

福田實業(集團)有限公司

Fountain Set (Holdings) Limited

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

SEHK: 420

Knit Different • Live Different

編織創意 • 活出新意

Interim Report
中期報告 2016

GROUP PROFILE

About Fountain Set (Holdings) Limited

Fountain Set (Holdings) Limited (the “Company”) and its subsidiaries (“Group”) are one of the world’s largest circular knitted fabric manufacturers, providing vertically integrated operations in fabric knitting, dyeing, printing and finishing. In addition to its core business of manufacturing and sale of knitted fabric which generates majority of the total revenue, the Group’s product range also includes garments. As a major knitted fabric supplier to garment manufacturers in over 40 countries that supply apparel products including sportswear, casual wear, sleep wear and inner wear to many internationally renowned retailers and brands, Fountain Set’s worldwide sales reached HK\$6.65 billion (US\$858 million) in the financial year 2015.

Headquartered in Hong Kong and listed on The Stock Exchange of Hong Kong Limited, Fountain Set (Holdings) Limited (SEHK: 420) has production facilities in the PRC, Sri Lanka and Indonesia, with marketing and representative offices in 5 countries and a global staff force of approximately 11,900.

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

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

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

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

集團簡介

有關福田實業(集團)有限公司

福田實業(集團)有限公司(「本公司」)及其附屬公司(「集團」)是世界最大的圓筒針織面料生產商之一，提供針織、染色、印花及整理等高度垂直之綜合服務。除了佔總營業額大部份之生產及銷售針織面料的核心業務外，集團產品亦包括成衣。作為主要針織面料供應商，集團向超過40個國家的成衣製造商提供面料，以製成包括運動服、休閒服、睡衣和內衣等眾多國際知名零售商和品牌的成衣。集團於2015年財政年度的環球銷售額達66.5億港元(8.58億美元)。

福田實業(集團)有限公司之總部位於香港，並於香港聯合交易所有限公司上市(香港聯交所編號：420)，在中國、斯里蘭卡及印尼設有生產設施；市場推廣辦事處／代表處分佈5個國家，全球共聘用僱員約11,900人。

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

欲知更多福田實業(集團)有限公司資料，請瀏覽www.fshl.com

欲知更多中國中紡集團公司資料，請瀏覽www.chinatex.com

欲知更多中糧集團資料，請瀏覽www.cofco.com

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION 中期財務資料審閱報告**TO THE BOARD OF DIRECTORS OF FOUNTAIN SET (HOLDINGS) LIMITED**

(incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 3 to 31, which comprise the condensed consolidated statement of financial position of Fountain Set (Holdings) Limited (the "Company") and its subsidiaries (together, the "Group") as of 30 June 2016 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and other explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

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

致福田實業(集團)有限公司董事會

(於香港註冊成立之有限公司)

引言

本行已審閱載於第3至31頁之中期財務資料，當中包括福田實業(集團)有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)於2016年6月30日之簡明綜合財務狀況表，以及截至該日止6個月期間之相關簡明綜合損益及其他全面收益表、簡明綜合權益變動表及簡明綜合現金流量表，以及其他附註解釋。香港聯合交易所有限公司主板證券上市規則規定，編製中期財務資料之報告須遵守其項下相關條文，以及香港會計師公會頒佈之香港會計準則第34號「中期財務申報」(「香港會計準則第34號」)。貴公司董事須負責根據香港會計準則第34號編製及呈列此中期財務資料。本行之責任乃根據本行之審閱結果就中期財務資料提出結論。本報告乃按照與本行協定之聘用條款，僅向閣下全體報告。除此以外，本報告不作其他用途。本行概不就本報告之內容對任何其他人士負責或承擔責任。

審閱範圍

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

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION 中期財務資料審閱報告

Conclusion

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

結論

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

BDO Limited

Certified Public Accountants

Hong Kong, 18 August 2016

香港立信德豪會計師事務所有限公司

執業會計師

香港，2016年8月18日

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

簡明綜合損益及其他全面收益表

For the six months ended 30 June 2016 截至2016年6月30日止6個月

			Six months ended 截至下列日期止6個月	
			30 June 2016 2016年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	30 June 2015 2015年 6月30日 (unaudited) (未經審核) HK\$'000 千港元
		Notes 附註		
Revenue	營業額	4	3,076,618	3,202,735
Cost of sales	銷售成本		(2,664,540)	(2,834,164)
Gross profit	毛利		412,078	368,571
Other revenue	其他收入		25,261	28,177
Other gains and losses	其他收益及虧損		(31,588)	(22,253)
Distribution and selling expenses	分銷及銷售費用		(86,194)	(88,323)
Administrative expenses	行政費用		(216,756)	(222,358)
Finance costs	融資成本	5	(10,499)	(14,772)
Share of profit of an associate	應佔一間聯營公司之盈利		423	344
Profit before taxation	除稅前盈利		92,725	49,386
Income tax expense	所得稅支出	6	(11,416)	(12,753)
Profit for the period	是期間盈利	7	81,309	36,633
Profit for the period attributable to:	應佔是期間盈利：			
Owners of the Company	本公司擁有人		68,020	26,985
Non-controlling interests	非控股權益		13,289	9,648
			81,309	36,633
			HK cents 港仙	HK cents 港仙
Earnings per share	每股盈利			
– Basic	– 基本	9	5.6	2.2
– Diluted	– 攤薄	9	5.6	2.2

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

For the six months ended 30 June 2016 截至2016年6月30日止6個月

			Six months ended 截至下列日期止6個月	
			30 June 2016 2016年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	30 June 2015 2015年 6月30日 (unaudited) (未經審核) HK\$'000 千港元
	Note 附註			
Profit for the period	7	是期間盈利	81,309	36,633
Other comprehensive income, net of tax		其他全面收益(經扣除稅項)		
Items that may be reclassified subsequently to profit or loss:		其後可能重新分類至 損益之項目:		
Net gain arising on revaluation of available-for-sale financial assets during the period		是期間重估可供出售金融 資產產生之收益淨值	234	-
Exchange differences arising on translation of foreign operations		換算海外業務產生之 匯兌差額	(4,090)	562
Other comprehensive (expense)/income for the period		是期間其他全面(開支)/收益	(3,856)	562
Total comprehensive income for the period		是期間全面收益總值	77,453	37,195
Total comprehensive income for the period attributable to:		應佔是期間全面收益 總值:		
Owners of the Company		本公司擁有人	65,756	27,354
Non-controlling interests		非控股權益	11,697	9,841
			77,453	37,195

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION 簡明綜合財務狀況表

As at 30 June 2016 於2016年6月30日

			At 30 June 2016 於2016年 6月30日 (unaudited) HK\$'000 千港元	At 31 December 2015 於2015年 12月31日 (audited) HK\$'000 千港元
	Notes 附註			
Non-current assets		非流動資產		
Investment properties		投資物業	71,537	74,551
Property, plant and equipment		物業、機器及設備	1,397,037	1,412,120
Prepaid lease payments – non-current portion		預付租賃款項 – 非流動部份	100,606	102,020
Other intangible assets		其他無形資產	23,253	24,888
Interest in an associate		於一間聯營公司之權益	16,727	16,305
Investment in life insurance policies		人壽保險保單之投資	38,646	38,345
Deferred tax assets		遞延稅項資產	46,137	39,721
			1,693,943	1,707,950
Current assets		流動資產		
Inventories		存貨	1,234,694	1,410,330
Trade and bills receivables		營業及票據應收款項	1,205,544	1,313,533
Prepayments, deposits and other receivables		預付款項、按金及 其他應收款項	123,404	116,765
Prepaid lease payments – current portion		預付租賃款項 – 流動部份	2,603	2,606
Tax recoverable		可收回稅項	821	2,104
Restricted bank deposits		受限制銀行存款	11,821	7,043
Short-term bank deposits		短期銀行存款	207,836	183,917
Bank balances and cash		銀行結餘及現金	711,292	686,306
			3,498,015	3,722,604
Current liabilities		流動負債		
Trade and bills payables		營業及票據應付款項	677,576	851,477
Other payables and accruals		其他應付款項及應計費用	340,331	343,499
Amounts due to non-controlling shareholders		欠非控股股東款項	80,100	80,100
Amount due to an associate		欠一間聯營公司款項	5,908	7,080
Deferred income – current portion		遞延收入 – 流動部份	1,458	1,458
Tax payable		應付稅項	30,801	31,376
Bank and other borrowings – due within one year		銀行及其他借貸 – 一年內到期	305,922	494,619
			1,442,096	1,809,609
Net current assets		流動資產淨值	2,055,919	1,912,995
Total assets less current liabilities		資產總值減流動負債	3,749,862	3,620,945

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION 簡明綜合財務狀況表

As at 30 June 2016 於2016年6月30日

			At 30 June 2016 於2016年 6月30日 (unaudited) HK\$'000 千港元	At 31 December 2015 於2015年 12月31日 (audited) HK\$'000 千港元
	Notes 附註			
Non-current liabilities		非流動負債		
Deferred income – non-current portion		遞延收入 – 非流動部份	60,031	60,760
Bank and other borrowings – due after one year	15	銀行及其他借貸 – 一年後到期	278,893	159,225
Deferred tax liabilities		遞延稅項負債	5,902	6,204
			<u>344,826</u>	<u>226,189</u>
Net assets		資產淨值	<u>3,405,036</u>	<u>3,394,756</u>
Capital and reserves		資本及儲備		
Share capital	16	股本	865,716	865,716
Other reserves		其他儲備	2,382,081	2,364,829
Equity attributable to owners of the Company		本公司擁有人應佔權益	3,247,797	3,230,545
Non-controlling interests		非控股權益	157,239	164,211
Total equity		權益總值	<u>3,405,036</u>	<u>3,394,756</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 簡明綜合權益變動表

For the six months ended 30 June 2016 截至2016年6月30日止6個月

		Attributable to owners of the Company 本公司擁有人應佔								
		Share capital	Investment revaluation reserve	Translation reserve	Share options reserve	Statutory reserves	Retained earnings	Total	Non-controlling interests	Total equity
		股本	投資重估儲備	匯兌儲備	購股權儲備	法定儲備	滾存盈利	總值	非控股權益	權益總值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2016 (audited)	於2016年1月1日(經審核)	865,716	2,231	(41,430)	7,459	97,414	2,299,155	3,230,545	164,211	3,394,756
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	(2,498)	-	-	-	(2,498)	(1,592)	(4,090)
Net gain arising on revaluation of available-for-sale financial assets during the period	是期間重估可供出售金融資產產生之收益淨值	-	234	-	-	-	-	234	-	234
Profit for the period	是期間盈利	-	-	-	-	-	68,020	68,020	13,289	81,309
Total comprehensive income/(expense) for the period	是期間全面收益/(開支)總值	-	234	(2,498)	-	-	68,020	65,756	11,697	77,453
Equity-settled share-based payments reverse	以權益結算以股份為基礎之付款撥回	-	-	-	(303)	-	-	(303)	-	(303)
Dividend recognised as distribution	已確認為分派之股息	-	-	-	-	-	(48,201)	(48,201)	-	(48,201)
Transfer from share options reserve to retained earnings	由購股權儲備調撥至滾存盈利	-	-	-	(6,352)	-	6,352	-	-	-
Dividends paid to non-controlling shareholders	已付股息予非控股股東	-	-	-	-	-	-	-	(18,669)	(18,669)
Transfer from statutory reserves to retained earnings	由法定儲備調撥至滾存盈利	-	-	-	-	(12)	12	-	-	-
At 30 June 2016 (unaudited)	於2016年6月30日(未經審核)	865,716	2,465	(43,928)	804	97,402	2,325,338	3,247,797	157,239	3,405,036
At 1 January 2015 (audited)	於2015年1月1日(經審核)	862,211	-	(35,512)	14,830	80,160	2,260,839	3,182,528	143,095	3,325,623
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	369	-	-	-	369	193	562
Profit for the period	是期間盈利	-	-	-	-	-	26,985	26,985	9,648	36,633
Total comprehensive income for the period	是期間全面收益總值	-	-	369	-	-	26,985	27,354	9,841	37,195
Equity-settled share-based payments reverse	以權益結算以股份為基礎之付款撥回	-	-	-	(3,733)	-	-	(3,733)	-	(3,733)
Dividend recognised as distribution	已確認為分派之股息	-	-	-	-	-	(48,201)	(48,201)	-	(48,201)
Transfer from share options reserve to retained earnings	由購股權儲備調撥至滾存盈利	-	-	-	(1,433)	-	1,433	-	-	-
Transfer from retained earnings to statutory reserves	由滾存盈利調撥至法定儲備	-	-	-	-	13,704	(13,704)	-	-	-
Exercise of share options	行使購股權	3,505	-	-	(1,109)	-	-	2,396	-	2,396
At 30 June 2015 (unaudited)	於2015年6月30日(未經審核)	865,716	-	(35,143)	8,555	93,864	2,227,352	3,160,344	152,936	3,313,280

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS 簡明綜合現金流量表

For the six months ended 30 June 2016 截至2016年6月30日止6個月

		Six months ended 截至下列日期止6個月	
		30 June 2016 2016年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	30 June 2015 2015年 6月30日 (unaudited) (未經審核) HK\$'000 千港元
Net cash from operating activities	營運項目所得的現金淨值	240,402	132,018
Net cash used in investing activities:	投資項目所用的現金淨值：		
Purchase of property, plant and equipment	購買物業、機器及設備	(96,200)	(24,926)
Purchase of other intangible assets	購買其他無形資產	-	(428)
Other investing cash flows	其他投資之現金流量	134	5,455
		(96,066)	(19,899)
Net cash used in financing activities:	融資項目所用的現金淨值：		
New bank and other borrowings raised	新籌集之銀行及其他借貸	785,141	997,582
Repayment of bank and other borrowings	償還銀行及其他借貸	(853,772)	(1,027,217)
Dividends paid to non-controlling shareholders	已付股息予非控股股東	(18,669)	-
Proceeds from exercise of share options	行使購股權之所得款項	-	2,396
Other financing cash flows	其他融資之現金流量	(9,230)	(18,145)
		(96,530)	(45,384)
Net increase in cash and cash equivalents	現金及等同現金項目的增加淨值	47,806	66,735
Cash and cash equivalents at beginning of the period	於是期間開始時的現金及等同現金項目	870,223	956,085
Effect of exchange rate changes on cash and cash equivalents	匯率變動對現金及等同現金項目的影響	1,099	(878)
Cash and cash equivalents at end of the period	於是期間終結時的現金及等同現金項目	919,128	1,021,942
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS:	現金及等同現金項目結存的分析：		
Short-term bank deposits	短期銀行存款	207,836	163,778
Bank balances and cash	銀行結餘及現金	711,292	859,832
Bank overdrafts	銀行透支	-	(1,668)
		919,128	1,021,942

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2016 截至2016年6月30日止6個月

1. GENERAL INFORMATION

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

The financial information relating to the year ended 31 December 2015 that is included in the Interim Report 2016 as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2015 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

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

2. BASIS OF PREPARATION

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

1. 一般資料

本公司為在香港註冊成立的公眾有限公司而其股份於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。

2016年中期報告所載作為比較資料之有關截至2015年12月31日止年度之財務資料並不構成本公司於該年度之法定年度綜合財務報表，但摘錄自該等財務報表。有關根據香港公司條例（第622章）第436條須予披露之該等法定財務報表之進一步資料如下：

本公司已根據香港公司條例（第622章）第662(3)條及附表6第3部規定向公司註冊處處長呈交截至2015年12月31日止年度之財務報表。

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

2. 編製基準

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

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

For the six months ended 30 June 2016 截至2016年6月30日止6個月

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments that are measured at fair values. The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2016 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2015.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning on 1 January 2016.

HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations

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

3. 主要會計政策

本簡明綜合財務報表乃按歷史成本基準編製，惟若干金融工具按公平價值列賬除外。截至2016年6月30日止6個月之簡明綜合財務報表所採用之會計政策及計算方法與編製本集團截至2015年12月31日止年度之全年財務報表所遵循者相同。

於本中期期間，本集團已首次應用下列由香港會計師公會頒佈並於本集團2016年1月1日開始之財政年度生效之新訂及經修訂準則、修訂本及詮釋（「新訂及經修訂香港財務報告準則」）。

香港財務報告準則 (修訂本)	2012年至2014年週期 之年度改進
香港會計準則第1號之 修訂本	披露計劃
香港會計準則第16號及 香港會計準則第38號之 修訂本	折舊及攤銷可接受方 法的澄清
香港會計準則第27號之 修訂本	獨立財務報表的 權益法
香港財務報告準則 第11號之修訂本	收購合營業務權益的 會計處理

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2016 截至2016年6月30日止6個月

3. PRINCIPAL ACCOUNTING POLICIES (continued)

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

Amendments to HKAS 7	Disclosure initiative ¹
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ¹
HKFRS 15	Revenue from Contracts with Customers ²
HKFRS 9 (2014)	Financial Instruments ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKFRS 15	Clarifications to HKFRS 15 ²
HKFRS 16	Leases ³

¹ Effective for annual periods beginning on or after 1 January 2017

² Effective for annual periods beginning on or after 1 January 2018

³ Effective for annual periods beginning on or after 1 January 2019

⁴ Effective date is deferred

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

4. REVENUE AND SEGMENT INFORMATION

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

3. 主要會計政策(續)

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

香港會計準則第7號之修訂本	披露計劃 ¹
香港會計準則第12號之修訂本	就未變現虧損確認遞延稅項資產 ¹
香港財務報告準則第15號	客戶合同收入 ²
香港財務報告準則第9號(2014年)	金融工具 ²
香港財務報告準則第10號及香港會計準則第28號之修訂本	投資者與其聯營公司或合營公司之間的資產出售或注資 ⁴
香港財務報告準則第15號之修訂本	澄清香港財務報告準則第15號 ²
香港財務報告準則第16號	租賃 ³

¹ 於2017年1月1日或之後開始之年度期間生效

² 於2018年1月1日或之後開始之年度期間生效

³ 於2019年1月1日或之後開始之年度期間生效

⁴ 生效日期延遲

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

4. 營業額及分類資料

本公司董事會(即主要營運決策者)根據客戶所在地區不同的地域位置定期審閱經營業績及財務資料，包括香港(本集團所屬地)、中華人民共和國(「中國」)、台灣、韓國、斯里蘭卡、美洲、歐洲及其他地區(即指其他地域位置，主要為孟加拉、越南及澳門)。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。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 June 2016 截至2016年6月30日止6個月

4. REVENUE AND SEGMENT INFORMATION (continued)

Six months ended 30 June 2015 (unaudited)

4. 營業額及分類資料 (續)

截至2015年6月30日止6個月 (未經審核)

		Hong Kong	The PRC	Taiwan	Korea	Sri Lanka	America	Europe	Others	Segment total	Eliminations	Consolidated
		香港	中國	台灣	韓國	斯里蘭卡	美洲	歐洲	其他地區	分類總值	對銷	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
REVENUE	營業額											
External sales	對外銷售	739,652	564,626	366,061	442,671	381,122	191,343	41,759	475,501	3,202,735	-	3,202,735
Inter-segment sales (note)	分類間銷售 (附註)	2,371,708	1,374,331	-	-	208,428	38,233	-	112,052	4,104,752	(4,104,752)	-
Total segment revenue	分類營業額總值	3,111,360	1,938,957	366,061	442,671	589,550	229,576	41,759	587,553	7,307,487	(4,104,752)	3,202,735
RESULTS	業績											
Segment profit	分類盈利	55,246	40,195	29,279	37,206	37,401	12,401	3,578	39,556			254,862
Interest income	利息收入											4,513
Unallocated income	未分配收入											13,591
Unallocated expenses	未分配支出											(209,152)
Finance costs	融資成本											(14,772)
Share of profit of an associate	應佔一間聯營公司之盈利											344
Profit before taxation	除稅前盈利											49,386

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

附註：分類間銷售之價格乃參照現行市場價格而釐定。

Segment profit represents the profit earned by each segment without allocation of central administration costs and other expenses (including non-production related employee costs, directors' emoluments, bank charges, etc.), depreciation and amortisation, interest income, loss on disposal/written-off of property, plant and equipment, net gain from derivative financial instruments, finance costs, share of profit of an associate, etc.. This is the measure reported to the board of directors of the Company for the purposes of resource allocation and performance assessment.

分類盈利乃指各分類所賺取的盈利，當中並無計入中央行政成本及其他費用（包括非有關生產之僱員成本、董事酬金、銀行費用等）、折舊及攤銷、利息收入、出售／註銷物業、機器及設備之虧損、衍生金融工具之收益淨值、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本公司董事會匯報之基準。

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

For the six months ended 30 June 2016 截至2016年6月30日止6個月

5. FINANCE COSTS

5. 融資成本

		Six months ended 截至下列日期止6個月	
		30 June 2016 2016年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	30 June 2015 2015年 6月30日 (unaudited) (未經審核) HK\$'000 千港元
Finance costs on:	融資成本：		
Bank and other borrowings	銀行及其他借貸	10,499	14,772

6. INCOME TAX EXPENSE

6. 所得稅支出

		Six months ended 截至下列日期止6個月	
		30 June 2016 2016年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	30 June 2015 2015年 6月30日 (unaudited) (未經審核) HK\$'000 千港元
Current tax:	是期間稅項：		
Hong Kong	香港	2,656	1,784
The PRC	中國	6,231	11,164
Other jurisdictions	其他司法地區	6,726	4,153
		15,613	17,101

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2016 截至2016年6月30日止6個月

6. INCOME TAX EXPENSE (continued)

6. 所得稅支出(續)

		Six months ended 截至下列日期止6個月	
		30 June 2016 2016年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	30 June 2015 2015年 6月30日 (unaudited) (未經審核) HK\$'000 千港元
Under/(over) provision in prior years:	過往年度撥備不足/(超額撥備):		
The PRC	中國	1,604	(1,210)
Other jurisdictions	其他司法地區	923	(1,855)
		<u>2,527</u>	<u>(3,065)</u>
Deferred tax:	遞延稅項:		
Hong Kong	香港	(827)	(118)
The PRC	中國	(5,609)	(1,816)
Other jurisdictions	其他司法地區	(288)	651
		<u>(6,724)</u>	<u>(1,283)</u>
		<u>11,416</u>	<u>12,753</u>

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

香港利得稅乃按兩個期間之估計應課稅盈利以16.5%之稅率計算。

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

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

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

For the six months ended 30 June 2016 截至2016年6月30日止6個月

6. INCOME TAX EXPENSE (continued)

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

6. 所得稅支出(續)

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。

7. PROFIT FOR THE PERIOD

7. 是期間盈利

		Six months ended 截至下列日期止6個月	
		30 June 2016 2016年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	30 June 2015 2015年 6月30日 (unaudited) (未經審核) HK\$'000 千港元
Profit for the period has been arrived at after charging:	是期間盈利已扣減下列各項：		
Amortisation of other intangible assets	其他無形資產之攤銷	1,636	1,617
Release of prepaid lease payments	預付租賃款項轉出	1,302	1,305
Depreciation of investment properties	投資物業之折舊	1,968	1,500
Depreciation and impairment of property, plant and equipment	物業、機器及設備之折舊及減值	91,798	103,297
Employee costs (including directors' emoluments)	僱員成本(包括董事酬金)	473,728	478,990
Loss on disposal/written-off of property, plant and equipment #	出售/註銷物業、機器及設備之虧損#	11,195	669
Impairment loss on trade and bills receivables, net #	營業及票據應收款項之減值損失淨值#	16,184	33,522
Net exchange loss #	匯兌虧損淨值#	4,209	-
and after crediting:	及已計入下列各項：		
Interest income *	利息收入*	2,237	4,513
Net rental income from investment properties *	投資物業之租金收入淨值*	4,838	4,215
Net exchange gain #	匯兌收益淨值#	-	11,894
Net gain from derivative financial instruments #	衍生金融工具之收益淨值#	-	44

* Included in other revenue

Included in other gains and losses

* 包括在其他收入內

包括在其他收益及虧損內

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2016 截至2016年6月30日止6個月

8. DIVIDENDS

8. 股息

		Six months ended 截至下列日期止6個月	
		30 June 2016 2016年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	30 June 2015 2015年 6月30日 (unaudited) (未經審核) HK\$'000 千港元
Dividend recognised as distribution during the period:	是期間已確認為分派之股息：		
2015 final dividend of HK4 cents (2014 final dividend: HK4 cents) per share	2015年末期股息每股4港仙 (2014年末期股息：4港仙)	48,201	48,201

No interim dividend in respect of the six months ended 30 June 2016 has been proposed by the directors of the Company (Six months ended 30 June 2015: Nil).

本公司董事並無建議派付截至2016年6月30日止6個月之中期股息(截至2015年6月30日止6個月：零)。

The final dividend of HK4 cents in respect of the year ended 31 December 2015 (2014: HK4 cents) per share, amounting to approximately HK\$48,201,000 (2014: HK\$48,201,000) in total, had been approved at the annual general meeting of the Company held on 24 June 2016 and was paid after the end of the interim period.

截至2015年12月31日止年度之末期股息每股4港仙(2014年：4港仙)，合共約48,201,000港元(2014年：48,201,000港元)已於本公司於2016年6月24日舉行之股東週年大會上獲批准，並且在中期期間結束後已支付。

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

For the six months ended 30 June 2016 截至2016年6月30日止6個月

9. EARNINGS PER SHARE

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

9. 每股盈利

本公司擁有人應佔每股基本盈利及攤薄盈利乃根據下列數據計算：

		Six months ended 截至下列日期止6個月	
		30 June 2016 2016年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	30 June 2015 2015年 6月30日 (unaudited) (未經審核) HK\$'000 千港元
Earnings	盈利		
Profit for the period attributable to owners of the Company for the purposes of basic earnings and diluted earnings per share	就計算每股基本盈利及攤薄盈利所用之本公司擁有人應佔是期間盈利	68,020	26,985

		Six months ended 截至下列日期止6個月	
		30 June 2016 2016年 6月30日 (unaudited) (未經審核)	30 June 2015 2015年 6月30日 (unaudited) (未經審核)
Number of shares	股份數目		
Weighted average number of ordinary shares for the purposes of basic earnings and diluted earnings per share	就計算每股基本盈利及攤薄盈利所用之普通股加權平均數目	1,205,026,960	1,203,057,899

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 June 2016 截至2016年6月30日止6個月

9. EARNINGS PER SHARE (continued)

The computation of diluted earnings per share for the six months ended 30 June 2016 and 30 June 2015 does not assume the exercise of the Company's outstanding share options because the adjusted exercise prices of those options calculated in accordance with HKAS 33 "Earnings Per Share" are higher than the average market price of the shares for both periods.

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS

The Group incurred expenditure of HK\$96,200,000 during the six months ended 30 June 2016 (six months ended 30 June 2015: HK\$25,354,000) on property, plant and equipment and other intangible assets to expand and upgrade the Group's manufacturing facilities.

11. INVESTMENT IN LIFE INSURANCE POLICIES

In prior period, the Group entered into contracts with two insurance companies which contain life insurance policies to insure against the death of certain key members of management of the Group, with an aggregate insured sum of approximately US\$18.8 million (equivalent to approximately HK\$145.8 million). Under these contracts, the beneficiary and policy holder is the Company. The Company has made upfront payments of HK\$36,178,000 in prior period. The monthly insurance costs and administrative charges determined by the insurance companies will be deducted from the account value. The insurers will declare interest (including the guaranteed interest) to the Company on a monthly basis, based on the amount of account value, at a rate to be determined at their own discretion. Four of the key members left the Group on 7 December 2012, 1 May 2013, 18 March 2015 and 19 May 2016 respectively, and the Group is in the process of shifting the life insured quota to other key member(s).

9. 每股盈利 (續)

由於根據香港會計準則第33號「每股盈利」計算之本公司尚未行使購股權之經調整行使價高於股份於兩個期間之平均市價，因此計算截至2016年6月30日及2015年6月30日止6個月期間之每股攤薄盈利時並無假設該等購股權已獲行使。

10. 物業、機器及設備以及其他無形資產之變動

本集團於截至2016年6月30日止6個月，為擴大及增強本集團之生產設施而用於物業、機器及設備以及其他無形資產的開支為96,200,000港元（截至2015年6月30日止6個月：25,354,000港元）。

11. 人壽保險保單之投資

於過往期間，本集團與兩間保險公司訂立合約，當中包含人壽保險保單，為本集團若干名主要管理層成員之身故事宜投保，投保金額合共約為18,800,000美元（相等於約145,800,000港元）。根據該等合約，受益人及保單持有人為本公司。本公司於過往期間已支付預付款項36,178,000港元。每月支付的保費及保險公司釐定的行政費用將從賬戶價值中扣除。保險公司每月可根據賬戶價值按其酌情決定之利率向本公司宣派利息（包括保證利息）。本集團4名主要成員已分別於2012年12月7日、2013年5月1日、2015年3月18日及2016年5月19日辭任，本集團正在將受保人名額轉為其他主要成員。

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

For the six months ended 30 June 2016 截至2016年6月30日止6個月

12. INVENTORIES

12. 存貨

		At 30 June 2016 於2016年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2015 於2015年 12月31日 (audited) (經審核) HK\$'000 千港元
Spare parts	備件	43,143	44,370
Raw materials	原料	472,035	603,230
Work-in-progress	半製品	366,056	417,943
Finished goods	製成品	353,460	344,787
		<u>1,234,694</u>	<u>1,410,330</u>

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

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

13. 營業及票據應收款項／預付款項、按金及其他應收款項

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

		At 30 June 2016 於2016年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2015 於2015年 12月31日 (audited) (經審核) HK\$'000 千港元
Not yet due	未到期	793,251	834,044
Overdue 1 – 30 days	逾期1-30天	202,493	285,435
Overdue 31 – 60 days	逾期31-60天	46,551	86,352
Overdue > 60 days	逾期超過60天	163,249	107,702
		<u>1,205,544</u>	<u>1,313,533</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2016 截至2016年6月30日止6個月

13. TRADE AND BILLS RECEIVABLES/PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

Other receivables as at 30 June 2016 represented value-added tax recoverable of HK\$26,449,000 (31 December 2015: HK\$19,589,000) and prepayments, deposits and other receivables of HK\$96,955,000 (31 December 2015: HK\$97,176,000).

13. 營業及票據應收款項／預付款項、按金及其他應收款項(續)

於2016年6月30日，其他應收款項乃指可收回增值稅26,449,000港元(2015年12月31日：19,589,000港元)及預付款項、按金及其他應收款項96,955,000港元(2015年12月31日：97,176,000港元)。

14. TRADE AND BILLS PAYABLES/OTHER PAYABLES AND ACCRUALS

14. 營業及票據應付款項／其他應付款項及應計費用

		At 30 June 2016 於2016年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2015 於2015年 12月31日 (audited) (經審核) HK\$'000 千港元
Trade payables	營業應付款項	556,092	561,234
Bills payables	票據應付款項	121,484	290,243
		<u>677,576</u>	<u>851,477</u>

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

For the six months ended 30 June 2016 截至2016年6月30日止6個月

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

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

		At 30 June 2016 於2016年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2015 於2015年 12月31日 (audited) (經審核) HK\$'000 千港元
Not yet due	未到期	437,723	490,001
Overdue 1 – 30 days	逾期1-30天	66,676	48,131
Overdue 31 – 60 days	逾期31-60天	30,329	8,473
Overdue > 60 days	逾期超過60天	21,364	14,629
		<u>556,092</u>	<u>561,234</u>

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

Other payables and accruals as at 30 June 2016 represented other payables of HK\$160,356,000 (31 December 2015: HK\$120,490,000) and accruals of HK\$179,975,000 (31 December 2015: HK\$223,009,000).

15. BANK AND OTHER BORROWINGS

During the current interim period, the Group obtained new bank and other borrowings of HK\$785,141,000 (Six months ended 30 June 2015: HK\$997,582,000) and made repayments of HK\$853,772,000 (Six months ended 30 June 2015: HK\$1,027,217,000). These bank borrowings obtained and repaid are mainly denominated in Hong Kong dollar and US dollar. The bank borrowings raised were mainly used to repay the existing bank borrowings or as working capital of the Group.

14. 營業及票據應付款項/其他應付款項及應計費用(續)

營業應付款項按付款到期日之賬齡分析如下:

於報告期終,本集團之所有票據應付款項均未到期。

於2016年6月30日,其他應付款項及應計費用指其他應付款項160,356,000港元(2015年12月31日:120,490,000港元)及應計費用179,975,000港元(2015年12月31日:223,009,000港元)。

15. 銀行及其他借貸

於本中期期間,本集團取得新銀行及其他借貸785,141,000港元(截至2015年6月30日止6個月:997,582,000港元)及已償還853,772,000港元(截至2015年6月30日止6個月:1,027,217,000港元)。該等已取得及已償還之銀行借貸主要以港元及美元計值。所籌集之銀行借貸乃主要用作償還現有的銀行借貸或用作本集團之營運資金。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2016 截至2016年6月30日止6個月

15. BANK AND OTHER BORROWINGS (continued)

The bank borrowings of the Group are mainly variable rate borrowings. The average effective interest rates of bank borrowings of the Group is 2.44% (31 December 2015: 2.45%) per annum and are repayable by installments over a period from one to three years. Except for bank loans of HK\$11,376,000 (31 December 2015: HK\$11,830,000) which are secured by certain life insurance policies as detailed in note 11, all other borrowings are unsecured.

16. SHARE CAPITAL

Movements of the Company's ordinary shares are set out below:

15. 銀行及其他借貸(續)

本集團銀行借貸主要為浮息借貸。本集團銀行借貸之平均實際年利率2.44% (2015年12月31日: 2.45%)，並須於介乎1年至3年期間內分期償還。除附註11所詳述以若干人壽保險保單抵押之銀行貸款11,376,000港元 (2015年12月31日: 11,830,000港元)外，所有其他借貸均為無抵押。

16. 股本

本公司之普通股變動載列如下：

		At 30 June 2016 於2016年6月30日 (unaudited) (未經審核)		At 31 December 2015 於2015年12月31日 (audited) (經審核)	
		No. of shares 股份數目	HK\$'000 千港元	No. of shares 股份數目	HK\$'000 千港元
Ordinary shares, issued and fully paid:	普通股，已發行及繳足股本：				
At 1 January	於1月1日	1,205,026,960	865,716	1,203,046,960	862,211
Exercise of share options	行使購股權	-	-	1,980,000	3,505
At 30 June/31 December	於6月30日/12月31日	<u>1,205,026,960</u>	<u>865,716</u>	<u>1,205,026,960</u>	<u>865,716</u>

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

For the six months ended 30 June 2016 截至2016年6月30日止6個月

17. CAPITAL COMMITMENTS

17. 資本承擔

		At 30 June 2016 於2016年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2015 於2015年 12月31日 (audited) (經審核) HK\$'000 千港元
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of:	已簽約但於簡明綜合財務報表未有作出撥備之資本開支：		
– acquisition of property, plant and equipment	– 購買物業、機器及設備	<u>207,040</u>	<u>43,437</u>
Capital expenditure authorised but not contracted for in respect of:	已批准但未簽約的資本開支：		
– acquisition of property, plant and equipment	– 購買物業、機器及設備	<u>232,125</u>	<u>425,704</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2016 截至2016年6月30日止6個月

18. SHARE-BASED PAYMENT TRANSACTIONS

The 2002 Scheme

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

The 2011 Scheme

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

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

18. 以股份為基礎之付款交易

2002年計劃

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

2011年計劃

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

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

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

For the six months ended 30 June 2016 截至2016年6月30日止6個月

18. SHARE-BASED PAYMENT TRANSACTIONS (continued)

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

18. 以股份為基礎之付款交易(續)

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2016 截至2016年6月30日止6個月

18. SHARE-BASED PAYMENT TRANSACTIONS (continued)

The following table discloses movements of the Company's share options granted under the 2002 Scheme and the 2011 Scheme during the six-month period ended 30 June 2015.

	Scheme	Date of grant	Exercise price	Outstanding at 1 January 2015 (audited) 於2015年 1月1日 尚未行使 (經審核)	Forfeited during the period 期內已沒收	Expired during the period 期內已屆滿	Exercised during the period 期內已行使	Outstanding at 30 June 2015 (unaudited) 於2015年 6月30日 尚未行使 (未經審核)
	計劃	授出日期	行使價					
Category 1: Directors 第1類：董事	2002 2002年	17 September 2010 2010年9月17日	HK\$1.29 1.29港元	4,600,000	-	-	-	4,600,000
	2011 2011年	18 August 2011 2011年8月18日	HK\$1.21 1.21港元	6,600,000	-	-	(1,980,000)	4,620,000
				<u>11,200,000</u>	<u>-</u>	<u>-</u>	<u>(1,980,000)</u>	<u>9,220,000</u>
Category 2: Employees 第2類：僱員	2002 2002年	17 September 2010 2010年9月17日	HK\$1.29 1.29港元	4,600,000	(4,600,000)	-	-	-
	2011 2011年	18 May 2011 2011年5月18日	HK\$1.91 1.91港元	2,086,000	(244,000)	(1,842,000)	-	-
	2011 2011年	18 August 2011 2011年8月18日	HK\$1.21 1.21港元	6,800,000	(5,300,000)	-	-	1,500,000
				<u>13,486,000</u>	<u>(10,144,000)</u>	<u>(1,842,000)</u>	<u>-</u>	<u>1,500,000</u>
Two categories 兩類別合共				<u>24,686,000</u>	<u>(10,144,000)</u>	<u>(1,842,000)</u>	<u>(1,980,000)</u>	<u>10,720,000</u>
Exercisable at the end of the period	於期結時 可予行使			<u>14,286,000</u>				<u>6,240,000</u>

Further details of the exercisable period of the options granted are set out in the 2015 annual report.

The Group recognised a net reversal of HK\$303,000 (Six months ended 30 June 2015: HK\$3,733,000) for the current interim period in relation to share options granted by the Company.

18. 以股份為基礎之付款交易(續)

下表披露本公司於截至2015年6月30日止6個月根據2002年計劃及2011年計劃已授出購股權之變動情況。

有關已授出購股權之行使期間之進一步詳情已載於2015年年報內。

本集團於本中期期間已就本公司授出之購股權確認撥回淨額303,000港元(截至2015年6月30日止6個月：3,733,000港元)。

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

For the six months ended 30 June 2016 截至2016年6月30日止6個月

19. FINANCIAL INSTRUMENTS

Fair value

(i) Financial instruments not measured at fair value

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

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

The directors consider that the carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30 June 2016 and 31 December 2015 except for investment in life insurance policies.

(ii) Financial instruments measured at fair value

Fair value hierarchy

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

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

19. 金融工具

公平價值

(i) 並非以公平價值計量之金融工具

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

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

董事認為除人壽保險保單之投資外，本集團按成本或攤銷成本列值的金融工具的賬面值與彼等於2016年6月30日及2015年12月31日的公平價值並無重大差異。

(ii) 以公平價值計量之金融工具

公平價值架構

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 June 2016 截至2016年6月30日止6個月

19. FINANCIAL INSTRUMENTS (continued)

Fair value (continued)

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

Fair value hierarchy (continued)

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

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

Valuation techniques and inputs used in Level 2 fair value measurements

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

20. RELATED PARTY DISCLOSURES

(a) Related party balance

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

		At 30 June 2016 於2016年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2015 於2015年 12月31日 (audited) (經審核) HK\$'000 千港元
Amounts due to non-controlling shareholders	欠非控股股東款項	80,100	80,100
Amount due to an associate	欠一間聯營公司款項	5,908	7,080

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

19. 金融工具 (續)

公平價值 (續)

(ii) 以公平價值計量之金融工具 (續)

公平價值架構 (續)

於報告期終，本集團人壽保險保單之投資歸類為第2級別。

於兩個期間內並無於3個級別之間作出轉撥。

第2級公平價值計量所使用的估值技術及輸入參數

於人壽保險保單之投資的公平價值乃根據保險公司所簽發的保單現金價值表所列的賬戶價值計算。

20. 關聯人士的披露

(a) 關聯人士的結餘

本集團與關聯人士的結餘詳情分別列示如下：

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

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

For the six months ended 30 June 2016 截至2016年6月30日止6個月

20. RELATED PARTY DISCLOSURES (continued)

(b) Compensation of key management personnel

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

20. 關聯人士的披露(續)

(b) 主要管理人員的薪酬

本期間董事及其他主要管理人員的薪酬如下：

		Six months ended 截至下列日期止6個月	
		30 June 2016 2016年 6月30日 (unaudited) (未經審核) HK\$'000 千港元	30 June 2015 2015年 6月30日 (unaudited) (未經審核) HK\$'000 千港元
Fees	袍金	704	650
Short-term benefits	短期福利	1,861	1,172
Post-employment benefits	離職後福利	27	15
Equity-settled share-based payments	以權益結算以股份為基礎之付款	40	347
		<u>2,632</u>	<u>2,184</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 June 2016 截至2016年6月30日止6個月

20. RELATED PARTY DISCLOSURES (continued)

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

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

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

The sales of finished goods and purchase of raw materials/utilities to these state-owned entities are individually not significant. In addition, approximately 48% and 54% (31 December 2015: 38% and 42% respectively) of the Group’s bank balances (including short-term bank deposits and restricted bank deposits) and borrowings are placed/arranged with state-owned banks as at 30 June 2016.

21. EVENTS AFTER THE REPORTING DATE

The Company announced on 27 July 2016 that on 15 July 2016, the State-owned Assets Supervision and Administration Commission of the State Council of the PRC (the “SASAC”) issued the SASAC Approval in relation to the proposed transfer of the entire equity interest of Chinatex Corporation from the SASAC to COFCO Corporation (the “Proposed Restructuring”), pursuant to which the entire equity interest of Chinatex Corporation, an intermediate controlling shareholder of the Company holding approximately 35.97% of the issued ordinary shares in the share capital of the Company (the “Shares”) through its wholly-owned subsidiaries, will be transferred from the SASAC to COFCO Corporation, and the Company will therefore become a listed subsidiary of COFCO Corporation upon completion of the Proposed Restructuring. It remains unchanged that Chinatex Corporation is an intermediate controlling shareholder of the Company and the SASAC is the ultimate controlling shareholder of the Company.

20. 關聯人士的披露 (續)

(c) 與其他中國國有實體進行的交易

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

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

向該等國有實體銷售製成品及購買原料／水電的個別交易並非重大。此外，於2016年6月30日，本集團的銀行結餘（包括短期銀行存款及受限制銀行存款）及借款中分別有約48%及54%（2015年12月31日：分別為38%及42%）為存放於國有銀行／由國有銀行安排。

21. 報告期後事項

本公司於2016年7月27日宣佈，國務院國有資產監督管理委員會（「國資委」）2016年7月15日就建議轉讓國資委於中紡集團之全部股權予中糧集團（「建議重組」）發出國資委批准，據此，國資委將向中糧集團轉讓中紡集團（為透過其全資附屬公司持有約35.97%已發行本公司股本中之普通股（「股份」）之本公司間接控股股東）之全部股權，因此本公司於建議重組完成後將成為中糧集團之上市附屬公司。中紡集團仍然為本公司間接控股股東，而國資委仍然為本公司最終控股股東。

BUSINESS REVIEW 業務回顧

Despite the unstable world economy and the challenges clouded in the consumer markets during the period under review, the Group was capable of increasing the sales volume of our fabric business segment by 9.1% when compared with that of the same period in 2015. The increase in sales volume was mainly contributed by strategically placing more effort and resources on our established mass market clients. Cotton prices decreased gradually for the first three months of the period under review, which was reflected in our selling prices of fabric during the first half of the financial year. As a result, our selling price of fabric decreased by 9.3% when compared with that of the first half of the financial year 2015 ("1H2015") 2015. The gradual depreciation of Renminbi ("RMB") during the period under review created a positive impact to the Group in the long run as most of our production mills are located in the PRC. Thanks to the stringent control of the costs of goods sold and the distribution and selling costs, our profit attributable to the Company increased by 152.1% when compared to that of the corresponding period of last year while gross profit margin increased to 13.4% (1H2015: 11.5%) which was the highest since 2012. Earning per share (basic) also increased to 5.6 HK cents from 2.2 HK cents for the corresponding period of last year. The total revenue of the Group slightly decreased by 3.9% for the six months ended 30 June 2016.

Weak economy remained in the US, Europe and the PRC where most of our customers are located during the period under review. Customers' low inventory strategy created lower volume and multiple orders for the fabric and garment suppliers. Fast fashion markets are the trend going forward. The Group has been consistently reviewing every step of our production processes to ensure that the procedures are lean and efficient enough to exceed customers' expectations. Launched in the first half of 2015, Total Production Management ("TPM") continued to contribute to the Group's overall production efficiency during the period under review. Through creating a "Zero Defect", "Zero Accident" and "Zero Waste" system involving all staff to minimise consumption and wastage by the production departments and maximise the efficiency of the managing departments, in order to reduce cost; improve gross margin and enhance profitability of the Group. Production staff are encouraged to propose the best production efficiency plan within their professional knowledge and know-how. Cash prizes and recognition are given to the staff who propose the outstanding plans in order to boost staff morale and to encourage front-line staff to actively participate in TPM.

儘管於回顧期內全球經濟不穩定及消費者市場困難重重，本集團仍能將面料業務銷量與2015年同期相比提高9.1%。銷量提高主要由於策略性地對基礎穩固的大眾市場客戶投入更多精力及資源所致。棉價於回顧期內首三個月逐漸下跌，亦反映在財政年度上半年布料售價中。因此，布料售價與2015年上半年財政年度（「1H2015」）同期相比下跌9.3%。因本集團大部份廠房均位於中國，人民幣於回顧期內逐漸貶值在長遠而言對本集團有利。由於對貨品成本以及分銷及銷售成本實施嚴格管控，本公司應佔盈利與去年同期相比提高152.1%，毛利率亦提高至13.4%（1H2015：11.5%），為自2012年以來最高。每股盈利（基本）亦由去年同期的2.2港仙增加至5.6港仙。截至2016年6月30日止6個月，本集團總營業額輕微下降3.9%。

於回顧期內，美國、歐洲及中國（大部份本集團客戶所在地）的經濟依然疲軟。客戶清庫存策略令布料及成衣供應商之銷量走低及製造多重訂單。快速時裝市場將成為日後主流市場。本集團將一如既往地檢討每步生產流程，藉以確保有關流程精簡和具效率，以超越客戶期望。於2015年上半年推出之「全員生產保全活動」繼續於回顧期內為本集團整體生產效率作出貢獻。透過全員參與達致「零不良」、「零災害」、「零浪費」的體系，減少生產部門的損耗浪費及加快管理部門工作效率，務求達成降低成本、提升毛利率及增加獲利的企業目的。鼓勵生產員工利用其專業知識和技術提出最佳生產效率方案。現金獎勵及表揚予提供優秀方案的員工，以提升員工士氣及鼓勵前線員工對「全員生產保全活動」的積極參與。

BUSINESS REVIEW (continued) 業務回顧 (續)

During the period under review, the Group has replaced and upgraded numerous relatively less updated and less efficient production facilities in our fabric mills including circular knitted fabric machines, continuous tumble dryers, stenters, fabric shrinkage machines, fabric dyeing machines and fabric printing machines with new and latest models which provide better production efficiency, less wastage and higher energy saving. The Group has upgraded the water treatment facilities including increasing activated sludge tank facility and adding bio-tower to remove odorous gas, as well as upgrading water effluent capacity in the fabric mills in the PRC. The Group has also upgraded the power generation facilities so as to reduce emission. While keeping on consolidating its fabric manufacturing process and craftsmanship, the Group also continued to restructure and consolidate our garment factories as well as to expand vertical integration.

The Group has strengthened our management and operational team by re-allocating several talents in the senior positions during the first half of 2016, resulting in better operational efficiency, enhanced staff motivation and increased productivity. Continuous restructuring and consolidating our subsidiaries with the aims to streamline operation and reduce costs was successfully implemented during the period under review.

Production and Sales of Dyed Fabrics and Yarns

The Group's production capacity among four fabric mills in both the PRC and Sri Lanka maintained at approximately 25 million pounds of fabric dyeing per month, which was basically the same level compared with the same period of last year.

For the period under review, the Group's core business, production and sales of dyed fabrics and yarns, generated revenue of approximately HK\$2,607.1 million and accounted for 84.7% of the Group's total revenue.

Production and Sales of Garments

Revenue from the production and sales of garments for the first half of 2016 was approximately HK\$469.5 million and accounted for 15.3% of the Group's total revenue.

Dividend

In view of the general practice of the Company to only recommend the final dividend, the board of directors of the Company ("Board") has resolved not to declare the payment of any interim dividend for the six months ended 30 June 2016.

Events after the Reporting Period

Save as disclosed in note 21 above, the Group did not have any significant events since the end of the reporting period (i.e. 30 June 2016) and up to the date of this interim report.

於回顧期內，本集團已更換及升級面料廠房多個相對落後及效率相對較低的生產設施，使用節能增效及降低損耗的最新款圓筒針織面料機、面料連續拋縮機、定型機、縮水機、染布機及印花機。本集團已升級污水處理設施，包括於中國面料廠房的生化池及生化廢氣除臭處理系統，並提升污水處理能力。本集團亦升級了廠房的發電設施，降低排放。除了繼續整合面料生產程序及工藝外，本集團亦繼續重組及整合成衣工廠以及擴大垂直整合。

本集團加強管理及營運團隊建設，在2016年上半年在高級職務重新調配若干人才，令生產效率得到提升、員工激勵得到改善及生產力得到提高。於回顧期內，繼續重組及整合附屬公司圓滿實施，精簡了營運，降低了成本。

製造及銷售色布及紗

集團位於中國大陸和斯里蘭卡的4家面料工廠的印染產能維持在每月約2千5百萬磅，與去年同期相比基本持平。

在回顧期內，集團核心業務－製造及銷售色布及紗的營業額達到約2,607.1百萬港元，佔集團營業額總值的84.7%。

製造及銷售成衣

2016年上半年製造及銷售成衣的營業額約為469.5百萬港元，佔集團營業額總值的15.3%。

股息

鑒於本公司於一般情況下只建議派發年末股息，本公司董事會（「董事會」）決定及宣佈就截至2016年6月30日止6個月內不予派發任何中期股息。

報告期間後事項

除上述附註21所披露外，本集團自報告期間後（即2016年6月30日）至本中期報告日期止，並沒有任何重大事項發生。

BUSINESS REVIEW (continued) 業務回顧(續)

Awards & Certifications

Our awards and certificates accredited during the first half of 2016 (“1H2016”) are as follows:

獎項及認證

在2016年上半年(「1H2016」)，集團所獲獎項及認證如下：

No. 文件序號	Name of Award/Certification 獎項／認證名稱	Type of Document 文件類型	Date of Issue 頒發日期	Issued by 發出單位
Jiangyin Fuhui Textiles Limited 江陰福匯紡織有限公司				
1	2015 Key and Major Enterprise of Jiangyin City* 2015年度江陰市重點骨幹企業	Award 獎牌	2016/1	Jiangyin Municipal Party Committee of Communist Party of the PRC, Jiangyin Municipal People’s Government* 中共江陰市委，江陰市人民政府
2	2015 Outstanding Enterprise of Fire Safety Management* 2015年度消防安全先進集體	Award 獎牌	2016/1	Administration Committee of Jiangyin High-tech Industrial Development Zone* 江陰市高新技術產業開發區管理委員會
3	2015 Outstanding Enterprise of Foreign Investment* 2015年度外商投資先進企業	Trophy 獎杯	2016/1	Jiangyin High-tech Industrial Development Zone Committee of Communist Party of the PRC* 中共江陰高新技術產業開發區工作委員會 Administration Committee of Jiangyin High-tech Industrial Development Zone* 江陰市高新技術產業開發區管理委員會
4	2015 Top 100 Star Enterprise* 2015年度百強明星企業	Award 獎牌	2016/2	Jiangyin Municipal Party Committee of Communist Party of the PRC, Jiangyin Municipal People’s Government* 中共江陰市委，江陰市人民政府
5	2015 Top 30 International Trade Enterprise* 2015年30強外貿企業	Certification 證書	2016/4	Jiangyin Municipal People’s Government* 江陰市人民政府
Yancheng Fuhui Textiles Limited 鹽城福匯紡織有限公司				
6	Laboratory Certificate Agreement 品質檢測證書#	Certification 證書	2016/1	Intertek Group 天祥集團
7	Certificate of Accreditation 品質檢測證書#	Certification 證書	2016/3	Bureau Veritas Group 必維國際檢驗集團
8	Mill Qualification Program 廠房認證計劃#	Certification 證書	2016/3	Intertek Group 天祥集團
9	Outstanding Entry-level Employee’s Party Organisation* 先進基層黨組織	Award 獎牌	2016/6	Administration Committee of Yancheng Economic and Technological Development Zone* 鹽城經濟技術開發區工作委員會
10	Oeko-Tex Standard 100 Oeko-Tex標準100#	Certification 證書	2016/6	TESTEX AG, Swiss Textile Testing Institute TESTEX瑞士紡織檢定有限公司

BUSINESS REVIEW (continued) 業務回顧 (續)

No.	Name of Award/Certification	Type of Document	Date of Issue	Issued by
文件序號	獎項／認證名稱	文件類型	頒發日期	發出單位
Dongguan Shatian Lake Side Textiles Printing & Dyeing Co., Ltd. 東莞沙田麗海紡織印染有限公司				
11	2015 Top Five Enterprise in Annual Actual Export of Shatian Town & Humen Port* 2015年度沙田鎮、虎門港實際出口前五名企業	Award 獎牌	2016/1	Chinese Communist Party Shatian Town Committee/People's Government of Shatian Town/Chinese Communist Party Humen Port Working Committee/Management Committee of Humen Port* 中共沙田鎮委員會／東莞市沙田鎮人民政府／中共虎門港工作委員會／東莞市虎門港管理委員會
12	Model Enterprise of Leading Exports Indicator* 中國外貿出口先導指數(ELI)樣本企業	Award 獎牌	2016/1	General Administration of Customs of the People's Republic of China 中華人民共和國海關總署
13	Membership* 會員單位	Award 獎牌	2016/1	China Dyeing and Printing Association 中國印染行業協會
14	Environmental Management System Certification – GB/T24001-2004 ISO 14001-2004 Standard 環境管理體系認證證書 – GB/T24001-2004 ISO 14001-2004 標準	Certification 證書	2016/1	China Great Wall Quality Assurance Centre 長城質量保證中心
15	Oeko-Tex Standard 100 Oeko-Tex標準100#	Certification 證書	2016/1	TESTEX AG, Swiss Textile Testing Institute TESTEX瑞士紡織檢定有限公司
16	Oeko-Tex Standard 100 Oeko-Tex標準100#	Certification 證書	2016/3	TESTEX AG, Swiss Textile Testing Institute TESTEX瑞士紡織檢定有限公司
17	Outstanding Entry-level Employee Union Committee* 先進基層工會委員會	Award 獎牌	2016/4	General Union of Shatian Town and Humen Port* 沙田鎮虎門港總工會
18	Oeko-Tex Standard 100 Oeko-Tex標準100#	Certification 證書	2016/4	TESTEX AG, Swiss Textile Testing Institute TESTEX瑞士紡織檢定有限公司
19	AEO Accredited Enterprise Certificate (Advanced accredited Enterprise)* AEO認證企業證書 (高級認證企業)	Certification 證書	2016/6	Huangpu Customs District, PRC 中華人民共和國黃埔海關
20	Guangdong Province Enterprise of Observing Contract and Valuing Credit 廣東省守合同重信用企業	Award 獎牌	2016/6	Guangdong Province Administration For Industry & Commerce* 廣東省工商行政管理局

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

* 英文名稱僅為官方中文名稱之譯文。倘有歧異，概以中文名稱為準。

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

中文名稱僅為官方英文名稱之譯文。倘有歧異，概以英文名稱為準。

OUTLOOK 展望

Looking forward to the second half of 2016, the world economy and the retail market are expected to remain uncertain while consumer sentiments remain sluggish. The Group is prudently optimistic about its performance in the second half of the year and we shall continue with the sales strategies that have been employed and shall also continue to focus on research and development of new products. Nevertheless, the interest and the acceptance level of the newly researched products are much higher among the end-buyers and retailers in the PRC than those in the US and Europe. Customers who are willing to try out new products and think out of the box in general are able to translate into better sales and marketing results in the long terms. The Group has long been the pioneer in developing innovative products together with our customers in the textile and apparel industry and will continue to allocate resources in this area in the future.

Apart from the “tender committee” being established in 2015, the Group will also revamp a “sustainability development and enhancement committee” in September 2016 with new chairman and committee members who represent different areas including, sales, operation, governance and production of the Group. We are fully committed in environmental protection and green manufacturing while the energy saving message as one of our core values is seriously delivered to every staff within the Group.

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

預計2016年下半年，全球經濟及零售市場預期依然不明朗，消費者氛圍仍低迷。本集團對下半年度的業績抱審慎樂觀態度，堅守已實施之銷售策略，同時將繼續專注於研發新產品。然而，中國最終買家及零售商對新研發產品的關注度及接受水平明顯高於美國及歐洲國家。長遠而言，有意嘗試新產品及跳出框框的客戶通常能帶動銷售及市場推廣效果。本集團一直與紡織及服裝行業的客戶聯手走在開發創新產品的前端，日後在該方面將繼續投入資源。

除於2015年成立的「招標委員會」外，本集團亦將於2016年9月重整「可持續發展及提升委員會」，並委任新主席及委員會成員，成員均代表本集團的銷售、營運、管治及生產的各個領域。我們全身心投入環境保護及綠色生產的同時，將節能的核心價值嚴肅地傳達至集團每位員工。

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

FINANCIAL REVIEW 財務回顧

The key operating and financial indicators of the Group for the six months ended 30 June 2016 are set out below:

本集團截至2016年6月30日止6個月之主要經營及財務指標呈列如下：

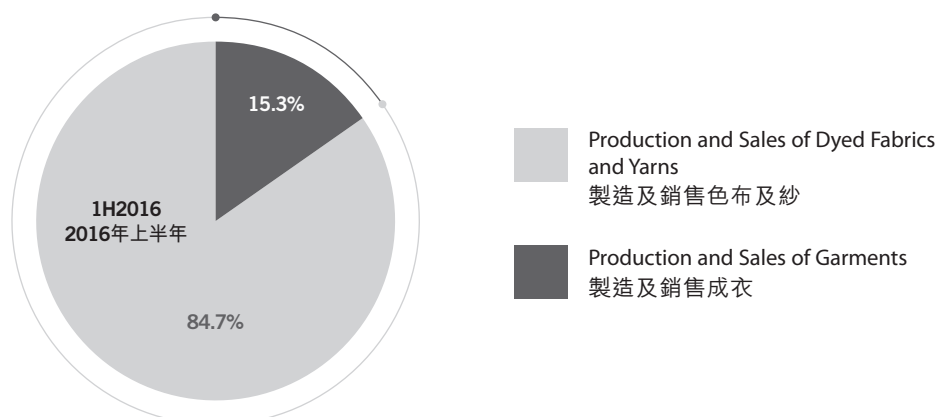
		For the 6 months ended 30 June 2016 截至2016年 6月30日止 6個月	For the 6 months ended 30 June 2015 截至2015年 6月30日止 6個月
Statement of Profit or Loss Items	損益表項目		
(All amounts in HK\$ thousands unless otherwise stated)	(除特別註明外所有金額均以千港元列示)		
Revenue	營業額	3,076,618	3,202,735
Gross Profit	毛利	412,078	368,571
EBITDA	息稅折舊及攤銷前利潤	186,639	162,229
Profit for the period	是期間盈利	81,309	36,633
Profit attributable to owners of the Company	本公司擁有人應佔盈利	68,020	26,985
Basic earnings per share (HK cents)	每股基本盈利 (港仙)	5.6	2.2
Key Financial Ratios	主要財務比率		
Profitability ratios	盈利能力比率		
Gross profit margin (%)	毛利率(%)	13.4%	11.5%
EBITDA margin (%)	息稅折舊及攤銷前利潤率(%)	6.1%	5.1%
Expenses as a % of revenue	開支佔營業額比率		
Distribution and selling expenses	分銷及銷售費用	2.8%	2.8%
Administrative expenses	行政費用	7.0%	6.9%
Finance costs	融資成本	0.3%	0.5%
Asset efficiency	資產效率		
Inventory turnover period (days)	存貨周轉期(日)	84	90
Trade and bills receivables turnover period (days)	營業及票據應收款項周轉期(日)	71	78
Trade and bills payables turnover period (days)	營業及票據應付款項周轉期(日)	46	55
		At	At
		30 June 2016	31 December 2015
		於2016年6月30日	於2015年12月31日
Asset ratios	資產比率		
Current ratio	流動比率	2.4	2.1
Net debt/EBITDA ratio (annualised)	淨債務／息稅折舊及攤銷前利潤率(年化)	(0.9)	(0.6)

FINANCIAL REVIEW (continued) 財務回顧(續)

Revenue

The Group's revenue for the six months ended 30 June 2016 approximately amounted to HK\$3,076,618,000 (six months ended 30 June 2015: HK\$3,202,735,000).

Revenue by business segments



In first half of 2016, the Group's core business, production and sales of dyed fabrics and yarns, generated revenue of approximately HK\$2,607,127,000 (six months ended 30 June 2015: HK\$2,641,156,000), accounted for 84.7% (six months ended 30 June 2015: 82.5%). Revenue from production and sales of garments was approximately HK\$469,491,000 (six months ended 30 June 2015: HK\$561,579,000), accounted for 15.3% (six months ended 30 June 2015: 17.5%) of the Group's total revenue.

Cost of Sales and Gross Profit

For the six months ended 30 June 2016, overall cost of sales of the Group approximately amounted to HK\$2,664,540,000 (six months ended 30 June 2015: HK\$2,834,164,000) and overall gross profit margin was 13.4% (six months ended 30 June 2015: 11.5%).

The increase in gross profit margin was mainly attributable to the improvement in operation efficiency through adopting a series of measures by the Group to reduce production costs. In addition, the depreciation of RMB during the period under review also led to result in a decrease in production cost, since most of the production plants of the Group are located in the PRC.

營業額

集團截至2016年6月30日止6個月的營業額約為3,076,618,000港元(截至2015年6月30日止6個月: 3,202,735,000港元)。

營業額按業務分類

於2016年上半年,集團核心業務—製造及銷售色布及紗的營業額約為2,607,127,000港元(截至2015年6月30日止6個月: 2,641,156,000港元),佔84.7%(截至2015年6月30日止6個月: 82.5%)。製造及銷售成衣的營業額為469,491,000港元(截至2015年6月30日止6個月: 561,579,000港元),佔集團營業額總值的15.3%(截至2015年6月30日止6個月: 17.5%)。

銷售成本及毛利

集團截至2016年6月30日止6個月之整體銷售成本約為2,664,540,000港元(截至2015年6月30日止6個月: 2,834,164,000港元),整體毛利率為13.4%(截至2015年6月30日止6個月: 11.5%)。

毛利率上升主要由於本集團通過採用一系列提高營運效率的措施,以減少生產成本。此外,由於本集團大部份的生產工廠位於中國,人民幣於回顧期內貶值也導致生產成本的下降。

FINANCIAL REVIEW (continued) 財務回顧(續)

Distribution and Selling Expenses

For the six months ended 30 June 2016, the Group's overall distribution and selling costs approximately amounted to HK\$86,194,000 (six months ended 30 June 2015: HK\$88,323,000), accounted for 2.8% (six months ended 30 June 2015: 2.8%) of the Group's total revenue.

Administrative Expenses

For the six months ended 30 June 2016, the Group's overall administrative expenses approximately amounted to HK\$216,756,000 (six months ended 30 June 2015: HK\$222,358,000), accounted for 7.0% (six months ended 30 June 2015: 6.9%) of the Group's total revenue.

The percentage of the distribution and selling expenses of the Group's total revenue remain unchanged when compared with the same period of last year, as well as the percentage of the administrative expenses only slightly increased by 0.1 percentage point when compared with the same period of last year were attributable to the effective internal cost control and the effect of currency exchange.

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

For the six months ended 30 June 2016, the Group's EBITDA approximately amounted to HK\$186,639,000 (six months ended 30 June 2015: HK\$162,229,000) and the EBITDA margin was 6.1% (six months ended 30 June 2015: 5.1%).

Finance Cost

For the six months ended 30 June 2016, the Group's finance costs approximately amounted to HK\$10,499,000 (six months ended 30 June 2015: HK\$14,772,000), represented 0.3% (six months ended 30 June 2015: 0.5%) of the Group's total revenue.

Capital Expenditure

For the six months ended 30 June 2016, the Group invested approximately HK\$96,200,000 (six months ended 30 June 2015: HK\$25,354,000) in additions of property, plant and equipment and other intangible assets. The Group expects the capital expenditure for the whole financial year will be approximately HK\$180,000,000.

分銷及銷售費用

集團截至2016年6月30日止6個月之整體分銷及銷售費用約為86,194,000港元(截至2015年6月30日止6個月:88,323,000港元),佔集團營業額總值的2.8%(截至2015年6月30日止6個月:2.8%)。

行政費用

集團截至2016年6月30日止6個月之整體行政費用約為216,756,000港元(截至2015年6月30日止6個月:222,358,000港元),佔集團營業額總值的7.0%(截至2015年6月30日止6個月:6.9%)。

分銷及銷售費用佔集團營業額總值之百分比與去年同期維持不變,同時,行政費用佔集團營業額總值之百分比與去年同期只微少上升0.1百分點都是由於集團於回顧期內有效控制成本及外匯影響所致。

息稅折舊及攤銷前利潤(EBITDA)

集團截至2016年6月30日止6個月之息稅折舊及攤銷前利潤約為186,639,000港元(截至2015年6月30日止6個月:162,229,000港元),息稅折舊及攤銷前利潤率為6.1%(截至2015年6月30日止6個月:5.1%)。

融資成本

集團截至2016年6月30日止6個月之融資成本約為10,499,000港元(截至2015年6月30日止6個月:14,772,000港元),佔集團營業額總值的0.3%(截至2015年6月30日止6個月:0.5%)。

資本開支

截至2016年6月30日止6個月,集團已投資約96,200,000港元(截至2015年6月30日止6個月:25,354,000港元)以增加物業、機器及設備和其他無形資產。集團預期整個財政年度的資本開支將約為180,000,000港元。

FINANCIAL REVIEW (continued) 財務回顧(續)

Income Tax Expense

For the six months ended 30 June 2016, income tax expense of the Group approximately amounted to HK\$11,416,000 (six months ended 30 June 2015: HK\$12,753,000).

所得稅支出

集團截至2016年6月30日止6個月之所得稅支出為約11,416,000港元(截至2015年6月30日止6個月: 12,753,000港元)。

Liquidity and Financial Resources

At 30 June 2016, the Group's net assets amounted to approximately HK\$3,405,036,000 (31 December 2015: 3,394,756,000). The key figures of financial position were as follows:

資金流動性及財政資源

於2016年6月30日,集團資產淨值約3,405,036,000港元(2015年12月31日: 3,394,756,000港元)。財務狀況的主要資料如下:

		At 30 June 2016 於2016年6月30日 HK\$'000 千港元	At 31 December 2015 於2015年12月31日 HK\$'000 千港元
Non-current assets	非流動資產	1,693,943	1,707,950
Current assets	流動資產	3,498,015	3,722,604
Total assets	資產總值	<u>5,191,958</u>	<u>5,430,554</u>
Current liabilities	流動負債	1,442,096	1,809,609
Non-current liabilities	非流動負債	344,826	226,189
Total liabilities	負債總值	<u>1,786,922</u>	<u>2,035,798</u>
Net assets	資產淨值	<u>3,405,036</u>	<u>3,394,756</u>

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。

FINANCIAL REVIEW (continued) 財務回顧(續)

At 30 June 2016, the principal financial covenant figure/ratios (according to the banks' definitions) were as follows:

於2016年6月30日，主要的財務契約數據／比率（根據銀行的定義）如下：

		At 30 June 2016 於2016年6月30日	At 31 December 2015 於2015年12月31日
Consolidated tangible net worth	綜合淨有形資產	HK\$3,081,100,000港元	HK\$3,019,313,000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	0.2	0.2
Consolidated EBITDA to consolidated interest expense	綜合息稅折舊及攤銷前 利潤對綜合利息支出比例	17.8	13.4
Consolidated current assets to consolidated current liabilities	綜合流動資產 對綜合流動負債比例	2.4	2.1
Consolidated capital expenditure	綜合資本開支	HK\$96,200,000港元	HK\$118,322,000港元

Risk Management

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

The sales and the purchase of raw materials of the Group are mainly denominated in Hong Kong dollars, US dollars and RMB. Since the Group mainly produces in the PRC, thus we are exposed to foreign exchange risk arising from RMB exposure. The Group has been closely monitoring the exchange rate fluctuation for US dollar against RMB. To mitigate the risk of depreciation of RMB, the Group manages the RMB bank balance by performing regular review. The Group will continue to review the foreign currency hedging strategy as appropriate in order to mitigate the foreign currency risk.

In addition, bank borrowings of the Group are denominated in Hong Kong dollars and US dollars, interests are mainly charged on a floating rate basis. As the US economic recovery is modest, the interest rate is expected to rise moderately. The Group will continue monitor the interest rates fluctuation in the market and arrange appropriate financial instruments to minimise the interest rate risk.

風險管理

本集團會依據嚴格及審慎的風險管理政策應對外匯及利率風險。

集團之銷售及原料採購以港元、美元及人民幣為主，而主要的生產基地於中國，故涉及人民幣所產生之外匯風險。集團一直注視美元及人民幣匯率的變動，為了應對人民幣貶值風險，集團定期檢討人民幣存款量，並適時審視外匯對沖政策以減低其風險。

此外，集團的銀行借貸以港元及美元為單位，利息主要以浮動利率計算。由於美國經濟復甦溫和，預期利率將慢慢上升。本集團將繼續留意市場的利率波動，並安排合適的金融工具以減低利率上升的風險。

FINANCIAL REVIEW (continued) 財務回顧(續)

EMPLOYEES AND REMUNERATION POLICIES

At 30 June 2016, the Group had approximately 11,900 full time employees (30 June 2015: 11,800). The Group's emolument policies are formulated on the performance of individual employee and the salary trends in various regions, which are reviewed regularly. Subject to the Group's profitability, the Group may also distribute discretionary bonus to its employees as an incentive for their contribution to the Group.

The Group has established a share option scheme for its employees, and also provides regular training courses and subsidies for continuing education so as to improve the skills of its employees with respect to production, selling and management.

僱員及酬金政策

集團於2016年6月30日之全職僱員人數約為11,900人(2015年6月30日:11,800人),而集團的僱員酬金政策是根據個別僱員的工作表現及各地區薪酬趨勢而定期作出檢討。集團亦會因應集團之盈利情況,酌情發放花紅予僱員以鼓勵他們對集團之貢獻。

集團為僱員設有一項購股權計劃,亦會提供定期培訓課程及資助進修計劃,以提高僱員之生產、銷售及管理技能。

DIRECTORS' INTERESTS IN SECURITIES 董事之證券權益

As at 30 June 2016, the interests and short positions of the directors of the Company ("Directors") and the chief executive of the Company in the shares of the Company (the "Share"), underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), (b) to be entered in the register referred to therein (the "Register") pursuant to section 352 of the SFO, or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to Listing Rules (the "Model Code"), were as follows:

於2016年6月30日，本公司董事（「董事」）及本公司行政總裁於本公司股份（「股份」）、本公司或其任何相聯法團（具有香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部所賦予之涵義）之相關股份及債權證中擁有須(a)按證券及期貨條例第XV部第7及8分部通知本公司及聯交所之權益及淡倉（包括根據證券及期貨條例之有關規定彼等被當作或視為擁有之權益及淡倉）；(b)根據證券及期貨條例第352條記錄於該條所述之名冊（「名冊」）之權益及淡倉；或(c)按上市規則附錄10所載上市公司董事進行證券交易之標準守則（「標準守則」）通知本公司及聯交所之權益及淡倉如下：

Long positions in Shares and underlying Shares:

於股份及相關股份的好倉情況：

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

Long positions in underlying Shares – Share options:

於相關股份的好倉情況 – 購股權：

Name of Director 董事姓名	Date of grant 授出日期	Vesting and Exercise Period 有效及行使期	Number of Share Options 購股權數目
Dr. YEN Gordon 嚴震銘博士	18.08.2011	19.08.2012 – 18.08.2017 (Note) (附註)	1,320,000

Note:

50% of the share options are exercisable from 19 August 2015 to 18 August 2017 and all share options are exercisable from 19 August 2016 to 18 August 2017.

附註：

由2015年8月19日起至2017年8月18日，最多可行使50%購股權；及由2016年8月19日起至2017年8月18日，可行使所有購股權。

Save as disclosed above, as at 30 June 2016, none of the Directors and the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), (a) which had been notified to the Company and the Stock Exchange or (b) which were recorded in the Register or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上述披露者外，於2016年6月30日，董事及本公司行政總裁概無於本公司或其任何相聯法團（具有證券及期貨條例第XV部所賦予之涵義）擁有任何股份、相關股份或債權證中(a)已通知本公司及聯交所或(b)記錄於名冊內或(c)按標準守則須通知本公司及聯交所之任何權益或淡倉。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS

主要股東及其他人士權益

As at 30 June 2016, the following persons/entities (other than the Directors or the chief executive of the Company), had interests and short positions in the shares and underlying shares of the Company as recorded in the register of interests of the substantial shareholders required to be kept by the Company pursuant to section 336 of the SFO (the "Register").

於2016年6月30日，以下人士／實體（董事或本公司行政總裁除外）於本公司股份及相關股份中擁有本公司按證券及期貨條例第336條須存置之主要股東權益名冊（「名冊」）所記錄之權益及淡倉。

Long positions in Shares and underlying Shares:

於股份及相關股份的好倉情況：

Name of substantial shareholders	Number of Shares	Capacity	Approximate % of the Issued Shares
主要股東名稱	股份數目	身份	約佔已發行股本百分比
Chinatex Corporation ("Chinatex") 中國中紡集團公司（「中紡」）	433,494,000 (Notes 1 and 2) (附註1及2)	Interest of controlled corporation 控制法團的權益	35.97
Chinatex Yieldfull Investment Co., Ltd. ("Yieldfull") 中紡盈豐投資管理有限公司（「盈豐」）	409,036,000 (Note 1) (附註1)	Beneficial owner 實益擁有人	33.94
Chinatex Jinhui Investment Management Co., Ltd. ("Jinhui") 中紡錦輝投資管理有限責任公司 （「錦輝」）	409,036,000 (Note 1) (附註1)	Interest of controlled corporation 控制法團的權益	33.94
Mr. HA Chung Fong 夏松芳先生	85,396,000 (Note 3) (附註3)	Beneficial owner 實益擁有人	7.09
	69,160,948 (Notes 3 and 5) (附註3及5)	Other Interests 其他權益	5.74
Ms. TANG Kuen Mui 鄧娟妹女士	154,556,948 (Note 3) (附註3)	Spouse's interest 配偶權益	12.83
Super Brilliance Company Limited ("Super Brilliance")	69,160,948 (Notes 4 and 5) (附註4及5)	Beneficial owner 實益擁有人	5.74

* For identification only
* 僅供識別

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS (continued)

主要股東及其他人士權益 (續)

Name of substantial shareholders 主要股東名稱	Number of Shares 股份數目	Capacity 身份	Approximate % of the Issued Shares 約佔已發行股本 百分比
Island Treasure Investments Limited ("Island Treasure")	69,160,948 (Notes 4 and 5) (附註4及5)	Interest of a controlled corporation 控制法團的權益	5.74
Onwide (H.K.) Limited ("Onwide") 安和(香港)有限公司(「安和」)	69,160,948 (Notes 4 and 5) (附註4及5)	Trustee 信託人	5.74
Mr. WONG Tak Leung, Charles 王德良先生	69,160,948 (Notes 4 and 5) (附註4及5)	Interest of controlled corporations 控制法團的權益	5.74

Notes:

- Yieldfull is a wholly-owned subsidiary of Jinhui and Jinhui is a wholly-owned subsidiary of Chinatex. Therefore, each of Jinhui and Chinatex is deemed to be interested in the Shares held by Yieldfull.
- As at 30 June 2016, Chinatex (H.K.) Holding Limited held 24,458,000 Shares as beneficial owner. Chinatex (H.K.) Holding Limited is a wholly-owned subsidiary of Chinatex. Chinatex is deemed to be interested in the Shares held by Chinatex (H.K.) Holding Limited.
- Ms. TANG Kuen Mui, spouse of Mr. HA Chung Fong, is deemed to be interested in the Shares held by Mr. HA Chung Fong.
- Super Brilliance is a wholly-owned subsidiary of Island Treasure, Island Treasure is a wholly-owned subsidiary of Onwide and Onwide is owned as to 100% by Mr. WONG Tak Leung, Charles. Therefore, each of Island Treasure, Onwide and Mr. WONG Tak Leung, Charles is deemed to be interested in the Shares held by Super Brilliance.
- Onwide is the trustee of the HA Trust, a discretionary trust set up by Mr. HA Chung Fong for the benefit of his family.

Save as disclosed above, as at 30 June 2016, the Directors were not aware of any persons who/entities which had any interest or short position in shares and underlying share (other than a Director or the chief executive of the Company) which were required to be recorded in the Register under section 336 of the SFO.

附註:

- 盈豐為錦輝的全資附屬公司，而錦輝為中紡的全資附屬公司，因此，錦輝及中紡各自被視作擁有盈豐所持股份的權益。
- 於2016年6月30日，中紡(香港)控股有限公司持有24,458,000股股份(作為實益擁有人)。中紡(香港)控股有限公司為中紡的全資附屬公司。因此，中紡被視作擁有中紡(香港)控股有限公司所持股份的權益。
- 鄧娟妹女士為夏松芳先生的配偶，因而被視作擁有夏松芳先生所持股份的權益。
- Super Brilliance為Island Treasure的全資附屬公司，Island Treasure為安和的全資附屬公司，而王德良先生擁有安和的全部權益。因此，Island Treasure、安和及王德良先生各自被視作擁有Super Brilliance所持股份的權益。
- 安和為HA Trust的信託人，HA Trust為夏松芳先生為其家族利益而成立的一項酌情信託。

除上述披露者外，於2016年6月30日，董事並不知悉任何人士／實體(董事或本公司行政總裁除外)於股份及相關股份中擁有須按證券及期貨條例第336條記錄於名冊之權益或淡倉。

SHARE OPTION SCHEMES 購股權計劃

The 2002 Scheme

The Company has a share option scheme (the "2002 Scheme"), which was adopted by the Company at the extraordinary general meeting held on 25 January 2002. The 2002 Scheme was to be expired on 24 January 2012 and was early terminated on 20 January 2011. The primary purpose of the 2002 Scheme is to provide the Company with a flexible mean of giving incentives to, rewarding, remunerating, compensating and/or providing benefits to the employees and for such other purposes as the Board may approve from time to time. All the share options granted under the 2002 Scheme were lapsed in the period.

The 2011 Scheme

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

The terms and conditions of the 2011 Scheme are basically the same as those of the 2002 Scheme except that the eligible participants of the 2011 Scheme include, among others, directors and full-time or part-time employees whereas the eligible participants of the 2002 Scheme cover only directors and full-time employees. Under the 2011 Scheme, share options of 3,352,000 and 23,045,000 were granted on 18 May 2011 and 18 August 2011, respectively. The closing prices of the Company's shares immediately before the dates of grant were HK\$1.80 and HK\$1.21, respectively.

The following table discloses movements of the Company's share options granted under the 2002 Scheme and the 2011 Scheme during the period:

Name of Directors	Scheme	Date of grant	Exercise price	Outstanding as at 1 January 2016 於2016年1月1日 尚未行使	Forfeited during the period	Expired during the period	Exercised during the period	Outstanding as at 30 June 2016 於2016年6月30日 尚未行使
董事姓名	計劃	授出日期	行使價		期內已沒收	期內已屆滿	期內已行使	
Mr. HA Kam On, Victor (Note 1) 夏錦安先生(附註1)	2002	17 September 2010	HK\$1.29	4,600,000	(4,600,000)	-	-	-
	2002年	2010年9月17日	1.29港元					
	2011	18 August 2011	HK\$1.21	3,300,000	(3,300,000)	-	-	-
Dr. YEN Gordon 嚴震銘博士	2011	2011年8月18日	1.21港元					
	2011	18 August 2011	HK\$1.21	1,320,000	-	-	-	1,320,000
				9,220,000	(7,900,000)	-	-	1,320,000
				6,060,000				660,000
Exercisable at the end of the period 於期結時可予行使								(Note 2) (附註2)

2002年計劃

本公司擁有一項購股權計劃(「2002年計劃」),乃由本公司於2002年1月25日舉行之股東特別大會上採納,2002年計劃原於2012年1月24日終止,但於2011年1月20日已提前終止。2002年計劃的主要目的為讓本公司可靈活地向僱員給予鼓勵、獎賞、報酬、補償及/或提供福利及就董事會不時批准的其他目的。期內,所有於2002年計劃授出之購股權均告失效。

2011年計劃

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

2011年計劃之條款及條件基本上與2002年計劃相同,惟2011年計劃之合資格參與者包括(其中包括)董事及全職或兼職僱員,而2002年計劃之合資格參與者僅包括董事及全職僱員。根據2011年計劃,於2011年5月18日及2011年8月18日已分別授出3,352,000份及23,045,000份購股權。本公司股份於緊接授出日期之收市價分別為1.80港元及1.21港元。

下表披露本公司於期內根據2002年計劃及2011年計劃已授出購股權之變動情況。

SHARE OPTION SCHEMES (continued) 購股權計劃 (續)

Notes:

1. 4,600,000 share options which were granted to Mr. HA Kam On, Victor ("Mr. HA") by the Company on 17 September 2010 under the 2002 Scheme, and 3,300,000 share options which were granted to Mr. HA by the Company on 18 August 2011 under the 2011 Scheme, were lapsed respectively on 19 May 2016 as a result of Mr. HA's resignation as set out in the announcement of the Company dated 19 May 2016.
2. 50% of the share options under the 2011 Scheme are exercisable from 19 August 2015 to 18 August 2017 and all share options are exercisable from 19 August 2016 to 18 August 2017.

附註：

1. 本公司根據2002年計劃於2010年9月17日授予夏錦安先生(「夏先生」)4,600,000份購股權，以及本公司於2011年8月18日根據2011年計劃授予夏先生3,300,000份購股權，分別已於2016年5月19日失效，原因為本公司日期為2016年5月19日之公告內所載有關夏先生之辭任。
2. 由2015年8月19日至2017年8月18日，可行使2011年計劃的50%購股權；由2016年8月19日至2017年8月18日，可行使所有購股權。

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

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

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

CORPORATE GOVERNANCE CODE 企業管治守則

Throughout the period from 1 January 2016 to 30 June 2016, the Company has applied the principles of, and complied with, all the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules. However, with effect from 23 January 2015, the Chairman and executive Director, Mr. ZHAO Yao, has taken up the position of Chief Executive Officer of the Company, details of which were set out in the announcement of the Company dated 23 January 2015. This deviated from Code Provision A. 2.1 of the CG Code, which stipulates that the responsibilities between the chairman and chief executive officer should be divided. However, having considered the current status of the Group, vesting the roles of both chairman and chief executive officer in the same person enables the Group to more efficiently plan its overall strategy and achieve the budgeted target. The Board believes that the balance of power and authority under this arrangement is adequately ensured by the Board which comprises experienced, professional and high caliber individuals with sufficient number thereof being independent non-executive Directors.

由2016年1月1日至2016年6月30日止期間，本公司已應用及一直遵守上市規則附錄14所載之企業管治守則(「企管守則」)之原則及所有適用之守則條文。但自2015年1月23日起，主席及執行董事趙耀先生開始兼任本公司行政總裁職務，詳情已載於日期為2015年1月23日之公告。此會偏離企管守則條文A.2.1的規定，主席與行政總裁的角色應有區分，不應由一人同時兼任，但考慮到本集團現時的情況，由同一名人士同時擔任主席及行政總裁兩個職務可以讓本集團更有效率地計劃整體策略及完成預算目標。由於董事會由經驗豐富人士及專業人士組成(包括充足的獨立非執行董事人數)，相信會有足夠能力確保職能及權力在此安排下得到平衡。

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

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

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

UPDATE ON DIRECTORS' INFORMATION 更新董事資料

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors are set out below:

根據上市規則第13.51B (1)條，董事資料之變動載列如下：

1. Mr. LAN Jiang has been appointed as an executive Director and a member of the remuneration committee of the Board (the "Remuneration Committee") with effect from 9 May 2016.
 2. Mr. William LAM has been appointed as an independent non-executive Director, a member of the audit committee of the Board (the "Audit Committee") and a member of the nomination committee of the Board (the "Nomination Committee") with effect from 9 May 2016.
 3. Mr. GONG Zhengyi ("Mr. GONG") ceased to be a member of the Remuneration Committee with effect from 9 May 2016. Mr. GONG retired as an executive Director with effect from the conclusion of the annual general meeting of the Company held on 24 June 2016 (the "2016 AGM").
 4. Mr. HA Kam On, Victor resigned as an executive Director and the Vice Chairman of the Board with effect from 19 May 2016.
 5. Mr. CHOW Wing Kin, Anthony, *SBS, JP* retired as an independent non-executive Director and ceased to be a member of each of the Audit Committee and the Nomination Committee with effect from the conclusion of the 2016 AGM.
1. 藍江先生已獲委任為執行董事及董事會之薪酬委員會成員(「薪酬委員會」)，自2016年5月9日起生效。
 2. 林偉成先生已獲委任為本公司之獨立非執行董事，董事會之審核委員會成員(「審核委員會」)及董事會之提名委員會成員(「提名委員會」)，自2016年5月9日起生效。
 3. 宮征誼先生(「宮先生」)自2016年5月9日起不再擔任薪酬委員會成員，宮先生於2016年6月24日舉行的股東週年大會(「2016年股東週年大會」)結束後退任執行董事。
 4. 夏錦安先生已辭任執行董事及董事會副主席，自2016年5月19日起生效。
 5. 周永健先生，*銀紫荊星章*，*太平紳士*於2016年股東週年大會結束後不再擔任本公司審核委員會及提名委員會成員及退任獨立非執行董事。

AUDIT COMMITTEE REVIEW 審核委員會審閱

The Company has established an Audit Committee for the purposes of reviewing and providing supervision over the Company's financial reporting process and internal controls. The Audit Committee presently comprises 1 non-executive Director and 2 independent non-executive Directors, and 1 of the independent non-executive Directors acts as the Chairman of the Audit Committee. The Audit Committee has reviewed the unaudited interim results of the Company for the six months ended 30 June 2016.

By Order of the Board

Fountain Set (Holdings) Limited

ZHAO Yao

Chairman and Chief Executive Officer

Hong Kong

18 August 2016

本公司已成立審核委員會，藉以檢討及監察本公司之財務申報程序及內部監控制度。審核委員會現由1名非執行董事及2名獨立非執行董事組成，並由其中1名獨立非執行董事擔任審核委員會主席。審核委員會已審閱本公司截至2016年6月30日止6個月之未經審核中期業績。

承董事會命

福田實業(集團)有限公司

趙耀

主席兼行政總裁

香港

2016年8月18日

CORPORATE INFORMATION 公司資料

Honorary Chairman

Mr. HA Chung Fong

名譽主席

夏松芳先生

Board of Directors

Executive Directors

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

Mr. HA Kam On, Victor (*Vice-Chairman*) (resigned on 19 May 2016)

Mr. GONG Zhengyi (retired on 24 June 2016)

Mr. CHEN Minghong

Mr. LAN Jiang (appointed on 9 May 2016)

董事會

執行董事

趙耀先生 (*主席兼行政總裁*)

夏錦安先生 (*副主席*) (於2016年5月19日辭任)

宮征誼先生 (於2016年6月24日退任)

陳鳴洪先生

藍江先生 (於2016年5月9日獲委任)

Non-Executive Directors

Dr. YEN Gordon

Mr. ZHANG Chong

非執行董事

嚴震銘博士

張湧先生

Independent Non-Executive Directors

Mr. NG Kwok Tung

Mr. CHOW Wing Kin, Anthony, *SBS, JP*

(retired on 24 June 2016)

Mr. YING Wei

Mr. William LAM (appointed on 9 May 2016)

獨立非執行董事

伍國棟先生

周永健先生, *銀紫荊星章, 太平紳士*

(於2016年6月24日退任)

應偉先生

林偉成先生 (於2016年5月9日獲委任)

Joint Company Secretaries

Ms. CHENG Wai Han Charmaine

Mr. KWOK Siu Man

聯席公司秘書

鄭惠嫻女士

郭兆文先生

Registered Office & Principal Place of Business

Block A, 6/F., Eastern Sea Industrial Building

29-39 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong

註冊辦事處及主要營業地點

香港新界葵涌葵昌路29-39號

東海工業大廈A座6樓

Website

www.fshl.com

網址

www.fshl.com

Principal Bankers

Bank of China (Hong Kong) Limited

China CITIC Bank International Limited

Hang Seng Bank Limited

Standard Chartered Bank (Hong Kong) Limited

The Hongkong and Shanghai Banking Corporation Limited

Fubon Bank (Hong Kong) Limited

主要往來銀行

中國銀行(香港)有限公司

中信銀行(國際)有限公司

恒生銀行有限公司

渣打銀行(香港)有限公司

香港上海滙豐銀行有限公司

富邦銀行(香港)有限公司

Solicitors

Woo Kwan Lee & Lo

Sidley Austin

Vivien Chan & Co.

律師

胡關李羅律師行

盛德律師事務所

陳韻雲律師行

Auditor

BDO Limited

Certified Public Accountants

核數師

香港立信德豪會計師事務所有限公司

執業會計師

Share Registrar

Tricor Secretaries Limited

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

股份登記處

卓佳秘書商務有限公司

香港皇后大道東183號合和中心22樓

SHAREHOLDER INFORMATION 股東資料

Listing	: Listed on the Main Board of The Stock Exchange of Hong Kong Limited since 20 April 1988	上市	: 自1988年4月20日起 於香港聯合交易所有限公司 主板上市
Stock Code	: 420	股份代號	: 420
Board Lot	: 2,000	買賣單位	: 2,000
Shares Issued	: 1,205,026,960	已發行股份	: 1,205,026,960

Financial Calendar 2016/2017

Financial year ended	31 December 2016
2016 Interim results announced	18 August 2016
Register of members closed	N/A
Distribution of dividend	N/A
2016 annual results to be announced	End of March 2017

Shareholder Services

For enquiries about share transfer and registration,
please contact the Company's share registrar:

Tricor Secretaries Limited

Level 22, Hopewell Centre
183 Queen's Road East
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Tel +852 2980 1766
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Investor Relations

Ms. Charmaine CHENG
Joint Company Secretary and
Deputy General Manager
Corporate Governance Department
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Tel +852 3478 6267
Email pr@fshl.com

2016/2017年財務日誌

財政年度結算	2016年12月31日
2016中期業績公佈	2016年8月18日
股份暫停登記	不適用
股息派發	不適用
2016年度業績公佈	2017年3月下旬

股東服務

任何有關股份過戶及登記的查詢，
請聯絡本公司股份過戶登記處：

卓佳秘書商務有限公司
香港皇后大道東183號
合和中心22樓
電話+852 2980 1766
傳真+852 2861 1465

投資者關係

鄭惠嫻女士
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企業管治部
副總經理
香港新界葵涌葵昌路29-39號
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Tel 電話 +852 2485 1881



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

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

Toronto • Ho Chi Minh City • Seoul • Shanghai
多倫多 • 胡志明市 • 首爾 • 上海

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

China • Indonesia • Sri Lanka
中國 • 印尼 • 斯里蘭卡