the Southeast Asian countries represented by Vietnam and Bangladesh has fully resumed, as a result of which, some foreign trade orders that returned to China last year flew out again. The export enterprises in the traditionally labour-intensive industry, including the textile and clothing industry, have experienced a decrease in foreign trade orders to varying degrees. However, since September of last year, there has also been a “shortage of orders” in Vietnam, India and Bangladesh, leading to an inventory surge, together with the gradual decline in the export of goods and an overall decline in the exports of cotton textiles.

At the same time, the escalation of wars and the subsequent sanctions thereon had further driven up global commodities prices. The prices of materials necessary for the production activities such as cottons, polyesters, dyestuff, auxiliaries and coals have risen to varying degrees in a short time and maintained at a high level, leading to a rapid and significant increase in the manufacturing costs of manufacturing enterprises.

In response to the aforesaid unfavourable market conditions, the Group decided to reduce production volume in one of its fabric mills namely, Jiangyin Fuhui Textiles Ltd. (“Jiangyin Fuhui”) and streamline the production team. A one-off redundancy compensation of approximately HK\$127 million for Group’s employees has been booked in the audited annual results for the year ended 31 December 2022. Having said that, Jiangyin Fuhui will continue its operation and will be able to resume normal production when the market recovers.

## 管理層討論及分析

### 業務回顧

2022年，受2019新型冠狀病毒病（「冠狀病毒病」或「疫情」）持續反覆、地緣政治衝突加劇、全球通脹水平居高不下、經濟增速大幅下降等多重因素影響，市場整體需求驟減，居民消費能力恢復緩慢，生產要素價格劇烈波動，全球產業鏈供應鏈加速調整。於2022年，為全力遏制不斷飆升的通脹水準，歐美發達國家主要央行紛紛退出史無前例的量化寬鬆政策，並轉而實施加息、央行縮表的量化緊縮政策，導致世界主要貨幣離岸流動性收緊，觸發部分新興經濟體深陷債務泥潭，進一步使全球經濟增長急劇放緩至「接近陷入衰退的危險程度」，導致長期以歐美市場為主的福田集團銷售訂單嚴重不足，承受著巨大的生產經營壓力。

2020年冠狀病毒病引發的供應鏈危機，加速了全球紡織服裝供應鏈的重構，世界服裝出口大國彼此之間的替代效應十分明顯。自2022年下半年以來，以越南、孟加拉等為代表的東南亞國家工業生產完全恢復，導致去年回流國內的部分外貿訂單再次流出。包括紡織服裝行業在內的傳統勞動密集型出口企業出現不同程度的外貿訂單減少情況。然而，從去年9月開始，越南、印度、孟加拉等多國也出現「訂單荒」，庫存水平激增，貨物貿易出口逐步下滑，棉紡織品出口整體下降。

與此同時，戰爭程度升級及其後續制裁措施進一步推高了全球大宗商品價格。包括棉花、滌綸、染化料、助劑、煤炭等生產所必須的原料價格在短時間內均出現不同程度上漲並保持高位，造成生產製造企業製造成本快速大幅上升。

為應對上述不利市況，本集團決定減少其面料工廠之一江陰福匯紡織有限公司（「江陰福匯」）的產量以及精簡生產團隊。有關本集團僱員的一次性遣散賠償約港幣1.27億元將計入截至2022年12月31日止年度的經審核年度業績。儘管如此，江陰福匯將繼續其運營，並能於市場恢復時回復正常生產。

The revenue of the Group for the year ended 31 December 2022 was HK\$6,053,645,000, a reduction of 10.3% (2021: HK\$6,751,277,000) due to the reasons stated in the above paragraphs. The loss attributable to owners of the Company was HK\$115,532,000 (2021: profit attributable to owners of the Company: HK\$241,334,000). During the year under review, the profit attributable to owners of the Company was about HK\$11,858,000 if the one-off labour compensation cost of about HK\$127,390,000 incurred in the Jiangyin Fuhui was excluded.

In the future, the global industrial chain and supply chain pattern will accelerate its adjustment and reshaping in the directions of regionalization, localization and diversification, etc. Apparel brands will continue to consider multiple aspects including relatively controllable costs and freight rates, immediate supply capacity and stable supply pipelines, and after rebalancing costs and risks, they will reconstruct the decentralized, in-the-proximity or localized supply chain systems, so as to accelerate the reconstruction of more flexible global supply chains. In the meantime, future apparel brands will focus on procurement based on the market response and sales of products, which is an unplanned procurement behavior that will result in significant increases in the number of fast and urgent orders, as well as the proportion of orders for small-batch, multi-variety, and short-delivery, leading to increasingly fierce market competition in the industry.

In response to the unfavorable conditions, e.g. the extremely severe market situation and the complex and changeable operating environment, as well as the adverse impact of a sudden decrease in orders, the Group adopted a number of measures to optimize its operations in the second half of 2022, including making utmost efforts to boost sales, focusing on the domestic market, shortening the inventory turnover days, downscaling the inventory, speeding up inventory turnover, and mitigating capital occupation, aiming to unload the burden and go forward with a light pack in 2023. While making considerable efforts to improve its performance, the Group was actively planning on and advancing the Yancheng Expansion Project (as detailed below), in an attempt to cope with the loss of orders to the Southeast Asian market and make preparations for blending into the domestic market, and facilitating the transformation and upgrading of the Group for high-quality development in the future.

## **I. Accelerate the construction of Yancheng Expansion Project to ensure compliance and achieve efficiency**

Fountain Set Group has been vigorously promoting the Yancheng Expansion Project. In order to make it “an example of Fountain Set Group’s transformation and upgrading”, “the benchmark of advanced manufacturing in China’s textile industry”, and “the main production base and pillar of profit of Fountain Set Group”, the Group is actively planning to upgrade the Yancheng Project in terms of digitalization, intelligence, LEAN operation and eco-friendliness. Learning from the experience of industry leaders, Fountain Set Group carefully decided on and laid out its equipment and facilities, organizational structure management methods and team building, and strove to achieve its operational goal of becoming a first-class enterprise in terms of products, quality and per capita efficiency.

於截至2022年12月31日止年度，本集團的收入為6,053,645,000港元，減少了10.3%（2021年：6,751,277,000港元），原因於上文段落中已陳述。本公司擁有人應佔虧損為115,532,000港元（2021年：本公司擁有人應佔盈利：241,334,000港元）。於回顧年度，若剔除江陰福匯事件中產生的一次性勞工賠償費用約127,390,000港元，則本公司擁有人應佔盈利約為11,858,000港元。

隨著未來全球產業鏈供應鏈格局將朝著區域化、本土化、多元化等方向加速調整和重塑，服裝品牌將繼續對相對可控的成本與運價、即時的供應能力、穩定的供應管道等進行多方面考慮，在成本與風險再平衡之後，重構分散化、就近化或本土化的供應鏈體系，進而加速重構更具彈性的全球化供應鏈。同時，未來服裝品牌將會注重以產品的市場反應與銷售情況為基礎進行產品採購，這種非計劃性採購行為將會造成快單、急單數量明顯上升，小批量、多品種、短交期訂單的比例將顯著增加，並將導致行業市場競爭日趨激烈。

面對市場形勢異常嚴峻和經營環境複雜多變的不利條件，為了應對訂單大幅下降的不利影響，福田集團在2022年下半年果斷採取多項措施來調整經營，包括千方百計擴大銷售，重點提升國內市場銷售規模；合理確定庫存週期，壓減存貨規模，加快周轉，減少資金佔用，助力福田集團在2023年的經營中能夠卸下包袱、輕裝上陣。在下大力氣改善公司經營的同時，福田集團還積極謀劃、推進鹽城擴建項目（詳情見下文），全力應對訂單向東南亞市場轉移的不利條件，為融入國內市場、促進福田集團轉型升級和高質量發展做好準備。

## **一、加快推進鹽城擴建項目，確保項目建設合規與高效**

福田集團積極推進鹽城擴建項目。按照「福田集團轉型升級的樣板」、「全國針織行業先進製造的標桿」、「福田集團主要的生產基地和效益支撐」的總體要求，福田集團積極謀劃鹽城項目的信息化、智能化、精益化、綠色化的實施方案。借鑒行業內先進企業經驗，策劃設備選型和佈局，組織架構和管理方式以及團隊建設，努力實現產品、質量和人均效能方面一流企業的經營目標。

Yancheng Fuhui Expansion Project represents the objective needs of Fountain Set Group for its transformation and development, pursuant to which it would make good use of the opportunities arising from the establishment of its research and development (“R&D”) center to upgrade its product technology and R&D capability, strengthen the guiding role of R&D in its development and marketing efforts, and start with intelligent manufacturing and improving its expertise in advanced production and lean management, tightening the control of its upstream and downstream supply chain, and exploring the development model of “integration of fabric and ready-made clothes” to meet the requirements of the textile industry for “green, low-carbon, eco-friendly, and sustainable” development, so as to realize seamless connection with and continuous development of the high-end market, make it an important cornerstone for the Company’s future development, and promote its transformation and upgrading as well as high-quality development.

## II. Adjust sales strategy in active response to market changes

In the face of a harsh business environment in 2022, Fountain Set Group actively adjusted its sales strategy. On the one hand, it strove to expand the domestic market with new products while carefully maintaining the domestic and Japanese markets. In spite of the unfavorable situation featuring the slowdown of domestic economic growth and the lack of willingness to consume in the market, our domestic sales order remained stable, which had played an important role in supporting the basic production of Fountain Set Group.

On the other hand, our export sales team actively communicated and coordinated with their major customers in the United States, striving to reduce the loss of quarterly intended orders and to secure unconfirmed orders from the buyers. Meanwhile, they strengthened communication with garment factories to snatch the own purchase orders of such factories and orders from other buyers and actively adjusted their product structure based on the actual situation of their own inventory, and strove for orders from major customers with short delivery times and quick response. In this way, while striving to stabilize the orders for basic products, they increased the supply of high-value products in line with the needs of major customers for trial production and development of new products.

鹽城擴建項目是福田集團轉型發展的客觀需要，以設立研究及開發（「研發」）中心為契機強化產品技術水平與研發能力，加強研發在企業發展與市場營銷中的指導作用，並以智能製造和提高先進生產製造水平，提升精益化管理水平，優化上下游供應鏈管理，探索「面料成衣一體化」發展模式為出發點，滿足紡織行業關於「綠色、低碳、環保、可持續」的發展要求，實現對高端市場的無縫對接和持續開發，成為支撐公司未來發展的重要基石，促進福田集團轉型升級和高質量發展。

## 二、調整銷售策略，積極應對市場變化

面對2022年嚴峻的市場環境，福田集團積極調整銷售策略。一方面，在維持國內及日本市場的基礎上，透過新產品重點拓展國內市場。在今年國內經濟增速放緩和市場消費意願不足的不利形勢下，內銷的產品訂單未出現下滑，對福田集團的生產「基本盤」起到了重要的支撐作用。

另一方面，外銷營業積極與美國主要買家與客戶溝通與協調，努力確保已預訂季度訂單減少流失，並積極爭取買家尚未落實訂單。同時，與製衣廠加強溝通獲取其自主採購訂單，以及其他買家訂單，並結合自身庫存實際情況積極調整產品結構，通過爭取主要客戶短交期快速反應訂單的接單量增加銷售量。以此，在努力穩定基本品種訂單數量的同時，配合主要客戶新品種的試制開發需要，增加高價值產品的供貨能力。

### III. Adhere to product development and quality improvement to ensure sustainable development of the Group

The Group remained oriented by market demand while giving full play to its strength in R&D in the industrial chain, and continuously improving its R&D and innovation capabilities. Our R&D team cooperated closely with our sales department to actively carry out market research, promote connection with the R&D teams of our customers and learn their needs, so as to determine our development direction. On the basis of the above, we aimed to improve the professionalism of our technology research and development, and to carry out research and development of new products and materials that meet the needs of our target markets and the development trends.

Meanwhile, we further strengthened the tracking mechanism for the production of new products, strictly controlled recurring quality problems, continuously improved our expertise in production and manufacturing, and optimized the production process and technology to meet our customers' requirements for good product quality. Thanks to the unremitting efforts of our R&D team, who have been repeatedly testing the production process and technology of new products, and exercising tight control of process and quality inspection, we have successfully solved the problems of dyeing defects, holes, creases, wear marks, and burning marks, chromatic aberration, and horizontal strokes of oil needles (染花、破洞、折痕、磨痕、燒毛痕、色差、油針路起橫) in some of our new products.

### IV. Strengthen inventory management, mitigate operating risks, and speed up capital turnover

Facing the inventory backlog of raw materials and finished goods which hindered capital turnover, Fountain Set Group optimized management responsibilities on the sales, production and procurement teams through optimizing the management process of cotton yarn procurement and fabrics production, while strengthened internal coordination and cooperation, strictly controlled effective inventory level and backup inventory, as well as the quantity and progress of raw material procurement, so as to reduce the pressure on inventory effectively. Meanwhile, the Group would urge the relevant departments to consume the inventory in a timely manner, and actively dispose of the long-term inventory backlog that could not be consumed soon, with those in the warehouse for more than one year and the defective products collected and disposed of together. By these ways, the holdup of capital was alleviated, and the expenses on warehouse rentals were significantly reduced.

### 三、堅持產品開發與質量攻關，保障企業可持續發展

以市場需求為導向，發揮企業的產業鏈研發優勢，不斷提升研發創新能力。研發團隊與銷售部門緊密配合，積極開展市場調研，推進與品牌客戶的研發對接，徵集客戶意向，明確開發方向。在此基礎上，提高技術研發的專業化水平，根據目標市場定位開展新產品、新材料研發工作，開發出符合市場需求和發展趨勢的新技術、新產品。

同時，進一步強化新產品生產的跟蹤機制，嚴格把控重複性質量問題，不斷提升生產製造水平，持續優化生產流程和工藝技術，滿足客戶對產品質量的要求。通過研發團隊的不懈努力，對新產品的生產流程和工藝技術逐個環節反覆試驗，加強過程檢驗和品質巡檢，有效解決了部分新產品出現的染花、破洞、折痕、磨痕、燒毛痕、色差、油針路起橫等問題。

### 四、強化庫存管理，化解經營風險，加快資金周轉

面對原料和製成品出現庫存積壓，影響資金周轉，福田集團通過優化棉紗採購、胚布生產的管理流程，落實營業、生產和採購的管理責任，加強內部的協同與配合，嚴格控制有效庫存量與預備庫存量，控制原料採購量與進度，以此有效減少庫存壓力。同時，督促相關部門及時化用庫存，對長期積壓且無法化用的庫存進行積極處置，並對超過1年的積壓庫存和次品庫存進行集中處理。以此，緩解資金佔用情況，降低倉庫租賃費用支出。

## V. Deepen centralized procurement management and reduce procurement costs

The Group has established an organizational structure for centralized procurement, formulated documents for centralized procurement of coal, chemical materials, and dyeing auxiliaries, established and optimized expert databases and supplier catalogs for centralized procurement, and further strengthened online supervision and approval with the establishment of its IT system. The Group has been giving full play to the role and functions of centralized procurement, and reduced procurement costs significantly.

## VI. Strengthen production management and strive to reduce costs and increase efficiency

Our production teams have implemented a series of measures such as segmented production, optimizing employment structure, and strengthening on-site management etc., to effectively control costs. Rational production scheduling and optimal costs were achieved through optimizing the production process, order scheduling, and adjusting the outsourcing ratio; we tried to detect hidden loopholes through regular analysis of the product repair and return rates, with special attention given to those extraordinary repair and return rates, aiming to find out the reasons, so as to minimize the abnormal loss and defection rate.

Lean management is one of our key tasks in 2022. Through optimizing our KPI assessment system, strengthening control of key links, and regular review of the quality, the product defection and repairing rates were reduced, which in turn helped reducing the loss in the production process, and thus improved our product quality and reduced manufacturing costs.

## VII. Implement staff reduction and efficiency increase to improve per-capita efficiency

We optimized the Group's management and control system by implementing staff reduction and efficiency increase. Following the principle of unification of "rights, responsibilities, and interests", we successively reformed and adjusted the management structure of the relevant functional departments and business units, optimizing their business and management processes, reducing unnecessary staff and posts, and strengthening assessment of their target achievement and individual performance. By clarifying management responsibilities and performance targets and strictly controlling costs and expenses, we strove to ensure the stable development of the Company's business, and achieve long-term cost effectiveness and sustainable competitive edges.

## 五、深化集中採購管理工作，降低採購成本

設立集中採購工作組織架構，制訂關於煤炭、化工料、染料助劑的集採制度文件，建立、優化集採專家庫與供應商目錄庫，並通過信息化系統建設，進一步強化線上監督及審批。充分發揮集中採購的功能與作用，降低採購成本效果顯著。

## 六、加強生產管理，努力實現降本增效

各生產單位實施分段生產，優化用人結構、強化現場管理等一系列措施，有效控制成本費用。通過優化生產流程、訂單排產安排、調整外發比例達到排產合理、成本最優；通過對回修率、返次率進行定期分析，查找隱形漏洞，對超出常規的回修率、返次率重點關注，找出原因，從而降低不合理的損耗，不斷降低次品率，達到損失最小化的目標。

精益化管理作為2022年重點管理工作之一，通過優化指標考核體系，加強重點環節管控措施，經常性質量分析活動等方式，降低產品轉次率、返修率，減少生產過程中的損失，並以此不斷提升產品質量，降低生產製造成本。

## 七、落實開展減員增效工作，提高人工效能

優化福田集團管控體系，落實減員增效工作。遵循「權、責、利」相統一原則，先後對相關職能部門、業務單位進行管理架構改革與調整，優化業務流程與管理流程，減少不必要的人員與崗位，並進一步加大目標考核和績效考核的力度。通過理順管理責任和目標，嚴控各種成本費用，保證公司業務的穩定發展，建立起長遠的成本優勢與持久的競爭優勢。



## VIII. Ensure orderly and stable production and operation of Ocean Lanka (Private) Limited (the “Ocean Lanka”)

Since the economic crisis triggered by the state bankruptcy of Sri Lanka in the second half of 2022, in the face of unfavorable situations such as the lack of materials, soaring prices, fuel shortages, transport paralysis, currency depreciation, and capital control, Ocean Lanka, our operation in Sri Lanka, has taken effective actions, including strengthening its management and formulating a number of measures to ensure its normal operation. During the period, due to the rapid depreciation of the Sri Lankan currency and the mandatory requirements for conversion of large amounts of capital, the raw material suppliers deliberately changed the payment terms of the raw material purchase contract, in response to which, Ocean Lanka formulated responding plans and specific measures in advance, so as to guarantee its own capital needs, and ensure stable supply of raw materials and normal production arrangements.

## IX. Closely supervise production safety and environmental protection work

All the production units of Fountain Set Group have adopted the fifteen hard measures to ensure production safety in 2022, and arranged for their employees to participate in various trainings and emergency drills on production safety, while implementing special investigation and rectification approaches to clear safety risks and hidden dangers, imposing production safety responsibilities and implementing the “Dual Prevention Mechanism” in a deep-reaching manner.

During the post-pandemic period, the global inflation is expected to mitigate but will remain at a relatively high level, while the recovery of the global economy will remain slow and the geopolitical conflicts against the backdrop of competition between the great powers will continue to intensify, along with the accelerating adjustment of the industrial and supply chain, weak demand for products in the consumer market, and increasingly fierce competition in the industry market. Facing the above unfavorable factors, Fountain Set Group will adhere to its guidelines of “reform, innovation and high-quality development”, and further strengthen its existing management mechanism in accordance with the requirements of a new development pattern in which the domestic circulation will remain as its main concern while the domestic and international circulation promote each other, so as to improve its comprehensive competitiveness and production and operation efficiency, and advance its transformation and upgrading to achieve sustainable high-quality development.

## 八、確保海洋蘭卡（私人）有限公司（「海洋蘭卡公司」）生產經營有序、穩定

自2022年下半年斯里蘭卡國家破引發經濟危機以來，在面對物資匱乏、物價飛漲、燃油短缺、交通癱瘓、貨幣貶值、資本管制等諸多不利形勢下，我們於斯里蘭卡的營運海洋蘭卡公司積極應對，強化管理，制定多項措施確保企業正常運營。在此期間，因斯里蘭卡貨幣快速貶值及要求強制轉換大額資金，導致原料供應商有意變更原料採購合同的付款條件。海洋蘭卡公司提前制定應對預案及具體措施，以保障自身資金使用、原料供應、生產安排等方面正常運作。

## 九、緊抓安全生產及環保工作不放鬆

福田集團各生產單位在2022年積極開展安全生產十五條硬措施，全面組織員工參與各類安全生產培訓及專項應急演練，落實安全生產風險隱患專項排查與整治工作，強化安全生產責任落實，持續深入貫徹實施「雙重預防機制」。

在後疫情時期，全球通脹水平預期將有所改善但仍保持較高水平，世界經濟增長復甦緩慢，大國博弈下的地緣政治衝突持續加劇，產業鏈供應鏈加速調整，消費市場產品需求依然相對疲弱，行業市場競爭日趨激烈。面對上述不利因素，福田集團將繼續堅持改革創新高質量發展的理念，按照以國內大循環為主體、國內國際雙循環相互促進的新發展格局的要求，進一步深化現有管理機制，提高集團在市場競爭中的綜合實力，改善福田集團生產經營效益，推動集團轉型升級持續高質量發展。

## Events after the Reporting Period

The Group did not have any significant events after the end of the reporting period (i.e. 31 December 2022) and up to the date of this announcement.

## FINANCIAL REVIEW

The key operating and financial indicators of the Group for the year ended 31 December 2022 are set out below:

## 報告期後事項

本集團自報告期末(即2022年12月31日)後至本公告日期止,並沒有任何重大事項發生。

## 財務回顧

本集團截至2022年12月31日止年度之主要經營及財務指標呈列如下:

|   |                     | 2022             | 2021      |
|---|---------------------|------------------|-----------|
| <b>Statement of Profit or Loss Items</b>                | <b>損益表項目</b>        |                  |           |
| (All amounts in HK\$ thousands unless otherwise stated) | (除特別註明外所有金額均以千港元列示) |                  |           |
| Revenue   | 營業額                 | <b>6,053,645</b> | 6,751,277 |
| Gross profit  | 毛利                  | <b>577,817</b>   | 879,539   |
| EBITDA*   | 息稅折舊及攤銷前利潤          | <b>188,096</b>   | 526,113   |
| (Loss)/profit for the year                              | 是年度(虧損)/盈利          | <b>(93,164)</b>  | 270,258   |
| (Loss)/profit attributable to owners of the Company     | 本公司擁有人應佔(虧損)/盈利     | <b>(115,532)</b> | 241,334   |
| Basic (loss)/earnings per share (HK cents)              | 每股基本(虧損)/盈利(港仙)     | <b>(9.4)</b>     | 19.7      |
| <b>Key Financial Ratios</b>                             | <b>主要財務比率</b>       |                  |           |
| <b>Profitability ratios</b>                             | <b>盈利能力比率</b>       |                  |           |
| Gross profit margin (%)                                 | 毛利率(%)              | <b>9.5%</b>      | 13.0%     |
| EBITDA* margin (%)                                      | 息稅折舊及攤銷前利潤率(%)      | <b>3.1%</b>      | 7.8%      |
| <b>Expenses as a % of revenue</b>                       | <b>開支佔營業額比率</b>     |                  |           |
| Distribution and selling expenses                       | 分銷及銷售費用             | <b>1.5%</b>      | 2.1%      |
| Administrative expenses                                 | 行政費用                | <b>9.2%</b>      | 6.8%      |
| Finance costs   | 融資成本                | <b>0.4%</b>      | 0.2%      |
| <b>Asset efficiency</b>                                 | <b>資產效率</b>         |                  |           |
| Inventory turnover period (days)                        | 存貨周轉期(日)            | <b>62</b>        | 107       |
| Trade and bills receivables turnover period (days)      | 營業及票據應收款項周轉期(日)     | <b>56</b>        | 69        |
| Trade and bills payables turnover period (days)         | 營業及票據應付款項周轉期(日)     | <b>33</b>        | 59        |

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

\* EBITDA解釋為息稅折舊及攤銷前利潤。

|  |                   | At 31 December<br>於12月31日<br>2022 | At 31 December<br>於12月31日<br>2021 |
|--|-------------------|-----------------------------------|-----------------------------------|
| <b>Asset ratios</b>  | <b>資產比率</b>       |                                   |                                   |
| Current ratio <sup>#</sup>                                     | 流動比率 <sup>#</sup> | <b>2.9</b>                        | 2.3                               |
| Net debt/EBITDA ratio  | 淨債務／息稅折舊及攤銷前利潤率   | <b>(5.1)</b>                      | (1.0)                             |
| <b>Gearing ratio</b>   | <b>資本負債比率</b>     |                                   |                                   |
| Total liabilities/Equity attributable to owners of the Company | 負債總額／本公司擁有人應佔權益   | <b>0.5</b>                        | 0.6                               |

<sup>#</sup> Current ratio is calculated by dividing current assets by current liabilities.

<sup>#</sup> 流動比率的計算方法是將流動資產除以流動負債。

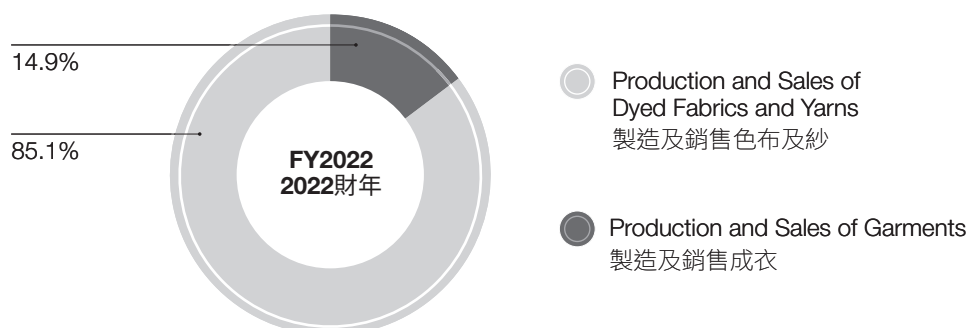
## Revenue

The Group's revenue for the year ended 31 December 2022 amounted to approximately HK\$6,053,645,000 (2021: HK\$6,751,277,000).

## 營業額

集團截至2022年12月31日止年度的營業額約為6,053,645,000港元（2021年：6,751,277,000港元）。

## Revenue by business segments



For the year under review, the Group's core business, production and sales of dyed fabrics and yarns, generated revenue of approximately HK\$5,150,345,000 (2021: HK\$5,917,779,000), which accounted for 85.1% (2021: 87.7%) of the Group's total revenue. Revenue from production and sales of garments was approximately HK\$903,300,000 (2021: HK\$833,498,000), which accounted for 14.9% (2021: 12.3%) of the Group's total revenue.

於回顧年度，集團核心業務—製造及銷售色布及紗的營業額約為5,150,345,000港元（2021年：5,917,779,000港元），佔集團營業額總值的85.1%（2021年：87.7%）。製造及銷售成衣的營業額約為903,300,000港元（2021年：833,498,000港元），佔集團營業額總值的14.9%（2021年：12.3%）。

## Cost of Sales and Gross Profit

For the year ended 31 December 2022, overall cost of sales of the Group amounted to approximately HK\$5,475,828,000 (2021: HK\$5,871,738,000) and overall gross profit margin was 9.5% (2021: 13.0%).

## 銷售成本及毛利

集團截至2022年12月31日止年度之整體銷售成本約為5,475,828,000港元（2021年：5,871,738,000港元），整體毛利率為9.5%（2021年：13.0%）。

During the year under review, the Group's revenue decreased by 10.3% compared with that of last year, which was mainly due to the decrease in sales volume of fabric by approximately 26.2%. 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 year ended 31 December 2022, the Group's overall distribution and selling expenses amounted to approximately HK\$92,291,000 (2021: HK\$141,310,000), which accounted for 1.5% (2021: 2.1%) of the Group's total revenue.

### **Administrative Expenses**

For the year ended 31 December 2022, the Group's overall administrative expenses amounted to approximately HK\$559,179,000 (2021: HK\$458,436,000), which accounted for 9.2% (2021: 6.8%) of the Group's total revenue.

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

For the year ended 31 December 2022, the Group's EBITDA amounted to approximately HK\$188,096,000 (2021: HK\$526,113,000) and the EBITDA margin was 3.1% (2021: 7.8%).

### **Finance Costs**

For the year ended 31 December 2022, the Group's finance costs amounted to approximately HK\$21,408,000 (2021: HK\$15,225,000), representing 0.4% (2021: 0.2%) of the Group's total revenue.

### **Capital Expenditure**

During the year under review, the Group invested approximately HK\$163,631,000 (2021: HK\$170,676,000) in additions of property, plant and equipment and investment properties. The Group's commitments primarily relate to the acquisition of property, plant and equipment. As at 31 December 2022, the Group had contracted capital commitments of approximately HK\$86,607,000 (31 December 2021: HK\$116,978,000) in relation to the acquisition of property, plant and equipment.

### **Income Tax Expense**

For the year ended 31 December 2022, income tax expense of the Group amounted to approximately HK\$72,954,000 (2021: HK\$67,192,000).

於回顧年內，本集團的營業額下跌10.3%，主要是由於面料銷售量下跌約26.2%。與去年同期相比，營業額的下跌幅度大於生產成本的下跌幅度，引致毛利率減少。

### **分銷及銷售費用**

集團截至2022年12月31日止年度之整體分銷及銷售費用約為92,291,000港元（2021年：141,310,000港元），佔集團營業額總值的1.5%（2021年：2.1%）。

### **行政費用**

集團截至2022年12月31日止年度之整體行政費用約為559,179,000港元（2021年：458,436,000港元），佔集團營業額總值的9.2%（2021年：6.8%）。

### **息稅折舊及攤銷前利潤(EBITDA)**

集團截至2022年12月31日止年度之息稅折舊及攤銷前利潤約為188,096,000港元（2021年：526,113,000港元），息稅折舊及攤銷前利潤率為3.1%（2021年：7.8%）。

### **融資成本**

集團截至2022年12月31日止年度之融資成本約為21,408,000港元（2021年：15,225,000港元），佔集團營業額總值的0.4%（2021年：0.2%）。

### **資本開支**

於回顧年內，集團已投資約163,631,000港元（2021年：170,676,000港元）以增加物業、機器及設備及投資物業。集團的資本承擔主要涉及購買物業、機器及設備。於2022年12月31日，集團有關購買物業、機器及備的已簽約資本承擔約為86,607,000港元（2021年12月31日：116,978,000港元）。

### **所得稅支出**

集團截至2022年12月31日止年度之所得稅支出約為72,954,000港元（2021年：67,192,000港元）。

## Loss/profit Attributable to Owners of the Company

For the year ended 31 December 2022, loss attributable to owners of the Company was approximately HK\$115,532,000 (2021: profit attributable to owners of the Company HK\$241,334,000) and the corresponding profit margin was -1.9% (2021: 3.6%).

## Inventories

As at 31 December 2022, the Group's inventories amounted to approximately HK\$929,526,000 (31 December 2021: HK\$1,717,220,000). The inventory turnover period was 62 days, a decrease of 45 days compared with 107 days in 2021.

## Trade and Bills Receivables

As at 31 December 2022, the Group's trade and bills receivables amounted to approximately HK\$928,721,000 (31 December 2021: HK\$1,270,335,000). Trade and bills receivables turnover period was 56 days, a decrease of 13 days compared with 69 days in 2021.

## Trade and Bills Payables

As at 31 December 2022, the Group's trade and bills payables amounted to approximately HK\$491,299,000 (31 December 2021: HK\$956,450,000). Trade and bills payables turnover period was 33 days, a decrease of 26 days compared with 59 days in 2021.

## Liquidity and Financial Resources

As at 31 December 2022, the Group's net assets amounted to approximately HK\$3,423,767,000 (31 December 2021: HK\$3,759,098,000). The key figures of the Group's financial position were as follows:

## 本公司擁有人應佔虧損／盈利

集團截至2022年12月31日止年度之本公司擁有人應佔虧損約為115,532,000港元（2021年：本公司擁有人應佔盈利241,334,000港元），其相關盈利率為-1.9%（2021年：3.6%）。

## 存貨

集團於2022年12月31日之存貨約為929,526,000港元（2021年12月31日：1,717,220,000港元）。存貨周轉期為62天，與2021年107天相比減少45天。

## 營業及票據應收款項

集團於2022年12月31日之營業及票據應收款項約為928,721,000港元（2021年12月31日：1,270,335,000港元）。營業及票據應收款項周轉期為56天，與2021年69天相比減少13天。

## 營業及票據應付款項

集團於2022年12月31日之營業及票據應付款項約為491,299,000港元（2021年12月31日：956,450,000港元）。營業及票據應付款項周轉期為33天，與2021年59天相比減少26天。

## 資金流動性及財政資源

於2022年12月31日，集團資產淨值約為3,423,767,000港元（2021年12月31日：3,759,098,000港元）。集團財務狀況的主要資料如下：

|                          |             | At 31 December<br>於12月31日<br>2022<br>HK\$'000千港元 | At 31 December<br>於12月31日<br>2021<br>HK\$'000千港元 |
|--------------------------|-------------|--|--|
| Non-current assets       | 非流動資產       | 1,671,542  | 1,728,511  |
| Current assets           | 流動資產        | 3,375,223  | 4,019,879  |
| <b>Total assets</b>      | <b>資產總值</b> | <b>5,046,765</b>                                 | <b>5,748,390</b>                                 |
| Current liabilities      | 流動負債        | 1,182,174  | 1,771,099  |
| Non-current liabilities  | 非流動負債       | 440,824  | 218,193  |
| <b>Total liabilities</b> | <b>負債總值</b> | <b>1,622,998</b>                                 | <b>1,989,292</b>                                 |
| <b>Net assets</b>        | <b>資產淨值</b> | <b>3,423,767</b>                                 | <b>3,759,098</b>                                 |

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

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

As at 31 December 2022, the principal financial covenant figures/ratios (according to the definitions of the Group's principal banks) were as follows:

於2022年12月31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：

|   |                       | <b>At 31 December</b><br><b>於12月31日</b><br><b>2022</b> | At 31 December<br>於12月31日<br>2021 |
|---|-----------------------|--|-----------------------------------|
| Consolidated tangible net worth                                 | 綜合淨有形資產               | <b>HK\$3,126,412,000</b> 港元                            | HK\$3,255,116,000港元               |
| 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     | <b>0.1</b>   | 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 | <b>8.8</b>   | 34.6                              |
| Consolidated current assets to consolidated current liabilities | 綜合流動資產對綜合流動負債比例       | <b>2.9</b>   | 2.3                               |
| Consolidated capital expenditure                                | 綜合資本開支                | <b>HK\$163,631,000</b> 港元                              | HK\$170,676,000港元                 |

During the years ended 31 December 2022 and 2021, the Group had complied with all covenant ratios and undertakings.

於截至2022年及2021年12月31日止年度內，本集團已遵守所有契約比率及承諾。

## Risk Management

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

## 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。

The sale and the purchase of raw materials of the Group were mainly denominated in HKD, USD and RMB. Since the Group mainly carries out production in China, we are exposed to foreign exchange risk arising from RMB exposure. 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.

集團之銷售和原料採購以港元、美元及人民幣為主。而集團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外匯風險。

In addition, bank borrowings of the Group were denominated in HKD, USD and RMB and interests were mainly charged on a floating rate basis. The average effective interest rate of bank borrowings of the Group was 2.64% per annum (2021: 1.44% per annum) for the year ended 31 December 2022 and the bank borrowings were repayable within three years. All bank borrowings were unsecured for the years ended 31 December 2022 and 31 December 2021. The Group will continue to monitor the interest rates fluctuation in the market and will adopt appropriate measures to minimise the interest rate risk.

此外，集團的銀行借貸以港元、美元及人民幣為單位，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2.64%（2021：1.44%），及銀行借貸須於三年內償還。截至2022年12月31日及2021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風險。

## EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2022, the Group had approximately 5,900 (31 December 2021: 7,900) 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. The Group may, subject to the profitability, distribute a discretionary bonus to its employees as an incentive for their contribution to the Group.

The Company also provides regular training courses and subsidies for continuing education so as to improve the skills of its employees with respect to production, selling and management.

## OUTLOOK

Looking forward to 2023, the world will continue to be in a period of turmoil and change. As geopolitical conflicts intensify under the game of the great powers, major economies are stuck in a period of low economic growth, global governance is facing a deficit crisis, and many international organisations expect the world economy to slow down in 2023, with the global economic outlook facing a downward trend and the risk of recession.

In January 2023, the International Monetary Fund (the "IMF") projected that global economic growth would fall from 3.4% in 2022 to 2.9% in 2023, below the average of 3.8% for the period of 2000 to 2019. At the same time, the United Nations released its report World Economic Situation and Prospects 2023, which predicted that world economic growth would fall from approximately 3% in 2022 to 1.9% in 2023. The World Bank is even more pessimistic, projecting a slowdown in global economic growth to 1.7% in 2023, second only to the global recession caused by COVID-19 in 2020 and the global financial crisis in 2009.

On the other hand, international organisations have raised their expectations for China's economic development. The IMF expects China's economic growth to rise significantly to 5.2% in 2023, as economic activity and personnel mobility are expected to recover and improve significantly as a result of the country's refined epidemic prevention policies and favourable economic measures. Similarly, the United Nations predicts that China's economic growth will accelerate and reach around 4.8% in 2023. The World Bank also expects China's economic growth to rise from 2.7% in 2022 to 4.3%.

The rising consumer awareness of health due to the Pandemic has led to increasing demands for different types of exercises including hiking, running, yoga, gym work-out etc. At the same time, as work-from-home has become a new common around the globe, these factors are changing consumer preference towards casual wear, sportswear and athleisure products. We believe that these trends should provide strong support for the further growth in casual wear and sportswear apparel demand.

## 僱員及酬金政策

本集團於2022年12月31日之全職僱員人數約為5,900人(2021年12月31日:7,900人)。本集團將繼續實施精簡生產,以盡量減少勞動力成本。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。本集團亦會因應盈利情況,酌情發放花紅予僱員以鼓勵他們對本集團之貢獻。

本集團亦會提供定期培訓課程及資助進修計劃,以提高僱員之生產、銷售及管理技能。

## 前景

展望2023年,世界仍將繼續處於動盪、變革階段。大國博弈下地緣政治衝突加劇,主要經濟體陷入低經濟增速時期,全球治理面臨赤字危機,多個國際組織預期2023年世界經濟增速將放緩,全球經濟前景面臨下行且面臨衰退的風險。

2023年1月,國際貨幣基金組織(「IMF」)預計全球經濟增長將從2022年的3.4%下降至2023年的2.9%,低於2000年至2019年的平均值3.8%。與此同時,聯合國發佈《2023年世界經濟形勢與展望》報告,預計2023年世界經濟增長將從2022年的約3%降至1.9%。世界銀行則更為悲觀,預計2023年全球經濟增長放緩至1.7%,僅次於2020年新冠疫情和2009年全球金融危機造成的全球經濟衰退。

另一方面,國際組織紛紛上調對中國經濟的發展預期。隨著國內出台優化防疫政策與利好經濟措施,經濟活動和人員流動情況將出現明顯恢復和改善,IMF預計2023年中國經濟增速將大幅升至5.2%。同樣,聯合國預測中國經濟增長在2023年將出現加速,並達到4.8%左右。世界銀行也預計中國經濟增長將從2022年的2.7%上升至4.3%。

由於疫情原因,消費者的健康意識日益提升令爬山、跑步、瑜伽、健身房健身等鍛煉身體的需求增加。同時,居家辦公成為全球新常態,該等因素正在改變消費者變得更加偏好休閒服、運動服及運動休閒的產品。我們相信,該等趨勢將為休閒服及運動服需求的進一步增長提供強力支撐。

## **Striving to achieving the strategic development goals for the China's 14th Five-Year Plan (the "14th FYP") period with continued efforts**

The current global economy is undergoing significant changes, and economic globalisation is facing challenges. Under the impact of many uncertain factors, the global textile industry layout is constantly changing, and a new global textile industry and textile trade layout are taking shape. The Fountain Set Group is also facing unprecedented challenges, and it needs to accelerate adjusting its development strategy to facilitate transformation and upgrading.

Facing severe situation and challenges, the Fountain Set Group comprehensively analyses the changes in macroeconomic situation and accurately grasps global economic and industrial development trends to promote high-quality development under the guidance of innovative development and in line with the requirements of China's textile industry development.

## **Promoting quality and innovative remain as the top priority for the future development of the Fountain Set Group**

In general, there is still a considerable gap between the current level of technological development of China's textile industry and the goal of being a textile powerhouse. Therefore, the textile enterprises in China should adhere to the strategic direction of promoting high-quality development with innovation and new drivers transforming from technologies for a long period of time in future.

The reshaping of the global textile industry layout and the complicated evolution of textile production and trade environment determine the instability of the textile industry layout and its development in future. The rise of emerging economies, the advancement of technologies and brands in developed countries in Europe and USA and the return of manufacturing industries made Chinese textile enterprises facing a passive situation. The Fountain Set Group can maintain its ability to compete in the market only if we could improve our capabilities in four sectors: technological innovation, product upgrade, production capacity coordination and market cultivation.

During the 14th FYP period, the Fountain Set Group will lead the transformation and upgrading innovatively to facilitate high-quality development and achieve sustainable green development through technological innovation and management innovation, so as to become an industry leader in the manufacture and management of high-quality knitted fabrics.

Intelligent manufacturing is of important significance for textile enterprises in improving production efficiency, changing traditional production models, enhancing international competitiveness and achieving high-quality development. In the future, on the base of the results of existing information technology construction, the Fountain Set Group should adhere to promoting intelligent manufacturing step-by-step according to the development path of the three basic paradigms of digitalisation, networking and intelligence.

## **繼續奮鬥，努力實現「十四五」戰略發展目標**

當前全球經濟正經歷重大變革，經濟全球化正面臨挑戰，在諸多不確定性因素的影響下，全球紡織產業格局不斷變化。新的全球紡織產業和紡織品貿易格局正在形成，福田集團也面臨前所未有的挑戰，必須加快調整發展戰略促進轉型升級。

面對嚴峻的形勢和挑戰，福田集團全面分析宏觀經濟形勢的變化，準確把握全球經濟產業發展的趨勢，結合中國紡織工業發展的要求，以創新發展為指導思想，推進企業高品質發展。

## **以創新為引領，轉換動能，推動高品質發展，仍是未來福田集團發展的首要任務**

從整體上看，中國紡織產業科技發展的現時水準與紡織強國的目標還有相當大的差距。因此，中國紡織製造企業在未來相當長一段時期內需要堅持以創新為引領，以科技轉換發展動能，推動高品質發展的戰略方向。

全球紡織產業格局重塑和紡織品生產、貿易環境的複雜演變，決定了未來紡織產業格局和發展的不穩定性，新興經濟體的崛起、歐美發達國家技術和品牌的領先和製造業回歸，使中國紡織製造企業面臨被動局面，福田集團唯有提高科技創新、產品升級、產能協同、市場培育等四個方面的能力，才能保持市場競爭的能力。

「十四五」期間，福田集團要以創新引領轉型升級推動高品質發展，通過技術創新和管理創新，實現可持續綠色發展，成為具有行業領先地位的優質針織面料的製造管理者。

智慧製造對於紡織製造企業提升生產效率、改變傳統生產模式、提高國際競爭力、實現高品質發展，具有重要意義。福田集團未來應堅持在現有資訊化建設成果的基礎上，按照數位化、網路化、智慧化三種基本範式的發展路徑，分步推進智慧製造。



## **Intensifying the cultivation of domestic market to achieve complementary and coordinated development between domestic and international markets**

The Group will accelerate the development of the domestic textile market and expand the proportion of domestic product sales to form a new situation of coordinated development that complements the external international markets and the internally domestic market. The Group will enter the industrial textile market through developing industrial textiles as a new growth segment for the domestic market and taking medical textiles as the entry point, with constant deepening and expansion, making it a new source of growth in future.

## **Continuous investment in Research and Development**

The Group will put more efforts in product research and development. By taking functional fabrics, multi-fiber composite fabrics and fabrics for green environmental clothing as the main direction, we will increase product varieties, expand the industries and fields in which our products apply, and transform from a subcontracting enterprise to a manufacturing enterprise to improve the quality of development.

## **Deepening international collaboration**

The Group will establish an industrial collaborative manufacturing mode that share standards, information and benefits to improve its capacities in operation and resource integration in overseas markets, with a view to accumulating experience and cultivating talent to cope with the changes of industry landscape and implement the strategy of “going global”.

We believe that all of our staff members will work towards the Board's direction and objectives as well as implement the work plans set by the Board, and will further map out our long-term development strategy. With our spirit of “diligence, frugality, sincerity and integrity” and our general direction to “stabilise operation and to enhance development”, we shall keep on enhancing our efficiency and exploring the market with persistent efforts for bringing the Group to a new level. We look forward to completing our annual operating tasks and targets, and turnaround financial performance for our shareholders. We are prepared to turn challenges into opportunities and will forge ahead against all odds.

## **CORPORATE GOVERNANCE CODE**

Throughout the year from 1 January 2022 to 31 December 2022 (the “Year”), the Company has consistently adopted and complied with all the applicable code provisions of the section headed “Part 2 – Principles of good corporate governance, code provisions and recommended best practices” of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules” and the “CG Code”, respectively), as guidelines to reinforce our corporate governance principles.

## **加快發展國內市場，形成與國際市場內外互補協調發展**

加快發展國內紡織品市場，擴大產品內銷比例，形成與國際市場內外互補的協調發展新局面，以發展產業用紡織品為新的內銷市場增長領域，以醫用紡織品為切入點，進入產業用紡織品市場領域並不斷深化拓展，使其成為未來新的增長來源。

## **持續投資研發**

加大產品研發，以功能性面料、多纖維復合織物、綠色環保服用面料等為主要方向，增加產品品種，擴大產品應用的行業領域，由加工型企業向產品製造型企業轉變，提高發展質量。

## **深化國際合作，強化海外紡織供應鏈的協同能力**

建立標準共用、資訊共用、利益共用的產業協同製造模式，增強海外經營能力和資源整合能力，為應對產業格局變化「走出去」積累經驗，儲備人才。

我們相信在全體員工依從董事會制定的方向和目標，精誠團結，全面貫徹董事會的工作部署，繼續研討本集團長期發展戰略規劃，秉承本集團「勤、儉、誠、信」的精神，按照「穩經營、促發展」既定方針，營運效率定能不斷提高，並拓展市場，為福田實業集團轉虧為盈而努力奮鬥，冀能完成年度各項經營任務及指標，為股東創造美好回報和業績。我們必定作好準備，把挑戰轉化為機遇，堅定前行。

## **企業管治守則**

由2022年1月1日起至2022年12月31日止年度（「本年度」），本公司一貫地採納及遵守聯交所證券上市規則附錄14所載之企業管治守則「第二部分—良好企業管治的原則、守則條文及建議最佳常規」一節之全部適用守則條文（分別為「上市規則」及「企管守則」），作為強化本公司企業管治原則之方針。

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

## ANNUAL GENERAL MEETING

It is proposed that the annual general meeting of the Company (the “AGM”) will be held on Thursday, 29 June 2023. The notice of the AGM will be dispatched to the Shareholders and available on the respective websites of the Company and the Stock Exchange in due course in the manner as required by the Listing Rules.

## FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2022.

## CLOSURE OF REGISTER OF MEMBERS

### In relation to the AGM

The Register of Members will be closed from Monday, 26 June 2023 to Thursday, 29 June 2023, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, the non-registered Shareholders must lodge all transfer documents accompanied by the relevant share certificates with the Company’s share registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong for registration, not later than 4:30 p.m. on Friday, 23 June 2023.

## 董事進行證券交易的標準守則

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

## 股東週年大會

本公司之股東週年大會(「股東週年大會」)擬於2023年6月29日(星期四)舉行。股東週年大會之通告將於適當時候寄發予股東，並且按上市規則要求的形式分別刊載於本公司及聯交所網站。

## 末期股息

董事會不建議就截至2022年12月31日止年度派發末期股息。

## 暫停辦理股份過戶登記

### 就股東週年大會而言

本公司於2023年6月26日(星期一)至2023年6月29日(星期四)(首尾兩天包括在內)，暫停辦理股份過戶登記手續。股東如欲出席股東週年大會並於會上投票，非登記股東須於2023年6月23日(星期五)下午4時30分前，將所有過戶文件連同相關股票，一併送交本公司的股份過戶登記處寶德隆證券登記有限公司，地址為香港北角電氣道148號21樓2103B室，辦妥過戶登記手續。

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

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

## 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, internal controls and risk management. The Audit Committee presently comprises three independent non-executive Directors (the "INEDs"), and one of the INEDs acts as the chairman of the Audit Committee. The Audit Committee has reviewed the audited consolidated final results as well as the systems of internal control and risk management of the Group for the year ended 31 December 2022.

## PUBLICATION OF 2022 FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the respective websites of the Company ([www.fshl.com](http://www.fshl.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The 2022 annual report of the Company containing all the information required by the Listing Rules will be dispatched to the Shareholders and available on the respective websites of the Company and the Stock Exchange in due course in the manner as required by the Listing Rules.

By Order of the Board

**Fountain Set (Holdings) Limited**

**LIU Xianfu**

Chairman

Hong Kong, 24 March 2023

*As at the date of this announcement, the Board comprises 5 executive Directors, namely Mr. LIU Xianfu (Chairman), Mr. SUN Fujii (Chief Executive Officer), Mr. ZHAO Yao, Mr. YAU Hang Tat Andrew and Mr. ZHANG Zheng; 2 non-executive Directors, namely Dr. YEN Gordon (Non-executive Vice Chairman) and Mr. TAO Yongming; and 4 independent non-executive Directors, namely Mr. NG Kwok Tung, Mr. YING Wei, Mr. William LAM and Mr. WONG Kwong Chi.*

## 購回、出售或贖回本公司之上市證券

本年度內，本公司並未有贖回其上市證券，本公司及其附屬公司亦無購買或出售該等證券。

## 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、內部監控及風險管理制度。審核委員會現由3名獨立非執行董事（「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2022年12月31日止年度之經審核綜合末期業績以及內部監控及風險管理制度。

## 刊發2022年末期業績公告及年報

本業績公告將分別於本公司網站([www.fshl.com](http://www.fshl.com))及聯交所網站([www.hkexnews.hk](http://www.hkexnews.hk))刊登。載有上市規則規定的所有資料之本公司之2022年年報將會於適當時候寄發予股東，並且按上市規則要求的形式分別刊載於本公司及聯交所網站。