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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 2023

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 2023 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 2023 截至2023年12月31日止年度

		Notes 附註	2023 HK\$'000 千港元	2022 HK\$'000 千港元
Revenue	營業額	3	4,440,235	6,053,645
Cost of sales	銷售成本		(4,118,246)	(5,475,828)
Gross profit	毛利		321,989	577,817
Other revenue	其他收入	6a	87,582	73,001
Other gains and losses	其他收益及虧損	6b	277,529	1,681
Distribution and selling expenses	分銷及銷售費用		(74,477)	(92,291)
Administrative expenses	行政費用		(476,389)	(559,179)
Finance costs	融資成本	4	(26,258)	(21,408)
Share of profit of an associate	應佔一間聯營公司之盈利		1,152	169
Profit/(loss) before income tax expense	除所得稅支出前盈利／(虧損)		111,128	(20,210)
Income tax expense	所得稅支出	5	(43,284)	(72,954)
Profit/(loss) for the year	是年度盈利／(虧損)	6c	67,844	(93,164)
Profit/(loss) for the year attributable to:	應佔是年度盈利／(虧損)：			
Owners of the Company	本公司擁有人		50,903	(115,532)
Non-controlling interests	非控股權益		16,941	22,368
			67,844	(93,164)
			HK cents 港仙	HK cents 港仙
Earnings/(loss) per share	每股盈利／(虧損)			
– Basic	– 基本	8	4.2	(9.4)
– Diluted	– 攤薄	8	4.2	(9.4)

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 2023 截至2023年12月31日止年度

		Note 附註	2023 HK\$'000 千港元	2022 HK\$'000 千港元
Profit/(loss) for the year	是年度盈利／(虧損)	6c	67,844	(93,164)
Other comprehensive expense, net of tax	其他全面開支 (經扣除稅項)			
Item that may be reclassified subsequently to profit or loss:	其後可能重新分類至 損益之項目：			
Exchange differences arising on translation of foreign operations	換算海外業務產生之 匯兌差額		(4,130)	(35,178)
Other comprehensive expense for the year	是年度其他全面開支		(4,130)	(35,178)
Total comprehensive income/ (expense) for the year	是年度全面收益／(開支) 總值		63,714	(128,342)
Total comprehensive income/ (expense) for the year attributable to:	應佔是年度全面 收益／(開支) 總值：			
Owners of the Company	本公司擁有人		47,279	(143,167)
Non-controlling interests	非控股權益		16,435	14,825
			63,714	(128,342)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

AS AT 31 DECEMBER 2023 於2023年12月31日

			At 31 December 於12月31日 2023	At 31 December 於12月31日 2022
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
Non-current assets	非流動資產			
Investment properties	投資物業		62,609	72,225
Property, plant and equipment	物業、機器及設備		1,202,956	1,307,647
Right-of-use assets	使用權資產		171,364	194,534
Other intangible assets	其他無形資產		-	3,015
Deposit paid for purchase of plant and equipment	購買機器及設備的 已付按金		28,215	17,324
Interest in an associate	於一間聯營公司之權益		24,919	23,767
Deferred tax assets	遞延稅項資產		41,969	53,030
			1,532,032	1,671,542
Current assets	流動資產			
Inventories	存貨	9	783,908	929,526
Trade and bills receivables	營業及票據應收款項	10	808,091	928,721
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項		370,052	114,952
Tax recoverable	可收回稅項		25,862	2,888
Restricted bank deposits	受限制銀行存款		1,897	5,457
Short-term bank deposits	短期銀行存款		373,870	246,116
Bank balances and cash	銀行結餘及現金		1,005,127	1,147,563
			3,368,807	3,375,223
Current liabilities	流動負債			
Trade and bills payables	營業及票據應付款項	11	651,571	491,299
Other payables and accruals	其他應付款項及應計費用		289,962	374,840
Contract liabilities	合約負債		19,712	21,216
Lease liabilities – current portion	租賃負債—流動部分		26,239	26,768
Amounts due to non-controlling shareholders	欠非控股股東款項		37,027	37,027
Amount due to an associate	欠一間聯營公司款項		5,984	2,429
Deferred income – current portion	遞延收入—流動部分		4,699	5,231
Tax payable	應付稅項		21,626	22,630
Bank borrowings – due within one year	銀行借貸—一年內到期		108,471	200,734
			1,165,291	1,182,174
Net current assets	流動資產淨值		2,203,516	2,193,049
Total assets less current liabilities	資產總值減流動負債		3,735,548	3,864,591

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

AS AT 31 DECEMBER 2023 於2023年12月31日

		At 31 December 於12月31日 2023	At 31 December 於12月31日 2022
	Note 附註	HK\$'000 千港元	HK\$'000 千港元
Non-current liabilities	非流動負債		
Deferred income – non-current portion	遞延收入—非流動部分	67,732	76,154
Bank borrowings – due after one year	銀行借貸—一年後到期	91,086	235,514
Lease liabilities – non-current portion	租賃負債—非流動部分	99,234	116,234
Deferred tax liabilities	遞延稅項負債	8,830	12,922
		266,882	440,824
Net assets	資產淨值	3,468,666	3,423,767
Capital and reserves	資本及儲備		
Share capital	股本	889,810	889,810
Reserves	儲備	2,378,536	2,331,257
Equity attributable to owners of the Company	本公司擁有人應佔權益	3,268,346	3,221,067
Non-controlling interests	非控股權益	200,320	202,700
Total equity	權益總值	3,468,666	3,423,767

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 2023 and 31 December 2022 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 2022 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 2023 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. APPLICATION 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 new and 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 on 1 January 2023:

HKFRS 17 (including the October 2020 and February 2022 amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two Model Rules

Except as described below, the application of the new and amendments to HKFRSs in the current year has no material impact on the Group's financial performance and position for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

1. 一般資料

本公司為在香港註冊成立的公眾有限公司。其已發行股份於香港聯合交易所有限公司（「聯交所」）上市。本公司的註冊辦事處地址及主要營業地點為香港新界葵涌葵昌路29-39號東海工業大廈A座6樓。

本末期業績公告所載有關截至2023年12月31日及2022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。有關根據香港法例第622章公司條例（「公司條例」）第436條須予披露之該等法定財務報表之進一步資料如下：

本公司已根據公司條例第662(3)條及附表6第3部規定向公司註冊處處長呈交本集團截至2022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2023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出具保留意見之情況下，以強調的方式提請使用者注意的任何事項；及並無載有根據公司條例第406(2)條、第407(2)或(3)條作出的陳述。

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本

(a) 採納香港財務報告準則之修訂本

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2023年1月1日開始之財政年度生效之新訂香港財務報告準則及其修訂本：

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
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8號之修訂本	會計估計的定義
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
香港會計準則第12號之修訂本	國際稅務改革—第二支柱示範規則

除下文所述外，於本年度應用新訂香港財務報告準則及其修訂本並無對本集團於當前及過往期間的財務表現及狀況及／或該等綜合財務報表所載的披露資料造成重大影響。

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

(a) Adoption of amended HKFRSs (continued)

Impact on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 – Disclosure of Accounting Policies

The amendments to HKAS 1 and HKFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The application of the amendments has had no material impact on the Group’s financial performance and positions, but has affected the disclosures of accounting policies.

Impact on application of Amendments to HKAS 8 – Definition of Accounting Estimates

The amendments to HKAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the consolidated financial statements of the Group.

Impact on application of Amendments to HKAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to HKAS 12 narrow the scope of the initial recognition exemption of deferred tax liabilities and deferred tax assets so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences, such as leases and decommissioning liabilities. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained earnings or other component of equity as appropriate at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

The amendments had no material impact on the consolidated financial statements of the Group.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

(a) 採納香港財務報告準則之修訂本（續）

應用香港會計準則第1號及香港財務報告準則作業準則第2號之修訂本—會計政策的披露的影響

香港會計準則第1號及香港財務報告準則作業準則第2號之修訂本作出重大判斷為實體將重大判斷應用於會計政策披露提供指引及範例。該等修訂本旨在幫助實體提供更為有用的會計政策披露，將實體披露其「重大」會計政策的規定取代披露其「重要」會計政策的規定，並加入有關實體在作出會計政策披露決策時應當如何應用重大性概念的指引。

應用該等修訂本並無對本集團的財務表現及狀況造成重大影響，惟影響會計政策的披露。

應用香港會計準則第8號之修訂本—會計估計的定義的影響

香港會計準則第8號之修訂本澄清了會計估計變動與會計政策變動及更正錯誤之間的區別。其亦闡明了實體如何使用測量技術及輸入數據來制定會計估計。

該等修訂本並無對本集團的綜合財務報表造成任何影響。

應用香港會計準則第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的影響

香港會計準則第12號之修訂本將遞延稅項負債及遞延稅項資產之初步確認豁免範圍收窄，使其不再適用於初步確認時產生相等的應課稅及可扣減暫時差額的交易，例如租賃及棄置責任。因此，實體須就此類交易產生的暫時差額確認遞延稅項資產（惟須有充足的應課稅溢利）及遞延稅項負債。該等修訂本應用於與所呈列最早比較期間開始時的租賃及棄置責任有關的交易，其中任何累計影響確認為對該日期滾存盈利或其他權益組成部分（如適合）期初結餘的調整。就所有其他交易而言，該等修訂本應用於所呈列最早期間開始後發生的交易。

該等修訂本並無對本集團的綜合財務報表造成重大影響。

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

(a) Adoption of amended HKFRSs (continued)

New HKICPA guidance on the accounting implications of the abolition of the mandatory provident fund (“MPF”) – long service payment (“LSP”)

In June 2022, the Hong Kong SAR Government (the “Government”) gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “Amendment Ordinance”), which will come into effect from 1 May 2025 (the “Transition Date”). Once the Amendment Ordinance takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory contributions to MPF scheme to reduce the LSP in respect of an employee’s service from the Transition Date (the abolition of the “offsetting mechanism”). In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee’s monthly salary immediately before the Transition Date and the years of service up to that date.

In July 2023, the HKICPA published the “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism.

The Group has considered the accrued benefits derived from mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP. Historically, the Group accounted for the offsetting mechanism by applying the practical expedient in HKAS 19.93(b). Based on the HKICPA guidance, upon the enactment of the Amendment Ordinance in June 2022, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit applying HKAS 19.93(a).

The Group has assessed the implications of the above HKICPA guidance on the above accounting policies and has decided to change these accounting policies to conform with the HKICA guidance. The management has commenced the processes on implementating the change including additional data collection and impact assessment. It has concluded that the adoption of the HKICPA guidance and the application of the new or amendments to standards is unlikely to have a material impact on the Group’s results and financial position for the current or prior periods.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

(a) 採納香港財務報告準則之修訂本（續）

有關取消強制性公積金（「強積金」）－長期服務金（「長服金」）的會計影響的新香港會計師公會指引

於2022年6月，香港特別行政區政府（「政府」）於憲報刊登香港2022年僱傭及退休計劃法例（抵銷安排）（修訂）條例（「修訂條例」），該條例將於2025年5月1日（「過渡日期」）生效。於修訂條例生效後，僱主不可再使用其強積金計劃的強制性供款所產生之任何累算權益，扣減僱員由過渡日期起服務年期的長服金（取消「對沖機制」）。此外，於過渡日期前的服務年期的長服金將根據僱員於緊接過渡日期前的月薪及截至該日期的服務年期計算。

於2023年7月，香港會計師公會發佈「香港取消強積金－長服金對沖機制的會計影響」，就對沖機制及取消該機制提供會計指引。

本集團將強制性強積金供款產生的累算權益（預期用以扣減應付予僱員的長服金）視為僱員就長服金的視作供款。一直以來，本集團採用香港會計準則第19.93(b)條可行權宜方法對對沖機制進行會計處理。根據香港會計師公會指引，於修訂條例於2022年6月頒佈後，該等視作供款乃按與香港會計準則第19.93(a)條應用的長服金總權益相同的方式歸屬於服務期間。

本集團已評估上述香港會計師公會指引對上述會計政策的影響，並決定變更該等會計政策，以符合香港會計師公會指引。管理層已開始實施變更的程序，包括額外資料收集及影響評估。因此，採納香港會計師公會指引及應用新訂或經修訂準則不大可能對本集團當前或以往期間的業績及財務狀況造成重大影響。

2. APPLICATION 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.

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ¹
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 ¹
Amendments to HKAS 1	Non-current Liabilities with Covenants ¹
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ¹
Amendments to HKAS 21	Lack of Exchangeability ²

¹ Effective for annual periods beginning on or after 1 January 2024.

² Effective for annual periods beginning on or after 1 January 2025.

³ 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 amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（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

下列新訂香港財務報告準則或其修訂本已經頒佈，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10號及香港會計準則第28號之修訂本	投資者與其聯營公司或合營公司之間的資產出售或注資 ³
香港財務報告準則第16號之修訂本	售後租回之租賃負債 ¹
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 ¹
香港會計準則第1號之修訂本	附帶契諾之 非流動負債 ¹
香港會計準則第7號及香港財務報告準則第7號之修訂本	供應商融資安排 ¹
香港會計準則第21號之修訂本	缺乏可兌換性 ²

¹ 於2024年1月1日或之後開始之年度期間生效。

² 於2025年1月1日或之後開始之年度期間生效。

³ 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，本公司董事預計應用香港財務報告準則之修訂本將不會對本集團的業績及財務狀況造成重大影響。

2. APPLICATION 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); 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 on determining if a liability is current or non-current, in particular the determination over whether an entity has the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments specify that an entity’s right to defer settlement must exist at the end of the reporting period. Classification is unaffected by management’s intentions or expectations about whether the entity will exercise its right to defer settlement. The amendments also clarify the classification of liabilities that will or may be settled by issuing an entity’s own equity instruments.

Amendments to HKAS 1 Non-current Liabilities with Covenants issued in 2022 (the “2022 Amendments”) further clarify how an entity determines the current or non-current classification of a liability when its right to defer the settlement is subject to compliance with covenants.

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.

The amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively. Earlier application is permitted. However, an entity that applies the 2020 Amendments early is also required to apply the 2022 Amendments, and vice versa.

Based on the Group’s outstanding liabilities as at 31 December 2023, the application of the amendments will not result in change in the classification of the Group’s liabilities.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（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）；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號之修訂本流動或非流動負債分類（「2020年修訂本」）闡明有關釐定負債為流動或非流動負債的規定，尤其是釐定實體是否有權將清償負債的時間推遲至報告期間後至少12個月。該等修訂本規定，實體推遲清償的權利須於報告期結束時方可作實。分類不受管理層對實體是否行使其推遲清償權利的意圖或預期的影響。該等修訂本亦闡明負債的分類，其將或可能透過發行實體自身權益工具來清償。

於2022年頒佈的香港會計準則第1號之修訂本附帶契諾之非流動負債（「2022年修訂本」）進一步澄清當實體推遲清償的權利受遵守契諾規限時，實體如何釐定負債的流動或非流動分類。

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清償該等負債，則須作出額外披露。

該等修訂本於2024年1月1日或之後開始之年度期間生效，並應追溯應用。允許提前應用。然而，提前應用2020年修訂本之實體亦須應用2022年修訂本，反之亦然。

根據本集團於2023年12月31日未償還的負債，應用該等修訂本將不會導致本集團負債分類產生變動。

3. REVENUE AND SEGMENT INFORMATION

The executive directors, 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), 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.

2023	2023年	Hong Kong 香港 HK\$'000 千港元	The PRC 中國 HK\$'000 千港元	Taiwan 台灣 HK\$'000 千港元	Korea 韓國 HK\$'000 千港元	Sri Lanka 斯里蘭卡 HK\$'000 千港元	America 美洲 HK\$'000 千港元	Europe 歐洲 HK\$'000 千港元	Others 其他地區 HK\$'000 千港元	Segment total 分類總值 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Revenue	營業額											
External sales	對外銷售	664,027	1,776,404	158,784	205,839	739,165	223,007	66,827	606,182	4,440,235	-	4,440,235
Inter-segment sales (note)	分類間銷售(附註)	1,925,160	732,943	-	-	174,051	-	-	85,914	2,918,068	(2,918,068)	-
Total segment revenue	分類營業額總值	2,589,187	2,509,347	158,784	205,839	913,216	223,007	66,827	692,096	7,358,303	(2,918,068)	4,440,235
Results	業績											
Segment profit	分類盈利	22,912	80,689	5,394	7,138	56,619	11,231	2,307	26,602			212,892
Interest income	利息收入											30,442
Unallocated income	未分配收入											267,906
Depreciation, amortisation and impairment loss	折舊、攤銷及減值損失											(180,160)
Other unallocated expenses	其他未分配支出											(194,846)
Finance costs	融資成本											(26,258)
Share of profit of an associate	應佔一間聯營公司之盈利											1,152
Profit before income tax expense	除所得稅支出前盈利											111,128

3. 營業額及分類資料

執行董事(即主要營運決策者)根據客戶所在地區不同的地域位置定期審閱經營業績及財務資料,包括香港(本公司所屬地)、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)

2022	2022年	Hong Kong 香港 HK\$'000 千港元	The PRC 中國 HK\$'000 千港元	Taiwan 台灣 HK\$'000 千港元	Korea 韓國 HK\$'000 千港元	Sri Lanka 斯里蘭卡 HK\$'000 千港元	America 美洲 HK\$'000 千港元	Europe 歐洲 HK\$'000 千港元	Others 其他地區 HK\$'000 千港元	Segment total 分類總值 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 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	除所得稅支出前虧損											(20,210)

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 and investment properties, 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、機器及設備及投資物業之減值損失及出售／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:

		2023 HK\$'000 千港元	2022 HK\$'000 千港元
Revenue from contracts with customers within the scope of HKFRS 15:	香港財務報告準則第15號範圍內的客戶合同收入：		
Production and sales of dyed fabrics and yarns	製造及銷售色布及紗	3,639,699	5,150,345
Production and sales of garments	製造及銷售成衣	800,536	903,300
		4,440,235	6,053,645
Timing of revenue recognition:	確認收入的時間：		
At a point in time	在某時間點	4,440,235	6,053,645

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

		At 31 December 於12月31日 2023 HK\$'000 千港元	At 31 December 於12月31日 2022 HK\$'000 千港元
Trade and bills receivables (note 10)	營業及票據應收款項 (附註10)	808,091	928,721
Contract liabilities	合約負債	19,712	21,216

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 2023 and 31 December 2022.

Transaction price allocated to the remaining performance obligations for contracts with the customers

Sales of goods were made in a short period of time and the performance obligation was mostly satisfied in one year or less at the end of each year, thus the Group applied the expedient of not to disclose the transaction price allocated to unsatisfied performance obligation.

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：

		2023 HK\$'000 千港元	2022 HK\$'000 千港元
Revenue from contracts with customers within the scope of HKFRS 15:	香港財務報告準則第15號範圍內的客戶合同收入：		
Production and sales of dyed fabrics and yarns	製造及銷售色布及紗	3,639,699	5,150,345
Production and sales of garments	製造及銷售成衣	800,536	903,300
		4,440,235	6,053,645
Timing of revenue recognition:	確認收入的時間：		
At a point in time	在某時間點	4,440,235	6,053,645

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 於12月31日 2023 HK\$'000 千港元	At 31 December 於12月31日 2022 HK\$'000 千港元
Trade and bills receivables (note 10)	營業及票據應收款項 (附註10)	808,091	928,721
Contract liabilities	合約負債	19,712	21,216

有關主要客戶之資料

截至2023年12月31日及2022年12月31日止年度，來自個別客戶之收入佔本集團營業額總值均無超過10%。

分配至客戶合同剩餘履約責任的交易價格

商品銷售在短時間內完成，其履約責任絕多大數在一年內或更短期間內 (於各年年底) 被履行，因此，本集團採用不披露分配至未被履行履約責任的交易價格的權宜方法。

4. FINANCE COSTS

4. 融資成本

		2023 HK\$'000 千港元	2022 HK\$'000 千港元
Finance costs on:	融資成本：		
Bank borrowings	銀行借貸	19,258	13,469
Lease liabilities	租賃負債	7,000	7,939
		26,258	21,408

5. INCOME TAX EXPENSE

5. 所得稅支出

		2023 HK\$'000 千港元	2022 HK\$'000 千港元
Current tax:	是年度稅項：		
Hong Kong	香港	562	3,125
The PRC	中國	15,046	20,345
Other jurisdictions	其他司法地區	19,418	14,690
		35,026	38,160
Under/(over) provision in prior years:	過往年度撥備不足／(超額撥備)：		
Hong Kong	香港	(12)	311
The PRC	中國	(22)	12,680
Other jurisdictions	其他司法地區	1,461	1,266
		1,427	14,257
		36,453	52,417
Deferred tax:	遞延稅項：		
Hong Kong	香港	230	1,962
The PRC	中國	11,777	10,358
Other jurisdictions	其他司法地區	(5,176)	8,217
		6,831	20,537
		43,284	72,954

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。

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

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

5. INCOME TAX EXPENSE (continued)

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.

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

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

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

		2023 HK\$'000 千港元	2022 HK\$'000 千港元
Amortisation of deferred income (note i)	遞延收入之攤銷 (附註i)	5,206	5,328
Compensation income	補償收入	23,059	21,290
Government grants (note iii)	政府補貼 (附註iii)	4,076	10,304
Interest income	利息收入	30,442	9,069
Net rental income from investment properties	投資物業之租金收入淨值	13,702	14,299
Others	其他	11,097	12,711
		87,582	73,001

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

		2023 HK\$'000 千港元	2022 HK\$'000 千港元
Net exchange losses	匯兌虧損淨值	(1,543)	(6,223)
Gain on disposal/written-off of property, plant and equipment	出售／撇銷物業、機器及設備之收益	9,600	1,467
Loss on written-off of investment properties	撇銷投資物業之虧損	(3,552)	-
Gain on compensation of land resumption (note iv)	土地徵收之補償收益 (附註iv)	259,011	-
Reversal of/(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回／(撥備) 確認淨值	13,275	(17,867)
Reversal of impairment loss recognised on other receivables, net	其他應收款項之減值損失撥回確認淨值	-	6,105
Others	其他	738	18,199
		277,529	1,681

5. 所得稅支出 (續)

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%。

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盈利／(虧損)

(a) 本集團其他收入之分析如下：

	2023 HK\$'000 千港元	2022 HK\$'000 千港元
	5,206	5,328
	23,059	21,290
	4,076	10,304
	30,442	9,069
	13,702	14,299
	11,097	12,711
	87,582	73,001

(b) 本集團其他收益及虧損之分析如下：

	2023 HK\$'000 千港元	2022 HK\$'000 千港元
	(1,543)	(6,223)
	9,600	1,467
	(3,552)	-
	259,011	-
	13,275	(17,867)
	-	6,105
	738	18,199
	277,529	1,681

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

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

		2023 HK\$'000 千港元	2022 HK\$'000 千港元
Profit/(loss) for the year has been arrived at after charging:	是年度盈利／(虧損) 已扣減：		
Amortisation of other intangible assets ¹	其他無形資產之攤銷 ¹	3,015	3,015
Auditors' remuneration	核數師之薪酬		
– SHINEWING (HK) CPA Limited	– 信永中和(香港)會計師事務所有限公司	2,645	2,495
– Other auditors	– 其他核數師	–	34
Cost of sales (note ii)	銷售成本(附註ii)	4,118,246	5,475,828
Depreciation of investment properties	投資物業之折舊	5,308	5,521
Depreciation and impairment of property, plant and equipment	物業、機器及設備之折舊及減值	171,837	171,863
Depreciation of right-of-use assets	使用權資產之折舊	28,314	28,866
Employee costs (including directors' emoluments)	僱員成本(包括董事酬金)	691,167	848,355
Research and development costs	研發成本	56,659	59,115
Redundancy costs	冗餘成本	70,100	127,390

¹Included in administrative expenses

¹包括在行政費用內

Notes:

附註：

- (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\$1,308,542,000 (2022: HK\$1,417,055,000) of staff costs, depreciation and impairment of property, plant and equipment, depreciation of right-of-use assets, subcontracting fee 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.
- (iii) For the year ended 31 December 2023, government grants included grants of HK\$4,076,000 (2022: HK\$6,489,000) 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.

- (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1,308,542,000港元(2022年：1,417,055,000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。
- (iii) 截至2023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4,076,000港元(2022年：6,489,000港元)，而該等政府補貼的使用並無限制。

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 2023.

截至2022年12月31日止年度，本集團申請為應對冠狀病毒病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2023年12月31日止年度，概無獲取該政府補貼。

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

Notes: (continued)

- (iv) On 19 November 2023, the local government of Jiangyin City People's Government Chengdong Subdistrict Office (the "Local Government") and Jiangyin Fuhui Textiles Limited ("Jiangyin Fuhui"), an indirect wholly-owned subsidiary of the Company, entered into a land resumption agreement in respect of the land use rights owned by Jiangyin Fuhui (the "Government Acquired Land") together with all buildings, structures (the "Land Buildings") and attachments threat located in Jiangyin City, the PRC (the "Land Resumption Agreement"). Pursuant to the Land Resumption Agreement, Jiangyin Fuhui shall surrender the land use rights to the Local Government for an aggregate compensation of approximately RMB259 million (equivalent to HK\$284 million). Jiangyin Fuhui returned the Government Acquired Land together with the Land Buildings to the Local Government on 25 December 2023 and thus, the corresponding right-of-use assets and property, plant and equipment amounting to approximately HK\$6,466,000 and HK\$17,973,000 respectively, were disposed during the year ended 31 December 2023. No such compensation of land resumption was received for the year ended 31 December 2022.

Pursuant to the relevant PRC laws and regulations, after demolition of housing structure, Jiangyin Fuhui shall conduct the soil pollution investigation report with respect to the land issued by an independent third party qualified investigator. Based on the preliminary investigation conducted by an independent third party qualified investigator ("Preliminary Result"), the Company is confident that the result of the investigation after demolition of housing structures will be satisfactory. Otherwise, Jiangyin Fuhui may take control measures against the land and pay additional costs on the remediation project with respect to the land. Based on the Preliminary Result, such provision of costs on remediation project may not be probable.

7. DIVIDENDS

Dividend attributable to the previous financial year, approved and recognised as distribution during the year:	上一財政年度應佔之股息，本年度已批准及確認為分派：
2022 final dividend of nil (2021 final dividend: HK16.00 cents) per share	2022年末期股息每股為零 (2021年末期股息：每股16.00港仙)

The final dividend of HK\$3.00 cents in respect of the year ended 31 December 2023 (2022: Nil) per share, amounting to approximately HK\$36,751,000 (2022: Nil) has been recommended by the Board and will be subject to the approval of the shareholders at the forthcoming annual general meeting of the Company.

Final dividend in respect of the year ended 31 December 2016 of HK\$5.30 cents per share, payable on 21 July 2017 and remaining unclaimed on 6 August 2023, were forfeited and reverted to the Company. Details refer to the Company's announcement on 14 July 2023.

6. 其他收入、其他收益及虧損以及是年度盈利／(虧損) (續)

附註：(續)

- (iv) 於2023年11月19日，江陰市人民政府城東街道辦事處（「當地政府」）與江陰福匯紡織有限公司（「江陰福匯」）（本公司的間接全資附屬公司）就江陰福匯擁有的位於中國江陰市的土地使用權（「政府徵收的土地」）連同其中的所有建築物、構築物（統稱「土地建築物」）及附屬物簽訂土地徵收協議（「土地徵收協議」）。根據土地徵收協議，江陰福匯須將土地使用權移交給當地政府，補償金總額約為人民幣259,000,000元（相當於284,000,000港元）。江陰福匯於2023年12月25日將政府徵收的土地連同土地建築物歸還當地政府，因此於截至2023年12月31日止年度已出售相應的使用權資產及物業、機器及設備，金額分別約為6,466,000港元及17,973,000港元。截至2022年12月31日止年度，並未收到土地徵收的有關補償。

根據相關中國法律法規，於房屋建築拆除後，江陰福匯須就土地委聘獨立第三方合資格調查機構出具土壤污染調查報告。根據獨立第三方合資格調查機構進行的初步調查（「初步結果」），本公司相信房屋建築拆除後的調查結果將令人滿意。否則，江陰福匯可能會對該土地採取控制措施，並就該土地的整治項目支付額外費用。根據初步結果，可能不會就整治項目計提有關費用。

7. 股息

	2023 HK\$'000 千港元	2022 HK\$'000 千港元
Dividend attributable to the previous financial year, approved and recognised as distribution during the year:		
2022 final dividend of nil (2021 final dividend: HK16.00 cents) per share	-	196,004

董事會建議派付截至2023年12月31日止年度之末期股息每股3.00港仙（2022年：無），合共約36,751,000港元（2022年：無），惟須待股東於本公司應屆股東週年大會上批准後，方可作實。

截至2016年12月31日止年度之末期股息每股5.30港仙，須於2017年7月21日派付及於2023年8月6日之餘下未被領取之股息將予以沒收並撥歸本公司所有。詳情請參閱本公司日期為2023年7月14日之公告。

8. EARNINGS/(LOSS) PER SHARE

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

		2023 HK\$'000 千港元	2022 HK\$'000 千港元
Earnings/(loss)	盈利／(虧損)		
Profit/(loss) for the year attributable to owners of the Company for the purpose of computation of basic and diluted earnings/(loss) per share	就計算每股基本及攤薄盈利／(虧損)所用之本公司擁有人應佔是年度盈利／(虧損)	50,903	(115,532)

		2023	2022
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of computation of basic and diluted earnings/(loss) per share	就計算每股基本及攤薄盈利／(虧損)所用之普通股加權平均數目	1,225,026,960	1,225,026,960

(a) Basic earnings/(loss) per share

The computation of basic earnings/(loss) per share for the year ended 31 December 2023 is based on the earnings attributable to owners of the Company of HK\$50,903,000 (2022: loss attributable to owners of the Company of HK\$115,532,000) and the weighted average of 1,225,026,960 ordinary shares (2022: 1,225,026,960 ordinary shares) during the year.

(b) Diluted earnings/(loss) per share

The Company had no potentially dilutive ordinary shares outstanding for the years ended 31 December 2023 and 31 December 2022.

8. 每股盈利／(虧損)

本公司擁有人應佔每股基本及攤薄盈利／(虧損)乃根據下列數據計算：

		2023 HK\$'000 千港元	2022 HK\$'000 千港元
Earnings/(loss)	盈利／(虧損)		
Profit/(loss) for the year attributable to owners of the Company for the purpose of computation of basic and diluted earnings/(loss) per share	就計算每股基本及攤薄盈利／(虧損)所用之本公司擁有人應佔是年度盈利／(虧損)	50,903	(115,532)

		2023	2022
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of computation of basic and diluted earnings/(loss) per share	就計算每股基本及攤薄盈利／(虧損)所用之普通股加權平均數目	1,225,026,960	1,225,026,960

(a) 每股基本盈利／(虧損)

截至2023年12月31日止年度之每股基本盈利／(虧損)乃按年內本公司擁有人應佔盈利50,903,000港元(2022年：本公司擁有人應佔虧損115,532,000港元)及1,225,026,960股普通股(2022年：1,225,026,960股普通股)的加權平均數目計算。

(b) 每股攤薄盈利／(虧損)

截至2023年12月31日及2022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 於12月31日 2023 HK\$'000 千港元	At 31 December 於12月31日 2022 HK\$'000 千港元
Spare parts	備件	29,129	33,417
Raw materials	原料	228,013	270,560
Work-in-progress	半製品	266,623	313,308
Finished goods	製成品	260,143	312,241
		783,908	929,526

9. 存貨

10. TRADE AND BILLS RECEIVABLES

		At 31 December 於12月31日 2023 HK\$'000 千港元	At 31 December 於12月31日 2022 HK\$'000 千港元
Trade receivables	營業應收款項	720,569	797,805
Bills receivables	票據應收款項	122,661	183,025
Less: allowance for expected credit loss ("ECL")	減：預期信貸虧損撥備	(35,139)	(52,109)
		808,091	928,721

The Group normally allows a credit period ranging from 30 days to 60 days to its trade customers. The Group's bills receivables were all aged within two months and were neither past due nor impaired. The expected credit losses for bills receivables are assessed to be minimal. 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:

本集團通常提供介乎30天至60天信貸期予其營業客戶。本集團之票據應收款項賬齡均於兩個月內及並無逾期或減值。票據應收款項的預期信貸虧損評估屬微乎其微。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）於報告期終的賬齡分析如下：

		At 31 December 於12月31日 2023 HK\$'000 千港元	At 31 December 於12月31日 2022 HK\$'000 千港元
Within 1 month	1個月內	384,120	400,699
1 to 2 months	1至2個月	267,879	274,643
2 to 3 months	2至3個月	98,811	136,582
Over 3 months	3個月以上	92,420	168,906
		843,230	980,830
Less: allowance for ECL	減：預期信貸虧損撥備	(35,139)	(52,109)
		808,091	928,721

11. TRADE AND BILLS PAYABLES

		At 31 December 於12月31日 2023 HK\$'000 千港元	At 31 December 於12月31日 2022 HK\$'000 千港元
Trade payables	營業應付款項	533,243	386,071
Bills payables	票據應付款項	118,328	105,228
		651,571	491,299

11. 營業及票據應付款項

11. TRADE AND BILLS PAYABLES (continued)

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

		At 31 December 於12月31日 2023 HK\$'000 千港元	At 31 December 於12月31日 2022 HK\$'000 千港元
Within 1 month	1個月內	430,215	260,063
1 to 2 months	1至2個月	135,777	146,126
2 to 3 months	2至3個月	30,212	39,177
Over 3 months	3個月以上	55,367	45,933
		651,571	491,299

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

As at 31 December 2023, bills payables of HK\$1,103,000 (31 December 2022: HK\$19,200,000) were secured by the Group's restricted bank deposits of HK\$221,000 (31 December 2022: HK\$3,840,000).

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

11. 營業及票據應付款項 (續)

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：

	At 31 December 於12月31日 2023 HK\$'000 千港元	At 31 December 於12月31日 2022 HK\$'000 千港元
Within 1 month	430,215	260,063
1 to 2 months	135,777	146,126
2 to 3 months	30,212	39,177
Over 3 months	55,367	45,933
	651,571	491,299

於報告期終，本集團之所有票據應付款項均未到期。

於2023年12月31日，票據應付款項1,103,000港元（2022年12月31日：19,200,000港元）乃由本集團之受限制銀行存款221,000港元（2022年12月31日：3,840,000港元）作為抵押。

購貨的信貸期介乎30天至120天。

12. SHARE CAPITAL

		At 31 December 於12月31日 2023	At 31 December 於12月31日 2022		
		No. of shares 股份數目	HK\$'000 千港元	No. of shares 股份數目	HK\$'000 千港元
Ordinary shares, issued and fully paid	普通股，已發行及繳足				
At beginning and at end of the year	於年初及於年終	1,225,026,960	889,810	1,225,026,960	889,810

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

13. EVENTS AFTER THE REPORTING PERIOD

For the year ended 31 December 2023, the Group reduced the production volume of the fabric mill operated by Jiangyin Fuhui and streamlined the production team of Jiangyin Fuhui. Taking these circumstances into account and to mitigate further losses, the Group has decided to further reduce the fabric production capacity by solely maintaining fabric knitting production capacity at the fabric mill operated by Jiangyin Fuhui. Details refer to the Company's announcement on 5 February 2024.

12. 股本

		At 31 December 於12月31日 2023	At 31 December 於12月31日 2022		
		No. of shares 股份數目	HK\$'000 千港元	No. of shares 股份數目	HK\$'000 千港元
Ordinary shares, issued and fully paid	普通股，已發行及繳足				
At beginning and at end of the year	於年初及於年終	1,225,026,960	889,810	1,225,026,960	889,810

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。

13. 報告期後事項

截至2023年12月31日止年度，本集團減少了江陰福匯經營的面料工廠的產量，並精簡江陰福匯的生產團隊。考慮到這些情況並為進一步減少虧損，本集團決定進一步削減面料產能，同時僅保留江陰福匯營運的面料工廠之織造產能。詳情請參閱本公司日期為2024年2月5日之公告。

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Since 2023, the textile and apparel industry, in which the Group operates, has faced increasingly complex and challenging internal and external situations. Global economic growth was sluggish, geopolitical risks escalated, and the efficiency of the industry and supply chain integration were affected, leading to an overall contraction in external demand. The textile and apparel supply chains for export markets underwent restructuring, with an accelerated shift towards regional distribution. Due to the combined impact of the global economic recovery being slower than expected and supply chain restructuring, downstream customers continued destocking, resulting in a significant year-on-year decline in China's textile and apparel exports to the Europe and US markets. Domestic consumption demand remained weak while recovery was still slow in terms of consumers' purchasing power in the textile and apparel market.

Market competition intensified, with brand customers shifting their demands towards "small batches, multiple varieties, high quality, and fast delivery." End consumers' demand for clothing shifted toward "personalization, functionality, and cost-effective". The textile and apparel industry continued to experience a decline in factory prices, leading to intensified price competition.

Affected by the aforementioned unfavorable factors, the Group's orders and average unit prices experienced a significantly year-on-year decline. The revenue of the Group for the year ended 31 December 2023 was HK\$4,440,235,000 a reduction of 26.7% (2022: HK\$6,053,645,000) due to the reasons stated in the above paragraphs. The profit attributable to owners of the Company was HK\$50,903,000 (2022: loss attributable to owners of the Company: HK\$115,532,000), including the one-off gain of approximately HK\$259,011,000 incurred in the Jiangyin Fuhui land resumption.

The final dividend of HK\$3.00 cents, with a dividend payout ratio of 71.43% (2022: Nil) in respect of the year ended 31 December 2023 (2022: Nil) per share, amounting to approximately HK\$36,751,000 (2022: Nil) has been recommended by the Board and will be subject to the approval of the shareholders at the forthcoming annual general meeting of the Company.

Faced with an extraordinarily severe market situation and complex and volatile operating environment, the Group took decisive measures during 2023 to stabilize its operations and lay the foundation for overcoming challenges and achieving recovery growth in 2024.

I. Adapt to market changes, actively develop new customers, and make every effort to stabilize orders

The Group actively adapted to market changes, closely followed market and customer dynamics, and conducted targeted R&D of new products, achieved positive outcomes, and received customer acclaim. The series of new products developed by the Group demonstrated strong competitiveness and were well received by internationally and domestically renowned sport and leisure brands. In 2023, while striving to maintain the stability of orders in existing customers, the Group actively pursued market development and customer acquisition efforts. Through various channels, the Group successfully secured over 10 renowned domestic and international brand customers.

管理層討論及分析

業務回顧

2023年以來，集團所處的紡織及服裝行業面臨的內外形勢更加複雜嚴峻。全球經濟增長緩慢，地緣政治風險上升，產業鏈、供應鏈銜接效率受到影響，從而導致外需總體收縮。紡織及服裝出口市場供應鏈經歷了重構，加速向區域分佈轉移。在全球經濟復甦不及預期和供應鏈重構的雙重影響下，下游客戶持續庫存去化中導致中國紡織品服飾對歐美市場出口較去年同期大幅下降。國內消費需求依然疲軟，紡織及服裝市場消費者購買力恢復緩慢。

市場競爭日趨激烈，品牌客戶需求加速向「小批次、多品種、高品質、快交期」方向轉變。終端消費者對服飾需求向「個性化、功能化、高性价比」方向轉變。紡織及服裝行業出廠價格繼續下降，價格競爭愈發激烈。

受上述不利因素影響，本集團的訂單及平均單價同比明顯下滑，於截至2023年12月31日止年度，本集團的收入為4,440,235,000港元，減少了26.7%（2022年：為6,053,645,000港元），原因於上文段落中已陳述。本公司擁有人應佔盈利為50,903,000港元（2022年：本公司擁有人應佔虧損：115,532,000港元），包括因江陰福匯事件中產生的一次性利潤約259,011,000港元。

董事會建議派付截至2023年12月31日止年度之末期股息每股3.00港仙（2022年：無），派息比率為71.43%（2022年：無），合共約36,751,000港元（2022年：無），惟須待股東於本公司應屆股東週年大會上批准後，方可作實。

面對市場形勢異常嚴峻和經營環境複雜多變的不利條件，本集團在2023年期間果斷採取多項措施來穩定經營局面，為2024年擺脫困境、實現恢復增長積累條件。

一、順應市場變化，積極開發新客戶，全力以赴穩訂單

本集團積極順應市場變化，緊密關注市場及客戶需求變化動態，針對性開展新產品研發，並取得了良好效果，受到客戶歡迎。本集團研發的一系列新產品展示出強大的競爭力，深受國際國內知名運動休閒品牌客戶歡迎。2023年，本集團在努力保持現有客戶訂單穩定的基礎之上，積極開拓市場，努力獲得新客戶。通過更多管道增加訂單數量，成功新開發了10餘家國內外知名品牌客戶。

II. Proactively adjust production capacity, prudently advance new plan, and accelerate the establishment of a new framework

The Group proactively responded to new changes in the accelerated restructuring new plans of the global textile and apparel supply chain by actively adjusting production capacity and order allocation. Based on the market's new dynamics, the Group pragmatically adjusted the construction plans of the Yancheng Fuhui Textiles Limited (the Company's indirect wholly-owned subsidiary) ("Yancheng Fuhui") expansion project, and completed the initial sketches of the product design and process equipment plans. The Group successfully initiated the land resumption of Jiangyin Fuhui living area, and proactively reduced the fabric production capacity of Jiangyin Fuhui. By replicating the successful model of the Ocean Lanka (Pvt) Ltd (the Company's indirect owned subsidiary) ("Ocean Lanka"), the Group accelerated the implementation of the "go global" strategy.

III. Implement lean management, construct a comprehensive quality control system, and enhance product quality

In the fabric production sector, the Group implemented a comprehensive quality control system, further strengthened the tracking mechanism of product production. Standardized operating procedures, assessment criteria, and reward and punishment measures were developed to strictly control the quality issues of products. Continuous improvement in production and manufacturing levels, along with ongoing optimization of production processes and technological advancements, earned customers' acclaim. In 2023, Ocean Lanka was honored with the 25th edition of the Presidential Export Awards – Honorary Award for the Best Knitted Fabric Export Company and the 31st Annual Export Awards-2023 for the Commerce Best Supplier Gold Award.

IV. Promote centralized procurement, strengthen supplier management evaluation, and reduce procurement costs

The Group strengthened the centralized procurement organizational structure, formulated procurement regulations and documents, and established and optimized expert database of procurement experts and supplier directories. Through the construction of information systems, online monitoring and approval processes were further reinforced, fully leveraging the functionality and role of centralized procurement. Supplier management evaluation was strengthened with clear evaluation criteria and improved mechanisms for admission and withdrawal. The Group expelled some unqualified suppliers and avoided intermediaries by directly procuring from resource owners that effectively helped to reduce procurement costs.

二、主動調整產能，審慎推進新佈局，加快構建新格局

本集團積極應對全球紡織服裝供應鏈加速重構和新佈局加速演進的新變化，主動調整產能和訂單分配。根據市場的新動態，本集團實事求是調整鹽城福匯紡織有限公司（本公司間接全資附屬公司）（「鹽城福匯」）擴建項目建設方案，並完成產品設計方案及工藝設備方案初稿。本集團成功推動江陰福匯生活區土地收儲，主動削減江陰福匯面料產能。通過複製海洋蘭卡（私人）有限公司（本公司間接附屬公司）（「海洋蘭卡」）工廠成功模式，加快推進「走出去」戰略落地。

三、推行精益管理，構建全面品質管制體系，提升產品品質

本集團在面料生產領域實施了全面質量管制體系，進一步強化了產品生產的跟蹤機制。制定標準化操作流程和考核標準與獎懲措施，嚴格把控產品質量問題。生產製造水準不斷提升，生產流程和工藝技術持續優化，得到客戶讚譽。2023年海洋蘭卡榮獲斯里蘭卡第25屆總統出口獎—最佳針織面料出口企業榮譽獎、第31屆斯里蘭卡出口商會最佳供應商金獎。

四、推動集中採購，強化供應商管理評價，降低採購成本

本集團加強了集中採購工作組織架構，制訂集採制度文件，建立和優化集採專家庫與供應商目錄庫。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。加強了對供應商管理評價，設立明確評價標準，完善供應商進退機制，清退了一些不合格的供應商，並避開中間商直接與資源擁有者進行採購，有效降低了採購成本。

V. Strengthen production management, resolutely reduce the capital occupation, and continuously reduce costs and increase efficiency

The Group systematically carried out process technology equipment upgrades and transformations, continuously optimized production processes and order scheduling, identified hidden loopholes, reduced unreasonable waste, and consistently lowered the defect rate. Management processes for cotton yarn procurement and fabric production were optimized, with clear responsibilities assigned to each party. Effective control of inventory levels and safety stock levels was implemented, along with control over raw material procurement quantities and schedules, reduced inventory pressure effectively. Inventory was promptly utilized to reduce capital occupation. The Group continuously optimized its personnel structure by reducing the proportion of managerial staff and increasing frontline staff, thereby building a workshop-based factory.

VI. Value R&D innovation and strengthen the construction of R&D capabilities

The Group established a professional R&D management system and working mechanism, systematically carrying out R&D activities. Strengthen the R&D and sampling capabilities of new fiber and functional fabric products, ultimately improving customer service levels. Continuous efforts were made to improve the performance and upgrade of conventional pure cotton fabrics, enrich the functions of new fiber fabric products, and strengthen the R&D of new fabrics.

VII. Maintain a strong safety defense and create a green and environmentally friendly factory

The production safety situation of the Group remained stable, with all indicators met the operational standards. In line with the demands of high-end customers, efforts were made to build a green and environmentally friendly factory. Jiangyin Fuhui was awarded the Green Power Consumption Certificate issued by the Beijing Electricity Trading Center. Dongguan Shatin Lake Side Textiles Printing & Dyeing Co., Ltd. (the Company's indirect owned subsidiary) ("Shatin Lake Side") was honored as a provincial-level benchmark enterprise for water conservation in 2022, as announced by the Guangdong Provincial Department of Industry and Information Technology and the Guangdong Provincial Department of Water Resources. Among the 21 benchmark water conservation enterprises in Guangdong Province, Shatin Lake Side was the only textile printing and dyeing enterprise, and also the only selected enterprise in Dongguan City.

五、加強生產管理，堅決壓降資金佔用，持續減員降本增效

本集團有計劃、有步驟地進行工藝技術設備更新升級改造，持續優化生產流程、訂單排產安排，查找隱形漏洞，降低不合理的損耗，不斷降低次品率。優化棉紗採購、胚布生產的管理流程，明確各方責任。實施有效的庫存水平和安全庫存水平控制，控制原料採購量與進度，有效減少庫存壓力。及時化用庫存減少資金佔用。本集團通過減少管理人員比例，增加一線員工，持續優化人員結構，打造車間型工廠。

六、重視研發，強化研發能力建設

本集團構建了專業研發管理體系及工作機制，系統化開展研發工作。強化新型纖維、功能性面料產品研發和打樣能力，最終提升客戶服務水平。持續對常規純棉面料進行性能改善、提檔升級，豐富新型纖維面料產品功能，加強新型面料研發。

七、守住安全防線，打造綠色環保工廠

本集團安全形勢平穩，各項指標達標運行。契合高端客戶需求，打造綠色環保工廠。江陰福匯獲得北京電力交易中心頒發的綠色電力消費憑證。東莞沙田麗海紡織印染有限公司（本公司間接附屬公司）（「沙田麗海」）獲得廣東省工業和資訊化廳、廣東省水利廳公佈的2022年省級節水標杆企業稱號。在廣東省的21家節水標杆企業中，沙田麗海是唯一的紡織印染企業，也是東莞市唯一入選的企業。

Events after the Reporting Period

Save as disclosed in note 13 above, the Group did not have any significant events after the end of the reporting period (i.e. 31 December 2023) 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 2023 are set out below:

報告期後事項

除上述附註13披露外，本集團自報告期末（即2023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2023年12月31日止年度之主要經營及財務指標呈列如下：

		2023	2022
Statement of Profit or Loss Items	損益表項目		
(All amounts in HK\$ thousands unless otherwise stated)	(除特別註明外所有金額均以千港元列示)		
Revenue	營業額	4,440,235	6,053,645
Gross profit	毛利	321,989	577,817
EBITDA*	息稅折舊及攤銷前利潤	328,919	188,096
Profit/(loss) for the year	是年度盈利／(虧損)	67,844	(93,164)
Profit/(loss) attributable to owners of the Company	本公司擁有人應佔盈利／(虧損)	50,903	(115,532)
Basic earnings/(loss) per share (HK cents)	每股基本盈利／(虧損) (港仙)	4.2	(9.4)
Key Financial Ratios	主要財務比率		
Profitability ratios	盈利能力比率		
Gross profit margin (%)	毛利率(%)	7.3%	9.5%
EBITDA* margin (%)	息稅折舊及攤銷前利潤率(%)	7.4%	3.1%
Expenses as a % of revenue	開支佔營業額比率		
Distribution and selling expenses	分銷及銷售費用	1.7%	1.5%
Administrative expenses	行政費用	10.7%	9.2%
Finance costs	融資成本	0.6%	0.4%
Asset efficiency	資產效率		
Inventory turnover period (days)	存貨周轉期(日)	69	62
Trade and bills receivables turnover period (days)	營業及票據應收款項周轉期(日)	66	56
Trade and bills payables turnover period (days)	營業及票據應付款項周轉期(日)	58	33

* 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 於12月31日 2023	At 31 December 於12月31日 2022
Asset ratios	資產比率		
Current ratio [#]	流動比率 [#]	2.9	2.9
Net debt/EBITDA ratio	淨債務／息稅折舊及攤銷前利潤率	(3.6)	(5.1)
Gearing ratio	資本負債比率		
Total liabilities/Equity attributable to owners of the Company	負債總額／本公司擁有人應佔權益	0.4	0.5

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

[#] 流動比率的計算方法是將流動資產除以流動負債。

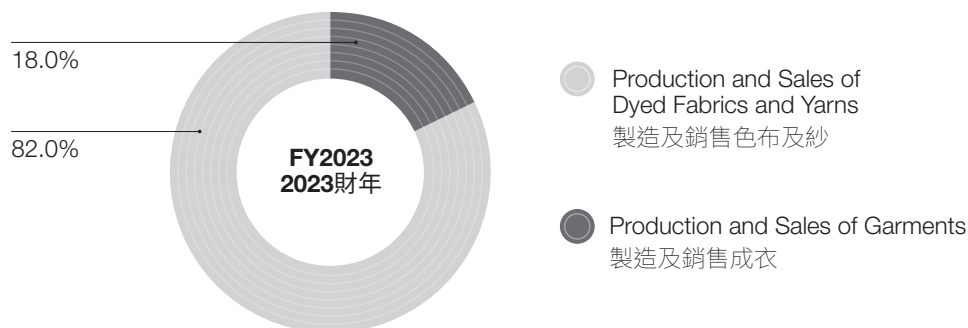
Revenue

The Group's revenue for the year ended 31 December 2023 amounted to approximately HK\$4,440,235,000 (2022: HK\$6,053,645,000).

營業額

集團截至2023年12月31日止年度的營業額約為4,440,235,000港元（2022年：6,053,645,000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\$3,639,699,000 (2022: HK\$5,150,345,000), which accounted for 82.0% (2022: 85.1%) of the Group's total revenue. Revenue from production and sales of garments was approximately HK\$800,536,000 (2022: HK\$903,300,000), which accounted for 18.0% (2022: 14.9%) 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3,639,699,000港元（2022年：5,150,345,000港元），佔集團營業額總值的82.0%（2022年：85.1%）。製造及銷售成衣的營業額約為800,536,000港元（2022年：903,300,000港元），佔集團營業額總值的18.0%（2022年：14.9%）。

Cost of Sales and Gross Profit

For the year ended 31 December 2023, overall cost of sales of the Group amounted to approximately HK\$4,118,246,000 (2022: HK\$5,475,828,000) and overall gross profit margin was 7.3% (2022: 9.5%).

銷售成本及毛利

集團截至2023年12月31日止年度之整體銷售成本約為4,118,246,000港元（2022年：5,475,828,000港元），整體毛利率為7.3%（2022年：9.5%）。

During the year under review, the Group's revenue decreased by 26.7% compared with the same period last year, which was mainly due to the decrease in sales volume of fabric by approximately 22.9%. 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.

於回顧年內，本集團的營業額同比下跌26.7%，主要是由於面料銷售量下跌約22.9%。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。

Distribution and Selling Expenses

For the year ended 31 December 2023, the Group's overall distribution and selling expenses amounted to approximately HK\$74,477,000 (2022: HK\$92,291,000), which accounted for 1.7% (2022: 1.5%) of the Group's total revenue.

Administrative Expenses

For the year ended 31 December 2023, the Group's overall administrative expenses amounted to approximately HK\$476,389,000 (2022: HK\$559,179,000), which accounted for 10.7% (2022: 9.2%) of the Group's total revenue.

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

For the year ended 31 December 2023, the Group's EBITDA amounted to approximately HK\$328,919,000 (2022: HK\$188,096,000) and the EBITDA margin was 7.4% (2022: 3.1%).

Finance Costs

For the year ended 31 December 2023, the Group's finance costs amounted to approximately HK\$26,258,000 (2022: HK\$21,408,000), representing 0.6% (2022: 0.4%) of the Group's total revenue.

Capital Expenditure

During the year under review, the Group invested approximately HK\$87,871,000 (2022: HK\$163,631,000) in additions of property, plant and equipment. The Group's commitments primarily relate to the acquisition of property, plant and equipment. As at 31 December 2023, the Group had contracted capital commitments of approximately HK\$86,721,000 (31 December 2022: HK\$86,607,000) in relation to the acquisition of property, plant and equipment.

Income Tax Expense

For the year ended 31 December 2023, income tax expense of the Group amounted to approximately HK\$43,284,000 (2022: HK\$72,954,000).

Profit/loss Attributable to Owners of the Company

For the year ended 31 December 2023, profit attributable to owners of the Company was approximately HK\$50,903,000 (2022: loss attributable to owner of the Company HK\$115,532,000) and the corresponding profit margin was 1.1% (2022:-1.9%).

Inventories

As at 31 December 2023, the Group's inventories amounted to approximately HK\$783,908,000 (31 December 2022: HK\$929,526,000). The inventory turnover period was 69 days, an increase of 7 days compared with 62 days in 2022.

分銷及銷售費用

集團截至2023年12月31日止年度之整體分銷及銷售費用約為74,477,000港元(2022年:92,291,000港元),佔集團營業額總值的1.7%(2022年:1.5%)。

行政費用

集團截至2023年12月31日止年度之整體行政費用約為476,389,000港元(2022年:559,179,000港元),佔集團營業額總值的10.7%(2022年:9.2%)。

息稅折舊及攤銷前利潤(EBITDA)

集團截至2023年12月31日止年度之息稅折舊及攤銷前利潤約為328,919,000港元(2022年:188,096,000港元),息稅折舊及攤銷前利潤率為7.4%(2022年:3.1%)。

融資成本

集團截至2023年12月31日止年度之融資成本約為26,258,000港元(2022年:21,408,000港元),佔集團營業額總值的0.6%(2022年:0.4%)。

資本開支

於回顧年內,集團已投資約87,871,000港元(2022年:163,631,000港元)以增加物業、機器及設備。集團的資本承擔主要涉及購買物業、機器及設備。於2023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86,721,000港元(2022年12月31日:86,607,000港元)。

所得稅支出

集團截至2023年12月31日止年度之所得稅支出約為43,284,000港元(2022年:72,954,000港元)。

本公司擁有人應佔盈利/虧損

集團截至2023年12月31日止年度之本公司擁有人應佔盈利約為50,903,000港元(2022年:本公司擁有人應佔虧損115,532,000港元),其相關盈利率為1.1%(2022年:-1.9%)。

存貨

集團於2023年12月31日之存貨約為783,908,000港元(2022年12月31日:929,526,000港元)。存貨周轉期為69天,與2022年62天相比增加7天。

Trade and Bills Receivables

As at 31 December 2023, the Group's trade and bills receivables amounted to approximately HK\$808,091,000 (31 December 2022: HK\$928,721,000). Trade and bills receivables turnover period was 66 days, an increase of 10 days compared with 56 days in 2022.

Trade and Bills Payables

As at 31 December 2023, the Group's trade and bills payables amounted to approximately HK\$651,571,000 (31 December 2022: HK\$491,299,000). Trade and bills payables turnover period was 58 days, an increase of 25 days compared with 33 days in 2022.

Liquidity and Financial Resources

As at 31 December 2023, the Group's net assets amounted to approximately HK\$3,468,666,000 (31 December 2022: HK\$3,423,767,000). The key figures of the Group's financial position were as follows:

營業及票據應收款項

集團於2023年12月31日之營業及票據應收款項約為808,091,000港元(2022年12月31日: 928,721,000港元)。營業及票據應收款項周轉期為66天,與2022年56天相比增加10天。

營業及票據應付款項

集團於2023年12月31日之營業及票據應付款項約為651,571,000港元(2022年12月31日: 491,299,000港元)。營業及票據應付款項周轉期為58天,與2022年33天相比增加25天。

資金流動性及財政資源

於2023年12月31日,集團資產淨值約為3,468,666,000港元(2022年12月31日: 3,423,767,000港元)。集團財務狀況的主要資料如下:

		At 31 December 於12月31日 2023 HK\$'000千港元	At 31 December 於12月31日 2022 HK\$'000千港元
Non-current assets	非流動資產	1,532,032	1,671,542
Current assets	流動資產	3,368,807	3,375,223
Total assets	資產總值	4,900,839	5,046,765
Current liabilities	流動負債	1,165,291	1,182,174
Non-current liabilities	非流動負債	266,882	440,824
Total liabilities	負債總值	1,432,173	1,622,998
Net assets	資產淨值	3,468,666	3,423,767

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 2023, the principal financial covenant figures/ratios (according to the definitions of the Group's principal banks) were as follows:

於2023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：

		At 31 December 於12月31日 2023	At 31 December 於12月31日 2022
Consolidated tangible net worth	綜合淨有形資產	HK\$3,189,317,000 港元	HK\$3,126,412,000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	0.1	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	12.5	8.8
Consolidated current assets to consolidated current liabilities	綜合流動資產對 綜合流動負債比例	2.9	2.9
Consolidated capital expenditure	綜合資本開支	HK\$87,871,000 港元	HK\$163,631,000港元

During the years ended 31 December 2023 and 2022 the Group had complied with all covenant ratios and undertakings.

於截至2023年及2022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 and interests were mainly charged on a floating rate basis. The average effective interest rate of bank borrowings of the Group was 5.99% per annum (2022: 2.64% per annum) for the year ended 31 December 2023 and the bank borrowings were repayable within two years (2022: within three years). All bank borrowings were unsecured for the years ended 31 December 2023 and 31 December 2022. 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5.99%（2022：2.64%），及銀行借貸須於兩年內償還（2022：三年內）。截至2023年12月31日及2022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 2023, the Group had approximately 5,800 (31 December 2022: 5,900) 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

The World Bank has made a pessimistic forecast for global economic growth in 2024, predicting the weakness of the global economy to surpass that of the 2008 global financial crisis, the 1997 Asian financial crisis, and the early 2000s dot-com bubble. The Chinese economy continues to face challenges such as "insufficient effective demand, excess capacity in certain industries, weak social expectations, numerous hidden risks, and obstacles in the domestic economic cycle." The complexity, severity, and uncertainty of the external environment are also on the rise. The textile and apparel industry, in which the Group operates, is challenged by the reconstruction of the international textile and apparel industry chain and supply chain, increased uncertainty in the international trade environment, as well as the opportunities brought by rapid growth of emerging markets, steady improvement of the domestic economy, and the continuation of the recovery trend in the domestic market.

In the face of severe situations and challenges, the Group will accurately grasp and actively integrate into the new development pattern of the global textile and apparel industry. We will seize opportunities, turn crises into opportunities, seek steady progress, promote stability through progress, pursue reform and innovation, and undergo transformational development. Our goal is to drive the Group's transformation from a fabric manufacturing-oriented enterprise with a primarily domestic presence into a balanced fabric-to-garment integrated product and technology R&D innovation service-oriented enterprise, both domestically and internationally.

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

In recent years, the global economy has been sluggish, and the global textile and apparel industry supply chain has undergone reconstruction. The supply chain layout is rapidly evolving towards regional distribution, while competitors are accelerating their overseas expansion and implementing intelligent and automated upgrades to their factories. A new competitive landscape is emerging in the textile and apparel industry, where Fountain Set Group operates. The current and upcoming years remain a strategic opportunities period for Fountain Set Group, which must proactively adapt and accelerate its transformation and upgrading.

僱員及酬金政策

本集團於2023年12月31日之全職僱員人數約為5,800人(2022年12月31日:5,900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

世界銀行對2024年全球經濟增長作出悲觀預測,預計全球經濟的疲弱程度將超過2008年全球金融危機、1997年亞洲金融危機,以及2000年初互聯網泡沫時期。中國經濟仍面臨著「有效需求不足、部分行業產能過剩、社會預期偏弱、風險隱患仍然較多、國內大循環存在堵點」的困難。此外,外部環境的複雜性、嚴峻性及不確定性也在上升。集團所處的紡織及服裝行業也面臨著多重挑戰,包括國際紡織服裝產業鏈及供應鏈重構、國際貿易環境不確定性增加帶來的挑戰、新興市場快速增長、國內經濟穩步向好和內銷市場延續恢復態勢帶來的機遇。

面對嚴峻的形勢和挑戰,本集團將準確把握並積極融入全球紡織服裝產業新發展格局,抓住機遇,化危為機,穩中求進、以進促穩、改革創新、實現轉型發展。目標推動本集團從以國內佈局為主的面料制造型企業轉型為內外均衡佈局的面料成衣一體化的產品及技術研發創新服務型企業。

接續奮鬥,努力實現「十四五」戰略發展目標

近年來,全球經濟低迷,全球紡織及服裝行業供應鏈重構。供應鏈佈局向區域佈局加速演進,競爭對手加快推進海外佈局,並對工廠進行智能化及自動化升級改造。福田集團所在紡織及服裝行業市場的新競爭格局正在形成,當前及未來幾年仍是福田集團的戰略機遇期,必須主動適應並加快轉型升級的步伐。

In the future, Fountain Set Group will be guided by innovation and pursue a path of specialization and novelty. Relying on technological innovation, we will expedite the balanced domestic and international layout and the integration of fabrics-to-garments production. Fabric products and R&D innovation services will hold a significant position, and we will drive high-quality development through technological innovation.

Fountain Set Group will continue to consolidate its advantages, address its weaknesses, and enhance product quality and competitiveness. We aim to further solidify our leading position in the field of cotton knitted fabric printing and dyeing while gradually addressing the shortcomings in the area of synthetic fiber fabrics. We will continuously improve our product strength, value, and industry influence, providing customers with high-quality, high-efficiency products and comprehensive technical research and development service solutions to foster mutual growth.

Fountain Set Group will intensify the optimization and adjustment of production capacity layout in line with the direction of balanced domestic and international development. We will accelerate the transformation and upgrading of factories through digitalization and intelligent initiatives. In the rapidly evolving competitive landscape, We must swiftly achieve a balanced domestic and international layout and accelerate global expansion. Additionally, building upon the successful implementation of the Yancheng Fuhui MES+ project, we will expedite the establishment of smart factory models and replicate and promote them in other factories.

We will adapt to market and customer demand trends by consolidating existing markets, focusing on developing emerging markets, and accelerating the development of domestic mid-to-high-end markets. We will prioritize renowned international and domestic brand customers and develop products that prioritize comfort, ecological sustainability, functionality, and fashion based on their specific needs.

Fountain Set Group will continue to be driven by technological innovation. We will increase R&D investment and carry out planned, targeted and directional R&D activities. We will promote collaborative R&D, increase product varieties, and enhance product quality, and drive the transformation of Fountain Set Group from a fabric processing and manufacturing enterprise to a provider of fabric products and R&D technology services.

We firmly believe that all employees of Fountain Set Group, in accordance with the directives of the Board, will work unitedly and cooperatively. We will continuously improve and optimize integrated operations in production, supply, and marketing, actively explore new markets, strengthen technological R&D, enhance operational management, improve operations efficiency, and focusing on addressing challenges related to orders, layout, costs, and quality. We will solidly advance the implementation of the Group's long-term strategic plans, quickly turn our business profits from losses to gains, complete various annual business goals, and create better returns and benefits for shareholders, customers, employees, and society.

福田集團未來將以創新為引領，追求專業化和新穎性的道路。依靠科技創新，我們將加快實現國內外佈局的平衡和面料到成衣生產的一體化。面料產品和研發創新服務將佔據重要地位，我們將通過技術創新推動高質量發展。

福田集團將持續穩固優勢，補足短板，提升產品質量與競爭力。進一步穩固於棉針織面料印染領域的行業領先地位，逐步補強化織面料領域的短板不足。我們將不斷提升產品實力、價值和行業影響力，為客戶提升高品質、高效率的產品及全面的技術研發服務解決方案，促進共同成長。

福田集團將依照國內外均衡發展的方向，優化生產能力佈局的調整。通過數字化和智能化的措施，加快推進工廠轉型升級。在新的產業競爭格局加快形成的情形下，我們必須要儘快實現國內外均衡的佈局，加速全球擴展。同時，在鹽城福匯MES+專案上線運行的基礎上，加快打造智慧化工廠典範，並在其它工廠複製推廣。

我們將順應市場及客戶需求變化趨勢，穩固現有市場，重點開發新興市場，加快發展國內中高端市場。聚焦國際國內知名品牌客戶，根據客戶需求重點開發以舒適性、生態可持續性、功能性和時尚性為重點的產品。

福田集團將繼續以技術創新為驅動力。重點加大研發投入，有計劃、有重點、有方向的開展研發，推進聯合研發，增加產品品種，提升產品質量，推動福田集團由面料加工製造型企業轉型為提供面料產品和研發技術服務的企業。

我們堅信，福田集團全體員工將按照董事會的工作部署，團結協同。持續改進和優化生產、供應和市場綜合運作，積極開拓新市場，加強科技研發，強化營運管理，提升營運效率，重點解決與訂單、佈局、成本和質量相關的挑戰。紮實推動集團長期戰略規劃落實落地，儘快實現福田集團經營利潤轉虧為盈，完成年度各項經營目標任務，為股東、客戶、員工、社會創造更好回報和更優業績。

CORPORATE GOVERNANCE CODE

Throughout the year from 1 January 2023 to 31 December 2023 (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.

Since 1 April 2023, Mr. LIU Xianfu, the Chairman and an ED, has taken up the position of CEO of the Company, details of which were set out in the Company’s announcement dated 31 March 2023. This deviates from code provision A.2.1 of the CG Code, which stipulates that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. However, having considered the current status of the Group, vesting the roles of both Chairman and CEO in the same person enables the Group to plan its overall strategy more efficiently and achieve the budgeted target. The Board believes that the balance of power and authority under this arrangement is adequately ensured by the Board which comprises experienced, professional and high caliber individuals with a sufficient number thereof being INEDs.

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 Friday, 21 June 2024. 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 has resolved to recommend the payment of a final dividend (the “Final Dividend”) to the Shareholders whose names will appear on the register of members of the Company (the “Register of Members”) on Friday, 5 July 2024. Subject to the approval of the Shareholders at the forthcoming AGM, the proposed Final Dividend will be payable on or about Tuesday, 16 July 2024.

CLOSURE OF REGISTER OF MEMBERS

In relation to the AGM

The Register of Members will be closed from Tuesday, 18 June 2024 to Friday, 21 June 2024, 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 Tuesday, 18 June 2024.

企業管治守則

由2023年1月1日起至2023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。

自2023年4月1日起，本公司主席及執行董事劉賢福先生開始兼任本公司行政總裁職務，詳情已載於日期為2023年3月31日之公司公告。此會偏離企管守則條文C.2.1的規定，主席與行政總裁的角色應有區分，不應由一人同時兼任，但考慮到本集團現時的情況，由同一名人士同時擔任主席及行政總裁兩個職務可以讓本集團更有效率地計劃整體策略及完成預算目標。由於董事會由經驗豐富人士及專業人士組成（包括大多數的非執行董事及獨立非執行董事人數），相信會有足夠能力確保職能及權力在此安排下得到平衡。

董事進行證券交易的標準守則

本公司已採納上市規則附錄10所載上市公司董事進行證券交易的標準守則（「標準守則」）為其有關董事進行證券交易之守則。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2024年6月21日（星期五）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

董事會建議派發末期股息（「末期股息」）予在2024年7月5日（星期五）名列在股東名冊（「股東名冊」）之股東。待在即將舉行的股東周年大會上獲股東批准後，末期股息預期於2024年7月16日（星期二）或之前派付。

暫停辦理股份過戶登記

就股東週年大會而言

本公司於2024年6月18日（星期二）至2024年6月21日（星期五）（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2024年6月18日（星期二）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。

In relation to the proposed Final Dividend

Conditional on the passing of the resolution approving the payment of the Final Dividend in respect of the Year by the Shareholders at the AGM, the Register of Members will be closed from Wednesday, 3 July 2024 to Friday, 5 July 2024, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed Final Dividend, the non-registered Shareholders must lodge all transfer documents accompanied by the relevant shares 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 Tuesday, 2 July 2024.

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 2023.

PUBLICATION OF 2023 FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the respective websites of the Company (www.fshl.com) and the Stock Exchange (www.hkexnews.hk). The 2023 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 and Chief Executive Officer

Hong Kong, 22 March 2024

As at the date of this announcement, the Board comprises 5 executive Directors, namely Mr. LIU Xianfu (Chairman and Chief Executive Officer), Dr. LI Gang, Mr. YAU Hang Tat Andrew, Ms. ZHAO Jianli 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.

就擬派末期股息而言

待股東於股東周年大會上通過批准宣派本年度之末期股息之決議案後，本公司將於2024年7月3日(星期三)至2024年7月5日(星期五)(首尾兩天包括在內)，暫停辦理股份過戶登記手續。股東如欲收取建議派發之末期股息，非登記股東須於2024年7月2日(星期二)下午4時30分前，將所有過戶檔連同相關股票，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。

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2023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2023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)及聯交所網站(www.hkexnews.hk)刊登。載有上市規則規定的所有資料之本公司之2023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。