

TEXWINCA holdings limited

INTERIM REPORT

中期報告2019

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Corporate Information 公司資料

DIRECTORS

Poon Bun Chak (*Executive Chairman*)
Ting Kit Chung (*Chief Executive Officer*)
Poon Ho Tak
Au Son Yiu*
Cheng Shu Wing*
Law Brian Chung Nin*
* *Independent Non-executive Directors*

NOMINATION COMMITTEE

Cheng Shu Wing (*Chairman*)
Au Son Yiu
Law Brian Chung Nin
Ting Kit Chung

REMUNERATION COMMITTEE

Au Son Yiu (*Chairman*)
Cheng Shu Wing
Law Brian Chung Nin
Ting Kit Chung

AUDIT COMMITTEE

Law Brian Chung Nin (*Chairman*)
Au Son Yiu
Cheng Shu Wing

COMPANY SECRETARY

Chan Chi Hon

REGISTERED OFFICE

Clarendon House,
2 Church Street,
Hamilton HM 11,
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

16th Floor, Metroplaza Tower II,
223 Hing Fong Road, Kwai Chung,
New Territories, Hong Kong

董事

潘彬澤(*執行主席*)
丁傑忠(*行政總裁*)
潘浩德
區樂耀*
鄭樹榮*
羅仲年*
* *獨立非執行董事*

提名委員會

鄭樹榮(*主席*)
區樂耀
羅仲年
丁傑忠

薪酬委員會

區樂耀(*主席*)
鄭樹榮
羅仲年
丁傑忠

審核委員會

羅仲年(*主席*)
區樂耀
鄭樹榮

公司秘書

陳志漢

註冊辦事處

Clarendon House,
2 Church Street,
Hamilton HM 11,
Bermuda

總辦事處及主要營業地點

香港新界
葵涌興芳路223號
新都會廣場第2座16樓

Corporate Information 公司資料

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
4th Floor North, Cedar House,
41 Cedar Avenue,
Hamilton HM12,
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
Level 54, Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong

AUDITOR

Ernst & Young
Certified Public Accountants

LEGAL ADVISORS

Jennifer Cheung & Co.
Wilkinson & Grist

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
BNP Paribas
Citibank, N.A.
The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank
Mizuho Bank Limited

WEBSITES

<http://www.texwinca.com/>
<http://www.irasia.com/listco/hk/texwinca/>

主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited
4th Floor North, Cedar House,
41 Cedar Avenue,
Hamilton HM12,
Bermuda

香港股份過戶登記分處

卓佳登捷時有限公司
香港灣仔
皇后大道東183號
合和中心54樓

核數師

安永會計師事務所
執業會計師

法律顧問

張美霞律師行
高露雲律師行

主要往來銀行

中國銀行(香港)有限公司
法國巴黎銀行
花旗銀行
香港上海滙豐銀行有限公司
恒生銀行
瑞穗銀行

網址

<http://www.texwinca.com/>
<http://www.irasia.com/listco/hk/texwinca/>

Financial Information 財務資料

The board of directors (the "Board") of Texwinca Holdings Limited (the "Company") has pleasure in presenting the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 September 2019. The interim results have been reviewed by the Company's audit committee.

德永佳集團有限公司(「本公司」)之董事會欣然公佈，本公司及其附屬公司(合稱「本集團」)截至二零一九年九月三十日止六個月之未經審核綜合中期業績。此中期業績已由本公司審核委員會審閱。

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

簡明綜合損益表

		Six months ended 30 September 截至九月三十日止六個月	
		2019 二零一九年 (Unaudited) (未經審核)	2018 二零一八年 (Unaudited) (未經審核)
		HK\$'000 港幣千元	HK\$'000 港幣千元
	Notes 附註		
REVENUE	收入	4	4,197,328
Cost of sales	銷售成本		(2,865,905)
Gross profit	毛利		1,331,423
Other income and gains	其他收入及收益	5	76,255
Selling and distribution expenses	銷售及分銷費用		(680,898)
Administrative expenses	行政費用		(431,571)
Other operating expenses, net	其他營運費用，淨額		(11,877)
Finance costs	財務費用		(34,654)
Share of profit of an associate	應佔聯營公司溢利		6,483
PROFIT BEFORE TAX	除稅前溢利	6	255,161
Income tax expense	稅項	7	(43,595)
PROFIT FOR THE PERIOD	本期溢利		211,566
Attributable to:	歸屬：		
Ordinary equity holders of the Company	本公司普通權益所有者		211,566
Non-controlling interests	非控股權益		—
			195,275
			(4,829)
			211,566
			190,446
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	歸屬本公司普通權益所有者每股盈利	9	
Basic and diluted (HK cents)	基本及攤薄後(港幣仙)		15.3
			14.1

Details of the dividends for the period are disclosed in note 8 to the financial statements.

本期股息詳情披露於財務報表附註8內。

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明綜合全面收入表

		Six months ended 30 September	
		截至九月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
PROFIT FOR THE PERIOD	本期溢利	211,566	190,446
OTHER COMPREHENSIVE LOSS	其他全面收入虧損		
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:	於其後期間可重新分類至損益的		
Exchange differences on translation of foreign operations	其他全面虧損： 換算海外經營業務產生之匯兌差額	(181,844)	(249,432)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	本期其他全面虧損，除稅後淨額	(181,844)	(249,432)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	本期全面收入／(虧損)總額	29,722	(58,986)
Attributable to:	歸屬：		
Ordinary equity holders of the Company	本公司普通權益所有者	29,722	(28,527)
Non-controlling interests	非控股權益	—	(30,459)
		29,722	(58,986)

Financial Information 財務資料

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

			30 September 2019 二零一九年 九月三十日 (Unaudited) (未經審核)	31 March 2019 二零一九年 三月三十一日 (Audited) (經審核)
		Notes 附註	HK\$'000 港幣千元	HK\$'000 港幣千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	10	1,222,310	1,355,312
Right-of-use assets	使用權資產		609,375	—
Investment properties	投資物業		643,040	565,250
Prepaid land lease payments	預付土地租賃款		—	12,215
Construction in progress	在建工程		—	528
Trademarks	商標		33,293	33,293
Investment in an associate	於聯營公司之投資		32,038	25,556
Prepayments	預付款項		3,294	31,428
Long term rental deposits	長期租金按金		77,863	86,720
Financial assets at fair value through profit or loss	按公允值計入損益的金融資產		82,218	88,352
Long term debt instruments at amortised cost	長期按已攤銷成本的債務工具		137,538	164,239
Deferred tax assets	遞延稅項資產		18,099	18,099
Total non-current assets	總非流動資產		2,859,068	2,380,992
CURRENT ASSETS	流動資產			
Inventories	存貨		2,051,215	2,171,758
Trade receivables	應收賬款	11	908,957	763,999
Bills receivable	應收票據		174,778	186,501
Prepayments, deposits and other receivables	預付款項、訂金及其他應收賬款		844,252	863,185
Financial assets at fair value through profit or loss	按公允值計入損益的金融資產		58,578	56,946
Debt instruments at amortised cost	按已攤銷成本的債務工具		84,802	68,536
Derivative financial assets	衍生金融資產		—	7,057
Cash and cash equivalents	現金及現金等價物		2,235,575	2,079,982
Total current assets	總流動資產		6,358,157	6,197,964
CURRENT LIABILITIES	流動負債			
Trade payables	應付賬款	12	946,704	824,564
Bills payable	應付票據		9,255	21,443
Other payables and accrued liabilities	其他應付賬款及應計負債		569,654	532,849
Lease liabilities	租賃負債		211,040	—
Derivative financial liabilities	衍生金融負債		2,799	3,334
Interest-bearing bank borrowings	附息銀行貸款		1,362,433	1,491,113
Tax payable	應付稅項		214,681	192,244
Dividend payable	應付股息		207,254	—
Total current liabilities	總流動負債		3,523,820	3,065,547

Financial Information 財務資料

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

簡明綜合財務狀況表(續)

		30 September 2019 二零一九年 九月三十日 (Unaudited) (未經審核)	31 March 2019 二零一九年 三月三十一日 (Audited) (經審核)
		Note 附註	HK\$'000 港幣千元
NET CURRENT ASSETS	流動資產淨額		2,834,337
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		5,693,405
NON-CURRENT LIABILITIES	非流動負債		
Deposit received	已收訂金		4,000
Lease liabilities	租賃負債		393,206
Interest-bearing bank borrowings	付息銀行貸款		—
Deferred tax liabilities	遞延稅項負債		96,177
Total non-current liabilities	總非流動負債		493,383
Net assets	資產淨額		5,200,022
EQUITY	權益		
Equity attributable to ordinary equity holders of the Company	歸屬本公司普通權益所有者權益		
Issued capital	已發行股本		69,085
Reserves	儲備		4,992,767
Interim/final dividends	中期／末期股息	8	138,170
Total equity	總權益		5,200,022

Financial Information 財務資料

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

Attributable to ordinary equity holders of the Company 本公司普通股權益所有者應佔													
	Issued capital 已發行股本 (Unaudited) (未經審核) HK\$'000 港幣千元	Share premium account 股本溢價賬 (Unaudited) (未經審核) HK\$'000 港幣千元	Capital redemption reserve 股本贖回儲備 (Unaudited) (未經審核) HK\$'000 港幣千元	Contributed surplus 實收盈餘 (Unaudited) (未經審核) HK\$'000 港幣千元	Exchange fluctuation reserve 外匯變動儲備 (Unaudited) (未經審核) HK\$'000 港幣千元	Asset revaluation reserve 資產重估儲備 (Unaudited) (未經審核) HK\$'000 港幣千元	Legal reserve 法定儲備 (Unaudited) (未經審核) HK\$'000 港幣千元	Capital reserve 股本儲備 (Unaudited) (未經審核) HK\$'000 港幣千元	Retained profits 保留溢利 (Unaudited) (未經審核) HK\$'000 港幣千元	Dividends 股息 (Unaudited) (未經審核) HK\$'000 港幣千元	Total 總額 (Unaudited) (未經審核) HK\$'000 港幣千元	Non-controlling interests 非控股權益 (Unaudited) (未經審核) HK\$'000 港幣千元	Total equity 總權益 (Unaudited) (未經審核) HK\$'000 港幣千元
At 1 April 2019 於二零一九年四月一日	69,085	703,365	1,695	3,986	54,668	99,246	—	375,180	3,863,075	207,254	5,377,554	—	5,377,554
Profit for the period 本期溢利	—	—	—	—	—	—	—	—	211,566	—	211,566	—	211,566
Other comprehensive loss for the period: 本期其他全面虧損： Exchange differences on translation of foreign operations 換算海外經營業務產生之匯兌差額	—	—	—	—	(181,844)	—	—	—	—	—	(181,844)	—	(181,844)
Total comprehensive income/(loss) for the period 本期全面收入/(虧損)總額	—	—	—	—	(181,844)	—	—	—	211,566	—	29,722	—	29,722
2018/2019 final dividend 二零一八/二零一九年度末期股息	—	—	—	—	—	—	—	—	(207,254)	(207,254)	(207,254)	—	(207,254)
2019/2020 interim dividend 二零一九/二零二零年中期股息	—	—	—	—	—	—	—	—	(138,170)	138,170	—	—	—
At 30 September 2019 於二零一九年九月三十日	69,085	703,365	1,695	3,986	(127,176)	99,246	—	375,180	3,936,471	138,170	5,200,022	—	5,200,022
At 1 April 2018 於二零一八年四月一日	69,085	703,365	1,695	3,986	212,350	99,246	49	—	3,952,288	207,254	5,249,318	475,671	5,724,989
Profit for the period 本期溢利	—	—	—	—	—	—	—	—	195,275	—	195,275	(4,829)	190,446
Other comprehensive loss for the period: 本期其他全面虧損： Exchange differences on translation of foreign operations 換算海外經營業務產生之匯兌差額	—	—	—	—	—	(223,802)	—	—	—	—	(223,802)	(25,630)	(249,432)
Total comprehensive income/(loss) for the period 本期全面收入/(虧損)總額	—	—	—	—	(223,802)	—	—	—	195,275	—	(28,527)	(30,459)	(58,986)
2017/2018 final dividend 二零一七/二零一八年度末期股息	—	—	—	—	—	—	—	—	—	(207,254)	(207,254)	—	(207,254)
2018/2019 interim dividend 二零一八/二零一九年中期股息	—	—	—	—	—	—	—	—	(207,254)	207,254	—	—	—
Acquisition of non-controlling interests (note 17) 收購非控股權益(附註17)	—	—	—	—	—	—	—	375,180	—	—	375,180	(445,212)	(70,032)
At 30 September 2018 於二零一八年九月三十日	69,085	703,365	1,695	3,986	(11,452)	99,246	49	375,180	3,940,309	207,254	5,388,717	—	5,388,717

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

		Six months ended 30 September	
		截至九月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
NET CASH FLOWS FROM/(USED IN)	經營所得現金流入／(流出)淨額		
OPERATING ACTIVITIES		502,878	(104,462)
NET CASH FLOWS USED IN INVESTING	投資活動現金流出淨額		
ACTIVITIES		(95,068)	(94,972)
NET CASH FLOWS USED IN FINANCING	融資活動現金流出淨額		
ACTIVITIES		(321,194)	(403,941)
NET INCREASE/(DECREASE) IN CASH AND CASH	現金及現金等價物之增加／(減少)淨額		
EQUIVALENTS		86,616	(603,375)
Cash and cash equivalents at beginning of period	期初之現金及現金等價物	1,975,981	2,099,699
Foreign exchange adjustments	外匯調整	(17,558)	(80,172)
CASH AND CASH EQUIVALENTS	期末之現金及現金等價物	2,045,039	1,416,152
AT END OF PERIOD			
ANALYSIS OF BALANCES OF CASH AND CASH	現金及現金等價物結餘分析		
EQUIVALENTS			
Cash and bank balances	現金及銀行存款	460,109	458,759
Non-pledged time deposits with original maturity within three months when acquired	於訂立日三個月內到期之無抵押定期存款	1,584,930	957,393
Non-pledged time deposits with original maturity over three months when acquired	於訂立日三個月以上到期之無抵押定期存款	190,536	386,100
Cash and cash equivalents as stated in the condensed consolidated statement of financial position	現金及現金等價物，如載於簡明綜合財務狀況表	2,235,575	1,802,252
Less: Non-pledged time deposits with original maturity over three months when acquired	減：於訂立日三個月以上到期之無抵押定期存款	(190,536)	(386,100)
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	現金及現金等價物，如載於簡明綜合現金流量表	2,045,039	1,416,152

Financial Information 財務資料

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of Preparation

The unaudited condensed interim financial statements are prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and Appendix 16 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2019.

2. Significant Accounting Policies

The accounting policies and basis of preparation adopted in the preparation of the unaudited condensed interim financial statements are the same as those used in the Group’s annual financial statements for the year ended 31 March 2019, except in relation to the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA that affect the Group and are adopted for the first time for the current period’s financial statements:

Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i>
HKFRS 16	<i>Leases</i>
Amendments to HKAS 19	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i>
<i>Annual Improvements 2015-2017 Cycle</i>	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23

Other than as explained below regarding the impact of HKFRS 16, the adoption of the above new and revised HKFRSs has had no significant financial effect on these condensed interim financial statements.

財務報表附註

1. 編製基準

本未經審核簡明中期財務報表乃根據香港會計師公會頒佈之香港會計準則第34號中期財務報告及香港聯合交易所有限公司(「聯交所」)《證券上市規則》(「上市規則」)附錄16編製。

該等簡明中期財務報表並未包含年度財務報表所要求的所有資料及披露，並應與本集團截至二零一九年三月三十一日止年度的年度財務報表一併閱讀。

2. 主要會計政策

在編製此未經審核簡明財務報表採納的會計政策和編製基準與本集團截至二零一九年三月三十一日止年度的年度財務報表所採用的一致，除以下影響本集團及在本期財務報表中首次採納的香港會計師公會頒佈之新訂及經修訂香港財務報告準則(包括所有香港財務報告準則、香港會計準則及詮釋)：

香港財務報告準則第9號(修訂本)	具有負補償特點之預付款項
香港財務報告準則第16號	租賃
香港會計準則第19號(修訂本)	計劃修訂、縮減或結算
香港會計準則第28號(修訂本)	於聯營公司及合營企業之長期權益
香港(國際財務報告詮釋委員會)－詮釋第23號	所得稅處理方法的不明朗因素
二零一五年至二零一七年週期之年度改進	香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號和香港會計準則第23號之修訂

除下文所述有關香港財務報告準則第16號之影響外，採納上述新訂及經修訂香港財務報告準則對該等簡明中期財務報表並無重大財務影響。

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Significant Accounting Policies (continued)

HKFRS 16 Leases

HKFRS 16 replaces HKAS 17 *Leases* ("HKAS 17"), HK (IFRIC) – Int 4 *Determining whether an Arrangement contains a Lease* ("HK(IFRIC)-Int 4"), HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most of the leases under a single onbalance sheet model. Lessor accounting under HKFRS 16 is substantially unchanged under HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have any financial impact on leases where the Group is the lessor.

The Group adopted HKFRS 16 using the modified retrospective method of adoption with the date of initial application on 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 April 2019, and the comparative information for 2018 was not restated and continues to be reported under HKAS 17.

New Definition of a Lease

Under HKFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their stand-alone prices. A practical expedient is available to a lessee, which the Group has adopted, not to separate non-lease components and to account for the lease and the associated non-lease components (e.g., property management services for leases of properties) as a single lease component.

財務報表附註(續)

2. 主要會計政策(續)

香港財務報告準則第16號租賃

香港財務報告準則第16號取代香港會計準則第17號租賃(「香港會計準則第17號」)、香港(國際財務報告詮釋委員會)–詮釋第4號釐定安排是否包括租賃(「香港(國際財務報告詮釋委員會)–詮釋第4號」)、香港(常務詮釋委員會)–詮釋第15號經營租賃–優惠及香港(常務詮釋委員會)–詮釋第27號評估涉及租賃法律形式交易的內容。該準則載列確認、計量、呈列及披露租賃的原則，並要求承租人以單一資產負債表模式將大多數租賃列賬。香港財務報告準則第16號大致沿用香港會計準則第17號內出租人的會計處理方式。出租人將繼續使用與香港會計準則第17號相似的準則將租賃分為經營租賃或融資租賃。因此，香港財務報告準則第16號對本集團作為出租人的租賃並無任何財務影響。

本集團採納經修訂追溯採用法採納香港財務報告準則第16號，並於二零一九年四月一日初次應用。根據該方法，本集團已追溯應用該準則，並將初次採納的累計影響確認為對於二零一九年四月一日之保留盈利期初結餘的調整，且不會重列二零一八年的比較資料，而繼續根據香港會計準則第17號呈報。

租賃之新定義

根據香港財務報告準則第16號，倘合約為換取代價而授予在一段時間內可識別資產使用的控制權，則該合約屬於租賃或包含租賃。倘客戶有權從使用可識別資產中獲取絕大部分經濟利益及有權主導可識別資產的使用，則表示擁有控制權。本集團選擇使用過渡可行權宜方法，僅在初次應用日期對先前應用香港會計準則第17號及香港(國際財務報告詮釋委員會)–詮釋第4號識別為租賃的合約應用該準則。根據香港會計準則第17號及香港(國際財務報告詮釋委員會)–詮釋第4號未有識別為租賃的合約並未予重新評估。因此，香港財務報告準則第16號的租賃定義僅應用於在二零一九年四月一日或之後訂立或變更的合約。

在包含租賃組成部分的合約開始時或該等合約獲重新評估時，本集團將該合約的代價分配至各租賃組成部分及非租賃組成部分(以其獨立價格為基準)。承租人可採用可行權益方法(而本集團已採用此方法)不將非租賃組成部分分開，而將租賃及相關的非租賃組成部分(如物業租賃的物業管理費)作為一項單一租賃組成部分入賬。

Financial Information 財務資料

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Significant Accounting Policies (continued)

As a Lessee – Leases Previously Classified as Operating Leases

Nature of the Effect of Adoption of HKFRS 16

The Group has lease contracts for various items of land and buildings. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low value assets (elected on a lease-by-lease basis) and short-term leases (elected by class of underlying asset). The Group has elected not to recognise right-of-use assets and lease liabilities for certain (i) leases of low-value assets (e.g., office equipment); and (ii) leases, that at the commencement date, have a lease term of 12 months or less. Instead, the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

Impact on Transition

Lease liabilities at 1 April 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 April 2019 and included in lease liabilities.

The right-of-use assets for most of the leases were recognised based on the carrying amount as if the standard had always been applied, except for the incremental borrowing rate where the Group applied the incremental borrowing rate at 1 April 2019. For the other leases, the right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 April 2019. All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position.

For the leasehold land and buildings (that were held to earn rental income and/or for capital appreciation) previously included in investment properties and measured at fair value, the Group has continued to include them as investment properties at 1 April 2019. They continue to be measured at fair value applying HKAS 40.

財務報表附註(續)

2. 主要會計政策(續)

作為承租人 – 先前分類為經營租賃之租賃

採納香港財務報告準則第16號之影響之性質

本集團擁有多項土地及樓宇之租賃合約。作為承租人，本集團先前按租賃是否評估為已將其資產所有權之絕大部分回報及風險轉予本集團，將租賃分類為融資租賃或經營租賃。根據香港財務報告準則第16號，本集團就所有租賃應用單一之方法確認及計量使用權資產及租賃負債，惟低價值資產租賃(按個別租賃基準選擇)及短期租賃(按相關資產類別選擇)之兩項可選擇租賃豁免除外。本集團已選擇不就若干(i)低價值資產(如辦公室設備)租賃；及(ii)在開始日期租賃期為12個月或以下之租賃確認使用權資產及租賃負債。取而代之，本集團會將有關該等租賃之租賃付款在租賃期內按直線法確認為開支。

過渡影響

於二零一九年四月一日之租賃負債按剩餘租賃付款之現值確認，並使用二零一九年四月一日之增量借款利率貼現及計入租賃負債。

大部分租賃之使用權資產按賬面值確認，猶如該準則一直獲應用，惟本集團於二零一九年四月一日應用之增量借款利率除外。就其他租賃而言，使用權資產按租賃負債之金額計量，有關金額按緊隨二零一九年四月一日前財務狀況表內已確認租賃涉及之任何預付或應計租賃付款金額作出調整。所有該等資產於該日乃根據香港會計準則第36號評估是否存在任何減值。本集團已選擇於財務狀況表內分開呈列使用權資產。

對於先前計入投資物業並按公允價值計量之租賃土地及樓宇(持作以賺取租金收入及/或資本增值)而言，本集團於二零一九年四月一日繼續將其列為投資物業。其仍應用香港會計準則第40號按公允價值計量。

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Significant Accounting Policies (continued)

As a Lessee – Leases Previously Classified as Operating Leases (continued)

Impact on Transition (continued)

The difference between the operating lease commitments applying HKAS 17 as at 31 March 2019 and lease liabilities recognised in the interim condensed consolidated statement of financial position as at 1 April 2019, the date of initial application of HKFRS 16 by the Group is mainly due to discounting of future lease payments, reclassification of accrued lease expenses to lease liabilities and the election not to recognise lease liabilities for certain leases for which the lease term ends within 12 months of the date of initial application or for leases of low-value, and lease payments for the additional periods where the Group considers it reasonably certain that it will exercise the extension options not to recognise as at 31 March 2019. The lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 ranged from 3.0% to 4.9%.

The Group has used the following elective practical expedients when applying HKFRS 16 at 1 April 2019:

- Applied the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application
- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend/terminate the lease

財務報表附註(續)

2. 主要會計政策(續)

作為承租人 – 先前分類為經營租賃之租賃(續)

過渡影響(續)

於二零一九年三月三十一日應用香港會計準則第17號的經營租賃承擔與於二零一九年四月一日(即本集團首次應用香港財務報告準則第16號之日)於中期簡明綜合財務狀況表確認的租賃負債之間的差額主要由於未來租賃付款貼現、應計租賃費用重新分類為租賃負債、選擇不就租賃期限於初次應用日期後12個月內屆滿或屬低價值租賃的若干租賃確認租賃負債，以及本集團合理確信其將行使延長選擇權不於二零一九年三月三十一日確認的額外期間租賃付款。於二零一九年四月一日應用於租賃負債的承租人增量借款利率為介乎3.0%至4.9%。

本集團於二零一九年四月一日應用香港財務報告準則第16號時已使用以下有選擇性的實際權宜方法：

- 對於租賃期自初次應用之日起12個月內終止的租賃應用短期租賃豁免
- 對具有合理相似特徵的租賃組合使用單一貼現率
- 於初次應用日期計量使用權資產時剔除初步直接成本
- 倘合約包含延長／終止租賃的選擇權，則於事後釐定租賃期

Financial Information 財務資料

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Significant Accounting Policies (continued)

As a Lessee – Leases Previously Classified as Operating Leases (continued)

Impact on Transition (continued)

The impact arising from the adoption of HKFRS 16 as at 1 April 2019 is as follows:

財務報表附註(續)

2. 主要會計政策(續)

作為承租人 – 先前分類為經營租賃之租賃(續)

過渡影響(續)

於二零一九年四月一日採納香港財務報告準則第16號產生之影響如下：

		Increase/ (decrease) 增加/(減少) (Unaudited) (未經審核) HK\$'000 港幣千元
Assets	資產	
Increase in right-of-use assets	使用權資產增加	720,297
Decrease in property, plant and equipment	物業、廠房及設備減少	(2,163)
Decrease in prepaid land lease payments	預付土地租賃款項減少	(12,652)
Increase in total assets	總資產增加	705,482
Liabilities	負債	
Increase in lease liabilities and total liabilities	租賃負債及總負債增加	707,911
Decrease in retained earnings	保留盈利減少	(2,429)

Summary of New Accounting Policies

The accounting policy for leases as disclosed in the annual financial statements for the year ended 31 March 2019 is replaced with the following new accounting policies upon adoption of HKFRS 16 from 1 April 2019:

Right-of-use Assets

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term. When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's policy for "investment properties".

新會計政策概要

於二零一九年四月一日採納香港財務報告準則第16號後，截至二零一九年三月三十一日止年度的年度財務報表所披露有關租賃的會計政策由以下新會計政策取代：

使用權資產

使用權資產於租賃開始日期確認。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就重新計量租賃負債作出調整。使用權資產的成本包括已確認的租賃負債金額、已產生的初始直接成本以及於開始日期或之前作出之租賃付款減已收取之任何租賃優惠。除非本集團合理確定在租賃期屆滿時取得租賃資產之所有權，否則已確認之使用權資產在估計使用年期及租賃期(以較短者為準)內按直線法計提折舊。當使用權資產符合投資物業之定義，該資產計入投資物業中。相應使用權資產初始以成本計量，後續按照本集團有關「投資物業」之政策以公允價值計量。

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Significant Accounting Policies (continued)

Summary of New Accounting Policies (continued)

Lease Liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

Significant Judgement in Determining the Lease Term of Contracts With Renewal Options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases, to lease buildings for additional terms of three to five years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. It considers all relevant factors that create an economic incentive for it to exercise the renewal. After the lease commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within the control of the Group and affects its ability to exercise the option to renew.

The Group included the renewal period as part of the lease term for leases of buildings due to the significance of these assets to its operations. These leases have a short non-cancellable period and there will be a significant negative effect on operation if a replacement is not readily available.

財務報表附註(續)

2. 主要會計政策(續)

新會計政策概要(續)

租賃負債

租賃負債於租賃開始日期按租賃期內作出之租賃付款之現值予以確認。租賃付款包括固定付款(包括實質固定付款)減任何應收租賃優惠、取決於某一指數或比率之可變租賃付款,以及預期在剩餘價值擔保下支付之金額。租賃付款亦包括合理確定將由本集團行使之購買選擇權之行使價,及為終止租賃而支付之罰款(倘租賃期反映本集團正行使終止權)。並非取決於某一指數或比率之可變租賃付款於導致付款之事件或條件發生之期間確認為支出。

於計算租賃付款之現值時,若租賃中所隱含之利率不易確定,則本集團在租賃開始日期使用增量借款利率。在開始日期之後,租賃負債之金額將會增加以反映利息之增加及就已作出之租賃付款作出扣減。此外,如有修改、租賃付款日後因某一指數或比率變動而出現變動、租賃期限發生變化、實質固定租賃付款變化或購買相關資產之評估變化,則租賃負債之賬面值將重新計量。

釐定有重續選擇權合約的租賃期時所用重大判斷

本集團將租賃期釐定為不可撤銷租賃期限,而若能合理確定將行使延長租賃的選擇權,租賃期還應包括該選擇權所涵蓋的任何期間,或在合理確定將不會行使終止租賃的選擇權時,還應包括該選擇權所涵蓋的任何期間。

本集團根據其部分租賃可選擇續租樓宇三至五年。本集團於評估行使重續選擇權有否合理確定性時運用判斷。其將所有會對行使重續構成經濟激勵的相關因素進行考量。於租賃開始日期後,如在本集團控制範圍內有影響其行使重續選擇權的重大事件或情況變動,本集團會重新評估租賃期。

本集團將重續期間計作樓宇租賃的一部分租賃期,此乃由於該等資產對其經營而言具有重要性。該等租賃擁有短期不可撤銷期間,且倘未能及時取得替代品,會對經營構成重大負面影響。

Financial Information 財務資料

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Significant Accounting Policies (continued)

Amounts Recognised in the Interim Condensed Consolidated Statements of Financial Position and Profit or Loss

The carrying amounts of the Group's right-of-use assets and lease liabilities, and the movement during the period are as follows:

		Right-of-use assets 使用權資產			Lease liabilities 租賃負債
		Land 土地 HK\$'000 港幣千元	Buildings 樓宇 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元	HK\$'000 港幣千元
As at 1 April 2019	於二零一九年四月一日	205,368	514,929	720,297	707,911
Additions	添置	—	50,219	50,219	49,496
Depreciation charge	折舊開支	(2,977)	(132,344)	(135,321)	—
Interest expenses	利息開支	—	—	—	13,279
Payments	付款	—	—	—	(155,014)
Exchange realignment	匯兌調整	(11,250)	(14,570)	(25,820)	(11,426)
As at 30 September 2019	於二零一九年九月三十日	191,141	418,234	609,375	604,246

* Lease liabilities as at 30 September 2019 included in current liabilities and non-current liabilities amounting to HK\$211,040,000 and HK\$393,206,000, respectively.

財務報表附註(續)

2. 主要會計政策(續)

於中期簡明綜合財務狀況及損益表中確認的金額

期內，本集團使用權資產及租賃負債賬面值及其變動如下：

* 於二零一九年九月三十日，計入流動負債及非流動負債的租賃負債分別為港幣211,040,000元及港幣393,206,000元。

3. Significant Accounting Judgements and Estimates

The judgments and estimates adopted in the preparation of the unaudited condensed interim financial statements are the same as those used in the Group's annual financial statements for the year ended 31 March 2019.

3. 主要會計判斷及估計

在編製此未經審核簡明中期財務報表時採納的判斷及估計與本集團截至二零一九年三月三十一日止年度的年度財務報表採用的一致。

4. Operating Segment Information

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- the production, dyeing and sale of knitted fabric, yarn and seamless garments segment;
- the retailing and distribution of casual apparel and accessories segment; and
- the "others" segment comprises, principally, the provision of franchise services and properties investment.

4. 營運分類資料

就管理而言，本集團根據所提供產品及服務將業務單位分類，三個可匯報營運分類如下：

- 針織布、棉紗及無縫成衣之產銷及整染分類；
- 便服及飾物之零售及分銷分類；及
- 「其他」分類主要包含提供特許經營服務及物業投資。

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Operating Segment Information (continued)

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss) which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit before tax except interest income, finance costs and share of profit/(loss) of an associate, net of tax are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

財務報表附註(續)

4. 營運分類資料(續)

管理層獨立監察本集團的營運分類業績以作出資源分配及表現評估的決定。分類表現乃按經調整除稅前損益計量的可匯報分類損益予以評估。經調整除稅前損益與本集團的除稅前溢利的計量一致，惟利息收入、財務費用及應佔聯營公司損益(除稅後淨額)，均不計入該計量內。

分類間之銷售及轉撥交易之售價乃參照售予第三者之當時市場價格訂定。

	Production, dyeing and sale of knitted fabric, yarn and seamless garments		Retailing and distribution of casual apparel and accessories		Others		Eliminations		Consolidated	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Segment revenue:	分類收入：									
Sales to external customers	2,849,791	2,625,980	1,346,157	1,718,507	1,380	1,451	—	—	4,197,328	4,345,938
Intersegment sales	18,913	—	—	—	3,017	3,996	(21,930)	(3,996)	—	—
Other revenue	25,446	30,261	2,814	3,568	17,293	22,340	(4,159)	(3,750)	41,394	52,419
	2,894,150	2,656,241	1,348,971	1,722,075	21,690	27,787	(26,089)	(7,746)	4,238,722	4,398,357
Segment results	分類業績									
	354,826	208,583	(121,182)	(62,677)	14,827	21,808	—	—	248,471	167,714
Reconciliation:	調節：									
Interest income									34,861	29,310
Finance costs									(34,654)	(15,121)
Share of profit of an associate									6,483	54,740
Profit before tax									255,161	236,643
Income tax expense									(43,595)	(46,197)
Profit for the period									211,566	190,446

Financial Information 財務資料

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Revenue, Other Income and Gains

財務報表附註(續)

5. 收入、其他收入及收益

		Six months ended 30 September 截至九月三十日止六個月	
		2019 二零一九年 (Unaudited) (未經審核) HK\$'000 港幣千元	2018 二零一八年 (Unaudited) (未經審核) HK\$'000 港幣千元
Revenue from contracts with customers:	來自與客戶訂立的合約的收入：		
Sales of goods	銷售貨品	4,190,439	4,335,573
Rendering of services	提供服務	5,746	9,173
Franchise and royalty income	特許經營及專利收入	1,143	1,192
		4,197,328	4,345,938
<i>Disaggregated revenue information</i>	<i>分拆收入資料</i>		
Timing of revenue recognition	收入確認時間		
At a point in time	於某一時點	4,190,439	4,335,573
Over time	於某一時段	6,889	10,365
		4,197,328	4,345,938
Other income and gains:	其他收入及收益：		
Interest income	利息收入	34,861	29,310
Net fair value gains on foreign exchange derivative financial instruments	外匯衍生金融工具公允價值收益淨額	1,743	1,636
Rental income on investment properties	投資物業租金收入	11,323	14,395
Compensation from suppliers for defective goods	就次貨獲得供應商賠償	13,213	9,613
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目收益	65	170
Government subsidies	政府補助款	6,402	5,634
Sundry income	雜項收入	8,648	20,971
		76,255	81,729

NOTES TO THE FINANCIAL STATEMENTS (continued)

財務報表附註(續)

6. Profit Before Tax

The Group's profit before tax is arrived at after charging/ (crediting):

6. 除稅前溢利

本集團之除稅前溢利已扣除/(加上)：

		Six months ended 30 September	
		截至九月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Depreciation of property, plant and equipment	物業、廠房及設備折舊	127,566	129,483
Depreciation of right-of-use assets	使用權資產折舊	135,321	—
Amortisation of prepaid land lease payments	預付土地租賃款之攤銷	—	207
Write-down/(reversal of write-down) of inventories	存貨撇減/(撇減撥回)	(4,605)	9
Impairment/(reversal of impairment) loss allowance of trade receivables	應收賬款減值損失撥備/(撥備撥回)	8,091	(297)
Net gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目收益淨額	(65)	(170)

Financial Information 財務資料

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Income Tax Expense

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2018: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

財務報表附註(續)

7. 稅項

香港利得稅已按期內於香港賺取之估計應課稅溢利以稅率16.5%(截至二零一八年九月三十日止六個月:16.5%)提撥準備。在其他地區的應課利得稅項,乃根據本集團業務經營所在司法權區之現行稅率計算。

		Six months ended 30 September 截至九月三十日止六個月	
		2019 二零一九年 (Unaudited) (未經審核) HK\$'000 港幣千元	2018 二零一八年 (Unaudited) (未經審核) HK\$'000 港幣千元
Current – Hong Kong and Mainland China: 本期－香港及中國大陸：			
Charge for the period	本期準備	41,773	45,347
Under-provision in prior years	往年度撥備不足	—	1
Deferred	遞延	1,822	849
Total tax charge for the period	本期稅項合計	43,595	46,197

8. Dividends

8. 股息

		Six months ended 30 September 截至九月三十日止六個月	
		2019 二零一九年 (Unaudited) (未經審核) HK\$'000 港幣千元	2018 二零一八年 (Unaudited) (未經審核) HK\$'000 港幣千元
Interim dividend	中期股息	138,170	207,254
Interim dividend per ordinary share (HK cents)	每股普通股中期股息 (港幣仙)	10.0	15.0

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Earnings Per Share Attributable to Ordinary Equity Holders of the Company

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 1,381,696,104 (six months ended 30 September 2018: 1,381,696,104) in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 September 2019 and 2018.

10. Property, Plant and Equipment

During the six months ended 30 September 2019, the Group acquired items of property, plant and equipment with a cost of HK\$73,484,000 (six months ended 30 September 2018: HK\$99,737,000). Items of property, plant and equipment with a net book value of HK\$5,744,000 (six months ended 30 September 2018: HK\$5,360,000) were disposed of during the six months ended 30 September 2019.

11. Trade Receivables

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance of HK\$21,590,000 (31 March 2019: HK\$13,499,000), is as follows:

		30 September 2019 二零一九年 九月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	31 March 2019 二零一九年 三月三十一日 (Audited) (經審核) HK\$'000 港幣千元
Within 90 days	90日內	799,392	648,562
Over 90 days	90日以上	109,565	115,437
		908,957	763,999

Payment terms of the Group's customers mainly range from "cash before delivery" to "90 days from the date of invoice". A significant portion of the customers trades with the Group under documentary credit terms. The Group seeks to maintain strict credit control on its outstanding receivables and has a policy to manage its credit risk. Since the Group's trade receivables relate to a large number of customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

財務報表附註(續)

9. 歸屬本公司普通權益所有者每股盈利

基本每股盈利金額乃按本公司普通權益所有者應佔該期溢利及於該期內已發行普通股1,381,696,104股(截至二零一八年九月三十日止六個月: 1,381,696,104股)之加權平均股數計算。

本集團於截至二零一九年及二零一八年九月三十日止六個月內並無已發行的潛在可引致攤薄的普通股。

10. 物業、廠房及設備

於截至二零一九年九月三十日止六個月內，本集團添置價值為港幣73,484,000元(截至二零一八年九月三十日止六個月: 港幣99,737,000元)之物業、廠房及設備項目。於截至二零一九年九月三十日止六個月內，賬面淨值為港幣5,744,000元(截至二零一八年九月三十日止六個月: 港幣5,360,000元)之物業、廠房及設備項目被出售。

11. 應收賬款

於報告期末，按發票日期及扣除損失撥備港幣21,590,000元(二零一九年三月三十一日: 港幣13,499,000元)後之應收賬款賬齡分析如下:

本集團客戶主要賬期由「先款後貨」至「發票日起的90天」，其中有重大部份是以信用狀與本集團進行交易。本集團對應收款項實施一套嚴謹監察制度以管理信貸風險。由於本集團應收賬款包括眾多客戶，因此並無重大的信貸集中風險。本集團並無就其應收賬款結餘持有任何抵押品或其他提升信用之保障。應收賬款為非付息。

Financial Information 財務資料

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Trade Payables

An ageing analysis of trade payables as at the end of the reporting period, based on the invoice date, is as follows:

		30 September 2019 二零一九年 九月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	31 March 2019 二零一九年 三月三十一日 (Audited) (經審核) HK\$'000 港幣千元
Within 90 days	90日內	927,866	791,729
Over 90 days	90日以上	18,838	32,835
		946,704	824,564

At the end of the reporting period, the trade payables are non-interest-bearing and are normally settled on 90-day terms.

13. Contingent Liabilities

(a) At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

		30 September 2019 二零一九年 九月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	31 March 2019 二零一九年 三月三十一日 (Audited) (經審核) HK\$'000 港幣千元
Bank guarantees given in lieu of property rental deposits	代替租用物業按金之銀行擔保	5,088	4,193

財務報表附註(續)

12. 應付賬款

於報告期末，按發票日期之應付賬款賬齡分析如下：

於報告期末，應付賬款為非附息及一般為90天的賬期。

13. 或有負債

(a) 於報告期末，以下或有負債未於財務報表中撥備：

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Contingent Liabilities (continued)

- (b) The Hong Kong Inland Revenue Department (the "IRD") initiated a review on the tax affairs of certain subsidiaries of the Group for the years of assessment from 2005/2006 to 2016/2017.

Details of protective tax assessments issued by the IRD to certain subsidiaries of the Group:

Protective tax assessments 保障稅務評估			Amount of tax reserve certificates purchased 已購買儲稅券金額
Related to the year of assessment 有關課稅年度	Issued in month/year 發出年份/月份	Tax amount 應繳稅額 HK\$'000 港幣千元	HK\$'000 港幣千元
2005/2006 二零零五/二零零六	March 2012 二零一二年三月	69,125	4,500
2006/2007 二零零六/二零零七	March 2013 二零一三年三月	189,000	31,500
2007/2008 二零零七/二零零八	March 2014 二零一四年三月	388,878	34,000
2008/2009 二零零八/二零零九	March 2015 二零一五年三月	376,200	38,000
2009/2010 二零零九/二零一零	March 2016 二零一六年三月	323,648	38,000
2010/2011 二零一零/二零一一	January 2017 二零一七年一月	237,600	50,000
2011/2012 二零一一/二零一二	January 2018 二零一八年一月	183,745	7,090
2012/2013 二零一二/二零一三	April 2018 and January 2019 二零一八年四月及 二零一九年一月	175,049	46,069
2013/2014 二零一三/二零一四	April 2018 二零一八年四月	498,940	166,320
2014/2015 二零一四/二零一五	April 2018 二零一八年四月	247,460	82,500
2015/2016 二零一五/二零一六	April 2018 二零一八年四月	230,400	71,710
2016/2017 二零一六/二零一七	April 2018 二零一八年四月	129,628	49,808

The directors of these subsidiaries believe that there are valid grounds to object to the tax claimed. Subsequent to the objections filed, the IRD agreed to hold over the tax claimed completely subject to the purchases of tax reserve certificates.

In view that the tax review is still in progress, the outcome of the case is still uncertain. Up to the date of approval of these financial statements, the directors of the Company consider that adequate tax provisions have been made in these financial statements.

財務報表附註(續)

13. 或有負債(續)

- (b) 香港稅務局(「稅局」)向本集團部份附屬公司提出就二零零五/二零零六至二零一六/二零一七課稅年度的稅務事項進行覆核。

稅局向本集團部份附屬公司發出的保障稅務評估詳情：

該等附屬公司董事相信有充份理據就追討的稅款提出反對。於提出反對後，稅局同意暫緩所徵的全部稅款，惟必須購買儲稅券。

由於稅務覆核仍在進行中，這事件的結果仍然不明朗。截至本財務報表核准日，本公司董事認為本財務報表中之稅項撥備已足夠。

Financial Information 財務資料

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Capital Commitments

The commitments for capital expenditure of the Group at the end of the reporting period were as follows:

	30 September 2019 二零一九年 九月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	31 March 2019 二零一九年 三月三十一日 (Audited) (經審核) HK\$'000 港幣千元
In respect of property, plant and equipment, contracted but not provided for	16,922	104,709

就物業、廠房及設備，已訂約但未提撥備

15. Related Party Transactions

(a) During the period, the Group had the following related party transactions:

	Six months ended 30 September 截至九月三十日止六個月 2019 二零一九年 (Unaudited) (未經審核) HK\$'000 港幣千元	2018 二零一八年 (Unaudited) (未經審核) HK\$'000 港幣千元
Rental expenses paid to related companies	12,231	12,843

財務報表附註(續)

14. 資本性承擔

本集團於報告期末有以下資本性支出承擔：

15. 關連人士交易

(a) 於期內，本集團曾進行以下關連人士交易：

Note:

(i) Rental expenses were paid to related companies, of which certain directors of the Company are also the directors and beneficial shareholders, for the provision of directors' quarters, retail outlets and a training centre for certain subsidiaries in Hong Kong and Mainland China. The directors considered that the monthly rentals were charged based on the prevailing market rates at the dates of entering into the tenancy agreements.

附註：

(i) 租金費用是支付予關連公司作為部份香港及中國大陸之附屬公司的董事宿舍、零售門市及培訓中心，該等公司之董事及實益股東亦為本公司之部份董事。董事認為每月之租金乃根據租賃合同簽訂日之市場價格釐定。

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Related Party Transactions (continued)

- (b) On 13 February 2018, the Group entered into a lease agreement with Mountain Rich Limited (“MRL”), a company wholly-owned by Mr. Poon Bun Chak, an executive director and controlling shareholder of the Company, to lease Tianjin Bin Jiang Fu Shi Commercial Building at 282-286 Bin Jiang Road, He Ping Qu, Tianjin, China from MRL as a retail outlet for the retail and distribution of apparel and accessories business of the Group for a term of two years commencing from 1 April 2018 at the monthly rent of RMB1,329,900. During the period, the Group paid to MRL operating lease rentals in respect of the above property of HK\$9,224,186 (six months ended 30 September 2018: HK\$9,836,206).

On 13 February 2018, the Group entered into a lease agreement with Latex (Hong Kong) Limited (“Latex”), a company wholly-owned by Mr. Poon Bun Chak, an executive director and controlling shareholder of the Company, to lease 22 Perkins Road, Jardine’s Lookout, Hong Kong from Latex as a director’s quarter of the Group for a term of two years commencing from 1 April 2018 at the monthly rent of HK\$400,000. During the period, the Group paid to Latex operating lease rentals in respect of the above property of HK\$2,400,000 (six months ended 30 September 2018: HK\$2,400,000).

On 13 February 2018, the Group entered into a lease agreement with Winson Link Enterprises Limited (“WLEL”), a company wholly-owned by Mr. Poon Bun Chak, an executive director and controlling shareholder of the Company, to lease Room 4207B, 42nd Floor, Metroplaza Tower II, 223 Hing Fong Road, Kwai Chung, New Territories, Hong Kong and a car parking space from WLEL as a training center of the Group for a term of two years commencing from 1 April 2018 at the monthly rent of HK\$63,200. During the period, the Group paid to WLEL operating lease rentals in respect of the above property of HK\$379,000 (six months ended 30 September 2018: HK\$379,000).

財務報表附註(續)

15. 關連人士交易(續)

- (b) 於二零一八年二月十三日，本集團與山富國際有限公司(「山富」)(由本公司的執行董事及控股股東潘彬澤先生全資擁有)簽訂合約，向山富承租位於中國天津市和平區濱江道282號-286號的天津濱江服飾商廈，作為本集團便服及飾物之零售及分銷業務的零售門市，由二零一八年四月一日起為期兩年，每月租金為人民幣1,329,900元。於本期內，本集團就上述物業向山富支付經營租賃租金港幣9,224,186元(截至二零一八年九月三十日止六個月：港幣9,836,206元)。

於二零一八年二月十三日，本集團與立德(香港)有限公司(「立德」)(由本公司執行董事及控股股東潘彬澤先生全資擁有)簽訂合約，向立德承租香港渣甸山白建時道22號，作為本集團一董事宿舍之用。由二零一八年四月一日起為期兩年，每月租金為港幣400,000元。於本期內，本集團就上述物業向立德支付經營租賃租金港幣2,400,000元(截至二零一八年九月三十日止六個月：港幣2,400,000元)。

於二零一八年二月十三日，本集團與永信興企業有限公司(「永信興」)(由本公司執行董事及控股股東潘彬澤先生全資擁有)簽訂合約，向永信興承租香港新界葵涌興芳路223號新都會廣場第二座42樓4207B室及一個停車位，作為本集團的培訓中心。由二零一八年四月一日起，為期兩年，每月租金為港幣63,200元。於本期內，本集團就上述物業向永信興支付經營租賃租金港幣379,000元(截至二零一八年九月三十日止六個月：港幣379,000元)。

Financial Information 財務資料

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Related Party Transactions (continued)

- (c) Compensation of key management personnel of the Group:

		Six months ended 30 September	
		截至九月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Short term employee benefits	短期僱員福利	26,274	28,035
Post-employment benefits	離職後福利	18	18
Total compensation paid to key management personnel	主要管理人員薪酬總額	26,292	28,053

16. Fair Value Hierarchy of Financial Instruments

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly; and
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

財務報表附註(續)

15. 關連人士交易(續)

- (c) 本集團主要管理人員薪酬：

16. 金融工具之公允值等級

所有載於本財務報表計量或披露的資產及負債乃基於對公允值計量整體而言屬重大的最低層輸入數據按以下公允值等級分類：

- 第一級 — 基於相同資產或負債於活躍市場的報價(未經調整)；
- 第二級 — 基於對公允值計量而言屬重大的可觀察(直接或間接)最低層輸入數據的估值方法；及
- 第三級 — 基於對公允值計量而言屬重大的不可觀察最低層輸入數據的估值方法。

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Fair Value Hierarchy of Financial Instruments (continued)

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

財務報表附註(續)

16. 金融工具之公允值等級(續)

本集團金融工具之賬面值及公允值(賬面值與其公允值合理地相若之金融工具除外)載列如下：

		Carrying amounts		Fair values	
		賬面值		公允值	
		30 September	31 March	30 September	31 March
		2019	2019	2019	2019
		二零一九年	二零一九年	二零一九年	二零一九年
		九月三十日	三月三十一日	九月三十日	三月三十一日
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		(未經審核)	(經審核)	(未經審核)	(經審核)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Financial assets	金融資產				
Derivative financial instruments	衍生金融工具	—	7,057	—	7,057
Financial assets at fair value through profit or loss	按公允值計入損益的金融資產	140,796	145,298	140,796	145,298
Debt instruments at amortised cost	按已攤銷成本的債務工具	222,340	232,775	224,441	229,019
		363,136	385,130	365,237	381,374
Financial liabilities	金融負債				
Derivative financial instruments	衍生金融工具	2,799	3,334	2,799	3,334

Management has assessed that the fair values of cash and cash equivalents, trade receivables, bills receivable, financial assets included in prepayments, deposits and other receivables, trade payables, bills payable, amount due to an associate, current portion of interest-bearing bank borrowings, and financial liabilities included in other payables and accrued liabilities approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the financial controller is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department directly reports to the Board. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the Board.

管理層已評估現金及現金等價物、應收賬款、應收票據、包括於預付款項、訂金及其他應收賬款內之金融資產、應付賬款、應付票據、應付聯營公司款項、附息銀行貸款流動部份及包括於其他應付賬款及應計負債內之金融負債的公允值與其賬面值相若，主要由於此等工具的到期年期較短。

本集團由財務總監領導之財務部負責決定金融工具公允值計量之政策及流程。財務部直接向董事會匯報。於每一報告日，財務部分析金融工具價值變動，並決定估值時使用之主要輸入值。估值由董事會審查批准。

Financial Information 財務資料

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Fair Value Hierarchy of Financial Instruments (continued)

The fair values of the financial assets and liabilities are included as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of financial assets at fair value through profit or loss and debt instruments at amortised cost are estimated based on quoted prices.

The fair values of the long term rental deposits and non-current interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank borrowings as at 30 September 2019 was assessed to be insignificant.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions. Derivative financial instruments, including forward currency contracts, are measured using valuation techniques similar to forward pricing, using present value calculations. The models incorporates various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates, and interest rate curves. The carrying amounts of forward currency contracts are the same as their fair values.

財務報表附註(續)

16. 金融工具之公允價值等級(續)

金融資產及負債之公允價值以該工具於自願交易方(而非強迫或清盤銷售)當前交易下之可交易金額入賬。在評估其公允價值時已採用下列方法及假設：

按公允價值計入損益的金融資產及按已攤銷成本的債務工具的公允價值乃按報價估計。

長期租金按金及附息銀行貸款非流動部份已使用具有類似條款、信貸風險及餘下到期日之工具當前可用之利率貼現預期未來現金流量以計算其公允價值。本集團於二零一九年九月三十日就附息銀行貸款的自身不履約風險被評定為不重大。

本集團與多名對手(主要為金融機構)訂立衍生金融工具。衍生金融工具(包括遠期外匯合約)均採用與以現值計算遠期定價相似的估值技術計量。該等模型包括多項市場可觀察輸入值，包括對手的信貸質素、外匯的即期及遠期匯率及利率曲線。遠期外匯合約的賬面值與彼等的公允價值相同。

Financial Information 財務資料

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Fair Value Hierarchy of Financial Instruments (continued)

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

財務報表附註(續)

16. 金融工具之公允價值等級(續)

下表列明本集團的金融工具的公允價值計量等級：

按公允價值計量的資產：

		Fair value measurement as at 30 September 2019 (Unaudited) 於二零一九年九月三十日的 公允價值計量採用(未經審核)			
		Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) HK\$'000 港幣千元	Significant observable inputs (Level 2) 重大可觀察 的輸入數據 (第二級) HK\$'000 港幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 的輸入數據 (第三級) HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
Derivative financial assets	衍生金融資產	—	—	—	—
Financial assets at fair value through profit or loss	按公允價值計入損益的 金融資產	140,796	—	—	140,796
		140,796	—	—	140,796

		Fair value measurement as at 31 March 2019 (Audited) 於二零一九年三月三十一日的 公允價值計量採用(經審核)			
		Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) HK\$'000 港幣千元	Significant observable inputs (Level 2) 重大可觀察 的輸入數據 (第二級) HK\$'000 港幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 的輸入數據 (第三級) HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
Derivative financial assets	衍生金融資產	—	7,057	—	7,057
Financial assets at fair value through profit or loss	按公允價值計入損益的 金融資產	145,298	—	—	145,298
		145,298	7,057	—	152,355

Financial Information 財務資料

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Fair Value Hierarchy of Financial Instruments (continued) Liabilities measured at fair value:

財務報表附註(續)

16. 金融工具之公允值等級(續) 按公允值計量的負債：

Fair value measurement as at 30 September 2019 (Unaudited) 於二零一九年九月三十日的 公允值計量採用(未經審核)					
Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) HK\$'000 港幣千元	Significant observable inputs (Level 2) 重大可觀察 的輸入數據 (第二級) HK\$'000 港幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 的輸入數據 (第三級) HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元		
Derivative financial liabilities	衍生金融負債	—	2,799	—	2,799

Fair value measurement as at 31 March 2019 (Audited) 於二零一九年三月三十一日的 公允值計量採用(經審核)					
Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) HK\$'000 港幣千元	Significant observable inputs (Level 2) 重大可觀察 的輸入數據 (第二級) HK\$'000 港幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 的輸入數據 (第三級) HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元		
Derivative financial liabilities	衍生金融負債	—	3,334	—	3,334

As at 30 September 2019 and 31 March 2019, the Group had no financial instruments measured at fair value under Level 3.

於二零一九年九月三十日及二零一九年三月三十一日，本集團並無按公允值計量第三級之金融工具。

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 September 2018: nil).

期內，金融資產及金融負債均無任何公允值計量第一級與第二級之間的轉撥，亦無從第三級轉入或轉出(截至二零一八年九月三十日止六個月：無)。

Financial Information 財務資料

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Fair Value Hierarchy of Financial Instruments (continued)

Assets for which fair values are disclosed:

財務報表附註(續)

16. 金融工具之公允值等級(續)

已披露公允值的資產：

		Fair value measurement as at 30 September 2019 (Unaudited) 於二零一九年九月三十日的 公允值計量採用(未經審核)			
		Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) HK\$'000 港幣千元	Significant observable inputs (Level 2) 重大可觀察 的輸入數據 (第二級) HK\$'000 港幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 的輸入數據 (第三級) HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
Debt instruments at amortised cost	按已攤銷成本的 債務工具	224,441	—	—	224,441

		Fair value measurement as at 31 March 2019 (Audited) 於二零一九年三月三十一日的 公允值計量採用(經審核)			
		Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) HK\$'000 港幣千元	Significant observable inputs (Level 2) 重大可觀察 的輸入數據 (第二級) HK\$'000 港幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 的輸入數據 (第三級) HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
Debt instruments at amortised cost	按已攤銷成本的 債務工具	229,019	—	—	229,019

Financial Information 財務資料

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. Acquisition of Non-controlling Interests

In September 2018, the Group acquired the remaining 36% equity interest in Baleno Holdings Limited at total cash consideration of HK\$69,450,000 from the non-controlling shareholders. Baleno Holdings Limited was an indirect 64%-owned subsidiary of the Company right before the completion of the transaction and became an indirect wholly-owned subsidiary of the Company upon completion of the transaction.

The following summarised the financial impact arising from the changes in the Group's ownership interest in Baleno Holdings Limited on the equity attributable to ordinary equity holders of the Company:

財務報表附註(續)

17. 收購非控股權益

於二零一八年九月，本集團向非控股股東收購班尼路集團有限公司的剩餘36%股權，現金總代價為港幣69,450,000元。班尼路集團有限公司於完成交易前為本公司擁有64%的間接附屬公司，並於完成交易後成為本公司的間接全資附屬公司。

下文概述本集團於班尼路集團有限公司擁有權變動對本公司普通權益所有者應佔權益的財務影響：

		HK\$'000 港幣千元 (Unaudited) (未經審核)
Carrying amount of the non-controlling interests acquired	收購非控股權益賬面值	445,212
Less: Total consideration paid to the non-controlling shareholders	減：已付非控股股東總代價	(69,450)
Legal and professional fees	法律及專業費用	(582)
Increase in equity attributable to ordinary equity holders of the Company	本公司普通權益所有者應佔權益增加	<u>375,180</u>

Management's Discussion and Analysis 管理層之論述及分析

INTERIM DIVIDEND

The Board has declared an interim dividend of HK10.0 cents (six months ended 30 September 2018: HK15.0 cents) per ordinary share for the six months ended 30 September 2019. The interim dividend will be payable on Friday, 3 January 2020 to shareholders registered on the Register of Members of the Company on Wednesday, 11 December 2019.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 9 December 2019 to Wednesday, 11 December 2019 (both days inclusive) for the purpose of determining the entitlement to the interim dividend for the six months ended 30 September 2019. During which period no transfer of shares of the Company will be registered and no share will be allotted and issued. In order to qualify for entitlement to the interim dividend for the six months ended 30 September 2019, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar and Transfer Office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Friday, 6 December 2019.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENT

For the six months ended 30 September 2019, the Group's total turnover decreased by 3.4% to HK\$4,197 million (six months ended 30 September 2018: HK\$4,346 million). Profit for the period attributable to the ordinary equity holders of the Company amounted to HK\$212 million (six months ended 30 September 2018: HK\$195 million), an increase of 8.7%. The Group's gross profit margin was 31.7% (six months ended 30 September 2018: 30.9%), an increase of 0.8 percentage point from last year. The Board has recommended an interim dividend of HK10.0 cents per ordinary share, a decrease of 33.3% compared to last interim period's HK15.0 cents per ordinary share.

中期股息

董事會宣佈派發截至二零一九年九月三十日止六個月之中期股息每股普通股港幣10.0仙(截至二零一八年九月三十日止六個月：港幣15.0仙)。該中期股息將於二零二零年一月三日星期五，派發予二零一九年十二月十一日星期三名列本公司股東名冊之股東。

暫停辦理過戶登記

本公司將由二零一九年十二月九日星期一至二零一九年十二月十一日星期三(首尾兩日包括在內)暫停辦理股份過戶登記手續，以便釐定擁有獲派發截至二零一九年九月三十日止六個月之中期股息之權利。期間將不會進行任何本公司股份之過戶登記，及不會分配和發行股份。如欲符合獲派截至二零一九年九月三十日止六個月之中期股息之資格，所有過戶文件連有關股票，必須於二零一九年十二月六日星期五下午四時前送達本公司在香港之股份過戶登記分處卓佳登捷時有限公司，地址為香港灣仔皇后大道東183號合和中心54樓，辦理股份過戶登記手續。

業務回顧及未來發展

截至二零一九年九月三十日止六個月，本集團之總營業額減少3.4%至港幣4,197百萬元(截至二零一八年九月三十日止六個月：港幣4,346百萬元)。本公司普通股權益所有者應佔本期溢利為港幣212百萬元(截至二零一八年九月三十日止六個月：港幣195百萬元)，增加8.7%。本集團之毛利率為31.7%(截至二零一八年九月三十日止六個月：30.9%)，較去年增長0.8個百分點。董事會建議派發中期股息每股普通股港幣10.0仙，較去年中期每普通股港幣15.0仙，減少33.3%。

Management's Discussion and Analysis 管理層之論述及分析

REVIEW OF BUSINESS AND FUTURE DEVELOPMENT

(continued)

Textile business

Revenue of the business grew by 8.5% to HK\$2,850 million (six months ended 30 September 2018: HK\$2,626 million). The amount was 67.9% (six months ended 30 September 2018: 60.4%) of the Group's total turnover. In the period, global economy was still sluggish primarily due to the US-China trade tensions. Costs in labour and environmental related works continued to rise. The prices of raw materials and fuel decreased during the period, resulting a more favourable cost structure. The Group focused on cost reduction and production automation to hold operating profitability. Both growth in revenue and volume was achieved. The average selling price decreased by 5.6% and the gross profit margin rose to 23.2% from last year's 17.8%. The performance and the key financial ratios of the business were as below:

業務回顧及未來發展(續)

紡織業務

此業務之收入增長8.5%至港幣2,850百萬元(截至二零一八年九月三十日止六個月:港幣2,626百萬元)。此數目為本集團總營業額之67.9%(截至二零一八年九月三十日止六個月:60.4%)。期內,全球經濟仍然呆滯主要由於中美貿易緊張之故。勞工及環保關連工程成本繼續上升。原料及燃料價格於期內下調,令成本結構較有利。本集團專注於控制成本及生產自動化以保持經營利潤。收入及銷售量均取得增長。平均產品價格下跌5.6%,而毛利率由去年之17.8%增加至23.2%。此業務之表現及主要財務比率現列於下:

		Six months ended		Six months ended		Year ended 31 Mar 2017
		30 Sep 2019	31 Mar 2019	30 Sep 2018	31 Mar 2018	
		截至 二零一九年 九月三十日止 六個月	截至 二零一九年 三月三十一日止 全年	截至 二零一八年 九月三十日止 六個月	截至 二零一八年 三月三十一日止 全年	截至 二零一七年 三月三十一日止 全年
Net sales	銷售淨額	2,850	4,759	2,626	4,535	3,807
Gross profit margin (%)	毛利率(%)	23.2	18.3	17.8	15.9	16.9
Operating profit (note 1)	營業利潤(附註1)	355	354	209	241	350
EBITDA (note 1)	息、稅、折舊及攤銷前利潤 (附註1)	447	526	293	410	518
Return on total assets (%) (annualised) (note 2)	總資產收益率(%) (年度化)(附註2)	8.8	4.2	5.1	1.9	4.9
Return on sales (%) (note 2)	銷售收益率(%) (附註2)	10.8	5.9	6.3	2.9	10.2
Return on equity (%) (annualised) (note 2)	權益收益率(%) (年度化)(附註2)	15.0	6.8	8.2	3.0	8.4
Capital expenditure	資本性支出	34	160	121	162	143

Notes:

- (1) Exclude interest income and rental income.
(2) Exclude rental income.

附註:

- (1) 不包括利息收入及租金收入。
(2) 不包括租金收入。

Management's Discussion and Analysis 管理層之論述及分析

REVIEW OF BUSINESS AND FUTURE DEVELOPMENT

(continued)

Retail and distribution business

Sales of the business dropped by 21.7% to HK\$1,346 million (six months ended 30 September 2018: HK\$1,719 million). The sum represented 32.1% (six months ended 30 September 2018: 39.6%) of the Group's total turnover. The consumer sentiment in the mainland China fell in the period mainly resulting from the US-China trade war. Retail market in Hong Kong has also slowed down due to the recent social unrest. Under such a challenging business environment, the Group managed to close underperforming stores to maintain overall operation stability. The Group has also focused to speed up developing export franchising business. The gross profit margin was 49.8%, a 1.0 percentage point decrease from last year's 50.8%. The performance and the key financial ratios of this business were as below:

(a) the business performance and the key financial ratios were as follows:

		Six months ended		Six months ended		
		30 Sep 2019	Year ended 31 Mar 2019	30 Sep 2018	Year ended 31 Mar 2018	Year ended 31 Mar 2017
		截至二零一九年九月三十日止六個月	截至二零一九年三月三十一日止全年	截至二零一八年九月三十日止六個月	截至二零一八年三月三十一日止全年	截至二零一七年三月三十一日止全年
<i>(Amounts expressed in HK\$'million, unless specified)</i> <i>(以港幣百萬元為單位，除特別註明外)</i>						
Net sales	銷售淨額	1,346	3,448	1,719	3,989	4,044
Gross profit margin (%)	毛利率(%)	49.8	50.1	50.8	47.4	45.5
Sales growth of comparable shops (%) (note 1)	可比店舖銷售增長比率(%) (附註1)	(15.9)	(12.8)	(5.3)	(6.9)	(7.8)
Operating profit/(loss) (note 2)	營業利潤/(虧損) (附註2)	(121)	(110)	(63)	14	(96)
EBITDA (note 2)	息、稅、折舊及攤銷前利潤 (附註2)	49	(24)	(18)	102	(11)
Return on total assets (%) (annualised) (note 3)	總資產收益率(%) (年度化)(附註3)	(8.9)	(4.3)	(5.1)	0.4	(4.8)
Return on sales (%) (note 3)	銷售收益率(%) (附註3)	(8.6)	(2.9)	(3.0)	0.2	(2.3)
Return on equity (%) (annualised) (note 3)	權益收益率(%) (年度化)(附註3)	(25.4)	(8.8)	(9.1)	0.7	(15.9)
Capital expenditure	資本性支出	40	76	38	94	73

Notes :

- (1) Comparable shops include shops with full period/year operation during the period/year and the preceding period/year.
- (2) Exclude interest income and rental income.
- (3) Exclude rental income.

業務回顧及未來發展(續)

零售及分銷業務

此業務銷售淨額減少21.7%至港幣1,346百萬元(截至二零一八年九月三十日止六個月:港幣1,719百萬元)。此數目為本集團之總營業額32.1%(截至二零一八年九月三十日止六個月:39.6%)。於期內中國消費信心下跌主要由於中美貿易戰所致。香港零售市場亦受社會動盪而下。在此充滿挑戰業務環境下，本集團致力關閉表現不佳店舖以保持整體營運穩定。本集團亦專注加快發展出口特許經營業務。毛利率為49.8%，比去年之50.8%有所減少。此業務之表現及主要財務比率現列於下：

(a) 業務表現及主要財務比率現列如下：

附註：

- (1) 可比店舖指於該期/年及其前一期/年均有全期/年營運的店舖。
- (2) 不包括利息收入及租金收入。
- (3) 不包括租金收入。

Management's Discussion and Analysis 管理層之論述及分析

REVIEW OF BUSINESS AND FUTURE DEVELOPMENT 業務回顧及未來發展(續)

(continued)

Retail and distribution business (continued)

(b) the analysis of turnover by major brand was as follows:

零售及分銷業務(續)

(b) 按主要品牌銷售分析如下：

		Six months ended		Six months ended		Year ended 31 Mar 2017
		30 Sep 2019	Year ended 31 Mar 2019	30 Sep 2018	Year ended 31 Mar 2018	
		截至 二零一九年 九月三十日止 六個月	截至 二零一九年 三月三十一日止 全年	截至 二零一八年 九月三十日止 六個月	截至 二零一八年 三月三十一日止 全年	截至 二零一七年 三月三十一日止 全年
(HK\$'million) (港幣百萬元)						
Baleno	班尼路	1,219	3,073	1,527	3,274	3,144
Others	其他	127	375	192	715	900
Total	合計	1,346	3,448	1,719	3,989	4,044

(c) the development in different markets was as follows:

(c) 各地市場發展情況如下：

Mainland China

中國大陸

		Six months ended		Six months ended		Year ended 31 Mar 2017
		30 Sep 2019	Year ended 31 Mar 2019	30 Sep 2018	Year ended 31 Mar 2018	
		截至 二零一九年 九月三十日止 六個月	截至 二零一九年 三月三十一日止 全年	截至 二零一八年 九月三十日止 六個月	截至 二零一八年 三月三十一日止 全年	截至 二零一七年 三月三十一日止 全年
Net sales (HK\$'million)	銷售淨額(港幣百萬元)	1,053	2,767	1,441	3,414	3,476
Increase/(decrease) in net sales (%)	銷售淨額之增加/ (減少)(%)	(27)	(19)	3	(2)	(13)
Retail floor area (sq. ft.)**	零售樓面面積(平方呎)**	1,446,033	1,626,047	1,630,731	1,781,314	1,723,190
Number of sales associates**	營業員數目**	4,104	4,182	4,672	4,946	5,493
Number of outlets *Δ	門市數目*Δ	1,985	2,183	2,232	2,499	2,326

Management's Discussion and Analysis 管理層之論述及分析

REVIEW OF BUSINESS AND FUTURE DEVELOPMENT

(continued)

Retail and distribution business (continued)

(c) the development in different markets was as follows: (continued)

Hong Kong

		Six months ended	Year ended	Six months ended	Year ended	Year ended
		30 Sep 2019	31 Mar 2019	30 Sep 2018	31 Mar 2018	31 Mar 2017
		截至	截至	截至	截至	截至
		二零一九年	二零一九年	二零一八年	二零一八年	二零一七年
		九月三十日止	三月三十一日止	九月三十日止	三月三十一日止	三月三十一日止
		六個月	全年	六個月	全年	全年
Net sales (HK\$'million)	銷售淨額(港幣百萬元)	294	681	278	575	568
Increase/(decrease) in net sales (%)	銷售淨額之增加/(減少)(%)	6	18	10	1	(2)
Retail floor area (sq. ft.)**	零售樓面面積(平方呎)**	89,074	87,752	86,221	79,822	65,515
Number of sales associates **	營業員數目**	520	571	546	484	385
Number of outlets **	門市數目**	80	78	78	73	60

* As at the end of the reporting period

For self-managed stores

△ Including self-managed stores, consignment stores and franchise stores

業務回顧及未來發展(續)

零售及分銷業務(續)

(c) 各地市場發展情況如下：

香港

財務狀況

流動資金及財務資源

本集團繼續維持良好的財務狀況。於本期末，流動比率、銀行貸款總額及資本負債比率分別為1.8倍、港幣1,362百萬元及-0.2倍(二零一九年三月三十一日：2.0倍、港幣1,529百萬元及-0.1倍)。本期銀行貸款下跌因本集團主要繼續以經營所得的現金流入償還銀行貸款。資本負債比率乃指扣除現金及現金等價物的總付息債務除以總權益。

於本期，利息保障比率、應收賬款及票據比營業額周轉天數及存貨比營業額周轉天數分別為8倍、47天及89天(截至二零一八年九月三十日止六個月：17倍、47天及95天)。於本期，利息保障比率較去年下跌，主要由於本集團採納香港財務報告準則第16號租賃。在香港財務報告準則第16號下，與受影響的租賃有關的財務費用已分類至財務費用，取代如往年般分類至銷售及分銷費用或行政費用中的租金支出。本集團主要以經營所得現金流入及銀行貸款滿足其營運資金的需求。於本期末，現金及現金等價物、本公司普通權益所有者應佔權益及未動用銀行信貸額分別為港幣2,236百萬元、港幣5,200百萬元及港幣5,454百萬元(二零一九年三月三十一日：港幣2,080百萬元、港幣5,378百萬元及港幣5,586百萬元)。

FINANCIAL CONDITION

Liquidity and financial resources

The Group continued to maintain a sound financial position. The current ratio, the total bank borrowings and the gearing ratio as at the period end were 1.8, HK\$1,362 million and -0.2 (31 March 2019: 2.0, HK\$1,529 million and -0.1) respectively. Bank borrowings decreased during the period as the Group continued to repay its bank loans with cash inflow from its operating activities. The gearing ratio refers to the ratio of the total interest-bearing debts, net of cash and cash equivalents, to the total equity.

During the period, the interest cover, the trade and bills receivables to turnover and the inventories to turnover were 8 times, 47 days and 89 days (six months ended 30 September 2018: 17 times, 47 days and 95 days) respectively. The interest cover decreased compared with last year mainly because the Company adopted HKFRS 16 Leases during the period. Under HKFRS 16, the finance costs related to the affected leases of the current period were classified as finance costs, instead of as rental expenses forming part of the selling and distribution expenses or administrative expenses as in last year. The Group mainly satisfied its funding requirements with cash inflow from its operating activities and bank borrowings. At the period end, the cash and cash equivalents, the equity attributable to ordinary equity holders of the Company and the unutilized banking facilities were HK\$2,236 million, HK\$5,200 million and HK\$5,454 million (31 March 2019: HK\$2,080 million, HK\$5,378 million and HK\$5,586 million), respectively.

Management's Discussion and Analysis 管理層之論述及分析

FINANCIAL CONDITION (continued)

Capital expenditure

The Capital expenditure incurred by the Group during the period was HK\$74 million (six months ended 30 September 2018: HK\$159 million). The capital expenditure incurred by the textile business for the period was HK\$34 million (six months ended 30 September 2018: HK\$121 million) mainly for the addition of plant and machinery for the dyeing and knitting factory. For the retail and distribution business, our capital expenditure incurred for the period amounted to HK\$40 million (six months ended 30 September 2018: HK\$38 million) mainly for the addition of leasehold improvements of the retail outlets.

Pledge of assets

No significant assets were pledged as at 30 September 2019 and 31 March 2019.

Contingent Liabilities

Details of the contingent liabilities as at 30 September 2019 and 31 March 2019 have been set out in note 13 to the financial statements.

Foreign exchange and interest rate risks

The Group continued to adopt a strict and prudent policy in managing its interest rate and currency exchange risks. The major interest bearing bank borrowings of the Group were HKD, USD and RMB fixed or floating rate borrowings with maturity due within one years (31 March 2019: within two years). At the period end, the cash and cash equivalents, debt instruments at amortised cost and financial assets at fair value through profit or loss were mainly denominated in HKD, RMB and USD. The cash and cash equivalents were placed as fixed deposits with well established financial institutions at fixed interest rate with maturity due within one year (31 March 2019: within one year). And, the debt instruments at amortised cost and financial assets at fair value through profit or loss were mainly fixed interest rate investments with maturity due within six years or at perpetuity (31 March 2019: within six years or at perpetuity). As affected by the trade war between the US and China, the economic outlook became more uncertain. The interest rate may decrease and stay at the low level for a prolonged period. The Group will continue to monitor the interest rate risk and arrange appropriate financial instruments to reduce its risk whenever appropriate.

During the period, the major assets, liabilities, revenue, expenses and procurements of the Group were denominated in HKD, USD, RMB, YEN and NTD and the Group had arranged foreign exchange forward contracts to reduce its currency exchange risk.

財務狀況(續)

資本性支出

本集團於本期內資本性支出為港幣74百萬元(截至二零一八年九月三十日止六個月：港幣159百萬元)。紡織業務本期資本性支出為港幣34百萬元(截至二零一八年九月三十日止六個月：港幣121百萬元)，主要用作織染廠添置廠房及機器設備。零售及分銷業務方面，本期資本性支出為港幣40百萬元(截至二零一八年九月三十日止六個月：港幣38百萬元)，主要用於添置零售店舖的租賃改良。

資產抵押

於二零一九年九月三十日及二零一九年三月三十一日，並無重大資產已作抵押。

或有負債

於二零一九年九月三十日及二零一九年三月三十一日的或有負債明細已載於財務報表附註13內。

匯兌及利率風險

本集團維持嚴格及審慎政策管理其利率與匯率風險。本集團主要附息銀行貸款為定息或浮息的港元、美元及人民幣貸款，並於一年內(二零一九年三月三十一日：兩年內)到期。於期末，現金及現金等價物、按已攤銷成本的債務工具及按公允值計入損益的金融資產主要為港元、人民幣及美元。現金及銀行結餘為存於有良好基礎的金融機構作一年內(二零一九年三月三十一日：一年內)到期的固定利率定期存款。按已攤銷成本的債務工具及按公允值計入損益的金融資產主要乃固定息率投資，到期日為六年內或永續(二零一九年三月三十一日：六年內或永續)。受中美貿易戰影響，經濟前景變得更不明朗。預期利息會下跌及維持低水平在更長的時間。本集團將繼續監察利率風險，並於合適時間安排財務工具以減低該風險。

於本期內，本集團主要資產、負債、收入、支出及採購皆為港元、美元、人民幣、日元及新台幣，本集團已安排遠期外匯合約以減低其匯率風險。

Management's Discussion and Analysis 管理層之論述及分析

HUMAN RESOURCES

As at 30 September 2019, the Group had about 12,426 (31 March 2019: 12,657) employees in the Greater China. The remuneration of the employees was largely based on industry practice and the performance of individual employee.

CORPORATE SOCIAL RESPONSIBILITY

As a responsible corporate citizen, the Group has been active in participating in charitable donation, caring for the needy people, and supporting and sponsoring educational and environmental protection activities. In addition, we also encourage our employees, customers and business partners to partake in the aforesaid activities with a view to developing a better future for our community.

During the period, some of the activities/organisations the Group participated in/donated or sponsored to were:

- (1) Evangelical Lutheran Church Social Service – Hong Kong;
- (2) Poverty Alleviation in Guangdong Province;
- (3) The Community Chest of Hong Kong “The Community Chest Green Day”;
- (4) The Hong Kong Council of Social Service “Caring Company”; and
- (5) World Wide Fund For Nature Hong Kong.

The Group believes that the development of a better future for our community relies on the participation of people, corporations and the government. Therefore, we will continue to invest resources in all major social, educational and environmental protection activities to strive for a better future for our community.

人力資源

於二零一九年九月三十日，本集團約有僱員12,426人（二零一九年三月三十一日：12,657人）於大中華。員工薪酬之釐定主要基於行業之情況及員工個人之表現。

企業社會責任

作為一個負責任的企業公民，本集團一向熱心參與慈善公益事務、關心有需要的人士，支持及贊助教育及環保活動。此外，我們亦鼓勵員工、客戶及商業夥伴共同參與上述活動，為社會創造一個更好的未來。

於本期內，部份本集團曾參與／捐助或贊助的活動／團體包括：

- (1) 基督教香港信義會社會服務部；
- (2) 廣東省扶貧濟困捐款；
- (3) 香港公益金「公益綠識日」；
- (4) 香港社會服務聯會「商界展關懷」；及
- (5) 世界自然(香港)基金會。

本集團相信為社會創造一個更好的未來，有賴市民、企業及政府的參與。因此，我們將繼續不斷投入資源於主要社會、教育及環保活動，為社會創造一個更好的未來而努力。

Management's Discussion and Analysis 管理層之論述及分析

OUTLOOK

Looking forward, the global economy and the retail environment are expected to remain uncertain. The Group's fabric business has no direct impact by the US-China trade war as the Group does not directly export fabric to the US from China. However, the world economic slowdown would have negative effect on the Group's export business. The Group will continue to strengthen its competitive advantage in accelerating overall efficiency. Meanwhile, the Management is actively finding a new production base for cost reduction and risk diversification.

The retail business is facing immense challenges due to the US-China trade dispute and social unrest in Hong Kong. The Group will monitor the economic situation closely to implement necessary measures for the challenges. We will further strengthen our brand image and develop the export franchising markets.

Though the operating environment is uncertain, the Group holds a prudent but positive view towards the performance in the second half of the year.

展望

展望前景，全球經濟及消費市場預料仍持續不確定。本集團布料業務並沒有直接受中美貿易戰影響因本集團並沒有布料直接出口美國。然而，全球經濟下滑或會對本集團之出口業務帶來負面影響。本集團將繼續加強自身競爭優點以提升整體效率。同時，管理層現積極尋找一新生產基地以減低成本及平衡風險。

由於中美貿易爭議及香港社會動盪，零售業務現面對巨大挑戰。本集團將繼續緊密監察經濟情況以實施需要措施應對挑戰。我們亦將進一步加強品牌形象及發展出口特許經營市場。

雖然經營環境仍不確定，本集團仍對下半年表現審慎樂觀。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 30 September 2019, the interests and short positions of the directors in the shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules, was as follows:

Long positions in ordinary shares of the Company:

Name of director	Capacity	Note	Number of ordinary shares held	Percentage of the Company's issued share capital
董事姓名	身份	附註	持有普通股數目	佔本公司已發行股本百分比
Executive directors:				
執行董事：				
Poon Bun Chak 潘彬澤	Founder of a family trust 家族信託之創辦人	1	665,934,104	48.2
Ting Kit Chung 丁傑忠	Beneficial owner 實益擁有		6,100,000	0.4

Note:

1. Mr. Poon Bun Chak is a founder of a family trust and is deemed to be interested in 665,934,104 shares held under the family trust. For details, please refer to the section "Substantial shareholders' and other person's interests in shares and underlying shares" below.

Save as disclosed above, as at 30 September 2019, none of the directors had registered an interest or short position in the shares, underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

董事於股份及相關股份之權益及淡倉

於二零一九年九月三十日，本公司根據《證券及期貨條例》第352條而備存的登記冊，或根據上市規則附錄十所載之《上市發行人董事進行證券交易的標準守則》（「標準守則」）通知本公司及聯交所，各董事在本公司及其聯繫法團（定義見《證券及期貨條例》第XV部）的股份及相關股份之權益及淡倉如下：

於本公司普通股之好倉：

附註：

1. 潘彬澤先生是家族信託之創辦人及被視為擁有家族信託所持有的665,934,104股股份的權益。有關詳情，請參閱以下「主要股東及其他人士於股份及相關股份權益」一節。

除上文所披露者外，於二零一九年九月三十日，董事概無於本公司或其任何聯繫法團之股份、相關股份中，擁有須遵照《證券及期貨條例》第352條予以記錄之權益或淡倉，或根據標準守則須知會本公司及聯交所。

Other Information 其他資料

DIRECTORS' RIGHTS TO ACQUIRE SHARES

At no time during the period were rights to acquire benefits by means of the acquisition of shares in the Company granted to any directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 September 2019, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in ordinary shares of the Company:

Name	Capacity	Note	Number of ordinary shares held	Percentage of the Company's issued share capital
名稱	身份	附註	持有普通股數目	佔本公司已發行股本百分率
UBS Trustees (B.V.I.) Limited	Trustee 受託人	1	665,934,104	48.2
Poon's Holdings Limited 潘氏控股有限公司	Through controlled corporation 藉受控制公司	1	665,934,104	48.2
Farrow Star Limited	Directly owned 直接擁有	1	665,934,104	48.2
Edgbaston Investment Partners LLP	Investment manager 投資經理		96,683,000	7.0
Edgbaston Asian Equity Trust	Directly owned 直接擁有		69,181,000	5.0

Note:

1. UBS Trustees (B.V.I.) Limited, as a trustee of a family trust founded by Mr. Poon Bun Chak, holds the entire issued share capital of Poon's Holdings Limited through its nominee, UBS Nominee Limited. Poon's Holdings Limited holds the entire issued share capital of Farrow Star Limited. Farrow Star Limited in turn holds 665,934,104 shares of the Company. Therefore, each of Mr. Poon Bun Chak, UBS Trustees (B.V.I.) Limited, Poon's Holdings Limited and Farrow Star Limited is deemed to be interested in 665,934,104 Shares held by Farrow Star Limited.

董事之購股權利

除於上述「董事於股份及相關股份之權益及淡倉」披露以外，於期內任何時間，概無任何董事或彼等各自的配偶或未成年子女獲授可藉購入本公司的股份而獲益的權利，或彼等概無行使此等權利；或本公司或其任何附屬公司概無參與任何安排，致令董事可於任何其他法人團體獲得此等權利。

主要股東及其他人士於股份及相關股份權益

於二零一九年九月三十日，以下擁有本公司已發行股本5%或以上之權益，已根據《證券及期貨條例》第336條規定記載於本公司須保存的權益登記冊內：

於本公司普通股之好倉：

附註：

1. UBS Trustees (B.V.I.) Limited (作為家族信託的受託人，該信託由潘彬澤先生成立)通過其代名人UBS Nominee Limited持有潘氏控股有限公司的全部已發行股本。潘氏控股有限公司持有Farrow Star Limited的全部已發行股本。Farrow Star Limited繼而持有本公司665,934,104股股份。因此，潘彬澤先生、UBS Trustees (B.V.I.) Limited、潘氏控股有限公司及Farrow Star Limited均被視為擁有Farrow Star Limited所持有的665,934,104股股份的權益。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS IN SHARES AND UNDERLYING SHARES (continued)

Save as disclosed above, as at 30 September 2019, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares and underlying shares" above, had registered an interest and short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period.

AUDIT COMMITTEE

The Audit Committee (the "Committee") consists of the three independent non-executive directors of the Company namely Mr. Law Brian Chung Nin, Mr. Au Son Yiu and Mr. Cheng Shu Wing. The Committee is chaired by Mr. Law Brian Chung Nin, a qualified accounting professional. The principal duties of the Committee include the review and supervision of the financial reporting process and internal controls of the Group.

For the interim period under review, the Committee has reviewed and discussed with the management the interim report and the risk management and internal controls of the Group and has made recommendations to the Board.

CORPORATE GOVERNANCE

In the opinion of the directors, the Company complied with all the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules throughout the accounting period covered by the interim report, except for the following deviation:

Under code provision E.1.2 of the CG Code, the chairman of the Board should attend the annual general meeting of the Company.

The chairman of the Board has delegated the duty of attending the annual general meeting to the chief executive officer of the Company. The chairman considers the chief executive officer a suitable person for taking up such duty as the chief executive officer has been serving for similar duties for many years and he has good understanding of each operating segment of the Group.

主要股東及其他人士於股份及相關股份權益(續)

除上文所披露者外，於二零一九年九月三十日，概無人士(除本公司董事其權益已詳述於「董事於股份及相關股份之權益及淡倉」外)於本公司股份或相關股份中，擁有須遵照《證券及期貨條例》第336條予以記錄之權益及淡倉。

購入、贖回或出售本公司上市證券

於本期內，本公司及其任何附屬公司並無購入、贖回或出售本公司任何上市證券。

審核委員會

審核委員會(「委員會」)包括本公司三位獨立非執行董事，分別為羅仲年先生、區燦耀先生及鄭樹榮先生。羅仲年先生為委員會主席，並擁有專業會計資格。委員會主要職責包括審閱及監察本集團之財務報告程序及內部監控。

關於本中期，委員會已審閱及與管理層討論本集團的中期報告及風險管理與內部監控，並向董事會提供意見。

企業管治

按董事的意見，本公司於本中期報告所述之會計期間一直符合上市規則附錄十四所載之《企業管治守則》(「企業管治守則」)之所有守則條文，惟下列條文除外：

企業管治守則E.1.2條規定董事會之主席須出席本公司之股東週年大會。

董事會主席將出席股東週年大會之職務委任本公司行政總裁執行。主席認為該行政總裁處理該職務是合適人選，因該行政總裁已有多年執行同類職務的經驗，並對本集團各營運分類也十分瞭解。

Other Information 其他資料

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the Company's directors, they have all complied with the required standard set out in the Model Code throughout the accounting period covered by the interim report.

CHANGES IN INFORMATION OF DIRECTORS

There is no change in the information of directors that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the Company's 2019 Annual Report.

BOARD OF DIRECTORS

As at the date of this report, the executive directors of the Company are Mr. Poon Bun Chak, Mr. Ting Kit Chung and Mr. Poon Ho Tak; the independent non-executive directors of the Company are Mr. Au Son Yiu, Mr. Cheng Shu Wing and Mr. Law Brian Chung Nin.

On behalf of the Board

Poon Bun Chak

Executive Chairman

Hong Kong, 4 November 2019

董事的證券交易

本公司已採納標準守則作為本公司董事進行本公司證券交易之守則。按本公司向各董事之查詢，各董事均於本中期報告所述之會計期間遵守標準守則之規定。

董事資料的變動

自本公司二零一九年年報發佈以來，概無董事資料的變動須根據上市規則第13.51B (1)條之規定而予以披露。

董事會

於本報告日期，本公司之執行董事為潘彬澤先生、丁傑忠先生及潘浩德先生；而本公司之獨立非執行董事為區燊耀先生、鄭樹榮先生及羅仲年先生。

代表董事會

執行主席

潘彬澤

香港，二零一九年十一月四日

TEXWINCA holdings limited

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德永佳集團有限公司

Stock Code 股份代號 : 321