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

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

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board of directors of Fountain Set (Holdings) Limited (the “Company” and the “Directors”, respectively) announces that the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2024 are as follows:

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

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2024	2023
		HK\$'000 千港元	HK\$'000 千港元
	Notes 附註		
Revenue	營業額	2,219,366	2,193,867
Cost of sales	銷售成本	(1,974,552)	(2,022,528)
Gross profit	毛利	244,814	171,339
Other revenue	其他收入	36,068	45,692
Other gains and losses	其他收益及虧損	2,787	(7,290)
Distribution and selling expenses	分銷及銷售費用	(53,494)	(37,281)
Administrative expenses	行政費用	(197,065)	(202,294)
Finance costs	融資成本	(8,014)	(13,711)
Share of profit of an associate	應佔一間聯營公司之盈利	737	409
Profit/(loss) before income tax expense	除所得稅支出前盈利／(虧損)	25,833	(43,136)
Income tax expense	所得稅支出	(21,590)	(31,391)
Profit/(loss) for the period	是期間盈利／(虧損)	4,243	(74,527)
Profit/(loss) for the period attributable to:	應佔是期間盈利／(虧損)：		
Owners of the Company	本公司擁有人	(9,906)	(81,607)
Non-controlling interests	非控股權益	14,149	7,080
		4,243	(74,527)
		HK cents 港仙	HK cents 港仙
Loss per share	每股虧損		
– Basic	– 基本	(0.8)	(6.7)
– Diluted	– 攤薄	(0.8)	(6.7)

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

(Unaudited)

(未經審核)

Six months ended 30 June

截至6月30日止6個月

		Note 附註	2024 HK\$'000 千港元	2023 HK\$'000 千港元
Profit/(loss) for the period	是期間盈利／(虧損)	9	4,243	(74,527)
Other comprehensive expense, net of tax	其他全面開支(經扣除稅項)			
Item that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目：			
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額		(3,237)	(8,345)
Other comprehensive expense for the period	是期間其他全面開支		(3,237)	(8,345)
Total comprehensive income/(expense) for the period	是期間全面收益／(開支)總值		1,006	(82,872)
Total comprehensive income/(expense) for the period attributable to:	應佔是期間全面收益／(開支)總值：			
Owners of the Company	本公司擁有人		(12,498)	(89,282)
Non-controlling interests	非控股權益		13,504	6,410
			1,006	(82,872)

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

			(Unaudited) (未經審核)	(Audited) (經審核)
			At 30 June 於6月30日 2024	At 31 December 於12月31日 2023
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
Non-current assets	非流動資產			
Investment properties	投資物業		59,725	62,609
Property, plant and equipment	物業、機器及設備	12	1,161,628	1,202,956
Right-of-use assets	使用權資產	13	158,249	171,364
Other intangible assets	其他無形資產		-	-
Deposit paid for purchase of plant and equipment	購買機器及設備的已付按金		23,993	28,215
Interest in an associate	於一間聯營公司之權益		25,656	24,919
Deferred tax assets	遞延稅項資產		43,327	41,969
			1,472,578	1,532,032
Current assets	流動資產			
Inventories	存貨	14	847,607	783,908
Trade and bills receivables	營業及票據應收款項	15	884,264	808,091
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	15	353,978	370,052
Tax recoverable	可收回稅項		25,149	25,862
Restricted bank deposits	受限制銀行存款		1,736	1,897
Short-term bank deposits	短期銀行存款		412,374	373,870
Bank balances and cash	銀行結餘及現金		702,096	1,005,127
			3,227,204	3,368,807
Current liabilities	流動負債			
Trade and bills payables	營業及票據應付款項	16	668,147	651,571
Other payables and accruals	其他應付款項及應計費用	16	266,706	289,962
Contract liabilities	合約負債		23,313	19,712
Lease liabilities – current portion	租賃負債—流動部分	13	26,341	26,239
Amounts due to non-controlling shareholders	欠非控股股東款項		29,102	37,027
Amount due to an associate	欠一間聯營公司款項		6,883	5,984
Deferred income – current portion	遞延收入—流動部分		4,857	4,699
Tax payable	應付稅項		25,039	21,626
Bank borrowings – due within one year	銀行借貸—一年內到期	17	44,523	108,471
			1,094,911	1,165,291
Net current assets	流動資產淨值		2,132,293	2,203,516
Total assets less current liabilities	資產總值減流動負債		3,604,871	3,735,548

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

			(Unaudited) (未經審核)	(Audited) (經審核)
			At 30 June 於6月30日 2024	At 31 December 於12月31日 2023
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
Non-current liabilities	非流動負債			
Deferred income – non-current portion	遞延收入—非流動部分		66,344	67,732
Bank borrowings – due after one year	銀行借貸—一年後到期	17	10,800	91,086
Lease liabilities – non-current portion	租賃負債—非流動部分	13	85,896	99,234
Deferred tax liabilities	遞延稅項負債		8,910	8,830
			171,950	266,882
Net assets	資產淨值		3,432,921	3,468,666
Capital and reserves	資本及儲備			
Share capital	股本	18	889,810	889,810
Reserves	儲備		2,329,287	2,378,536
Equity attributable to owners of the Company	本公司擁有人應佔權益		3,219,097	3,268,346
Non-controlling interests	非控股權益		213,824	200,320
Total equity	權益總值		3,432,921	3,468,666

NOTES 附註

1. GENERAL INFORMATION

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

The financial information relating to the year ended 31 December 2023 that is included in this interim results announcement as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (the “Companies Ordinance”) is as follows:

The Company has delivered the statutory annual consolidated financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

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

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and with Hong Kong Accounting Standard (“HKAS”) 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

1. 一般資料

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

本中期業績公告所載作為比較資料之有關截至2023年12月31日止年度之財務資料並不構成本公司於該年度之法定年度綜合財務報表，但摘錄自該等財務報表。有關根據香港法例第622章公司條例（「公司條例」）第436條須予披露之該等法定財務報表之進一步資料如下：

本公司已根據公司條例第662(3)條及附表6第3部規定向公司註冊處處長呈交截至2023年12月31日止年度之法定年度綜合財務報表。

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

2. 編製基準

本簡明綜合財務報表乃根據聯交所證券上市規則（「上市規則」）附錄D2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號中期財務報告而編製。

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis. These condensed consolidated financial statements have been prepared with the same accounting policies adopted in the 2023 annual consolidated financial statements, except for those described below.

Application of amendments to the Hong Kong Financial Reporting Standards (“HKFRSs”)

In the current interim period, the Group has applied, for the first time, the following amendments to the HKFRSs issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 January 2024.

Amendments to HKFRS 16 Lease Liability in a Sale and Leaseback

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

Amendments to HKAS 1 Non-current Liabilities with Covenants

Amendments to HKAS 7 and HKFRS 7 Supplier Finance Arrangements

Except as described below, the application of the amendments to HKFRSs in the current interim period did not have any material impact on the Group’s financial performance and positions for the current and prior periods and/or on the 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。此等簡明綜合財務報表所採用之會計政策與編製2023年全年綜合財務報表所採用者相同，惟下文所述者除外。

應用香港財務報告準則（「香港財務報告準則」）修訂本

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2024年1月1日開始之財政年度生效之香港財務報告準則修訂本。

香港財務報告準則第16號之修訂本 售後租回之租賃負債

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

香港會計準則第1號之修訂本 附帶契諾之非流動負債

香港會計準則第7號及香港財務報告準則第7號之修訂本 供應商融資安排

除下文所述外，於本中期期間應用香港財務報告準則修訂本並無對本集團於當前及過往期間的財務表現及狀況及／或該等簡明綜合財務報表所載的披露資料造成任何重大影響。

3. PRINCIPAL ACCOUNTING POLICIES (continued)

Impact on application of Amendments to HKAS 1 - Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”); and Amendments to HKAS 1 - Non-current Liabilities with Covenants (the “2022 Amendments”)

The 2020 Amendments clarify the requirements on determining if a liability is current or non-current, in particular the determination over whether an entity has the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments specify that an entity's right to defer settlement must exist at the end of the reporting period. Classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement. The amendments also clarify the classification of liabilities that will or may be settled by issuing an entity's own equity instruments.

The 2022 Amendments further clarify that, among covenants of a liability arising from a loan agreement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current.

The adoption of amendments had no impact on the interim condensed consolidated financial statements of the Group as at 1 January 2023, 31 December 2023 and 30 June 2024.

The following amendments to HKASs and HKFRSs have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 21	Lack of exchangeability ¹
Amendments to HKFRS 18	Presentation and Disclosure of Financial Statement ²
Amendments to HKFRS 19	Subsidiaries without Public Accountability – Disclosures ²

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

² Effective for annual periods beginning on or after 1 January 2027.

³ Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of these amendments to HKFRSs will have no material impact on the Group's financial performance and positions and/or the disclosures to these condensed consolidated financial statements of the Group.

3. 主要會計政策 (續)

應用香港會計準則第1號之修訂本—流動或非流動負債分類及香港詮釋第5號(2020年)之相關修訂(「2020年修訂本」);及香港會計準則第1號之修訂本—附帶契諾之非流動負債(「2022年修訂本」)的影響

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

2022年修訂本進一步澄清,在貸款協議所產生的負債契諾中,只有實體必須於報告日期或之前遵守的契諾會影響該負債的流動或非流動分類。

採納該等修訂本並無對本集團於2023年1月1日、2023年12月31日及2024年6月30日的簡明中期綜合財務報表造成任何影響。

下列香港會計準則及香港財務報告準則之修訂本已經頒佈,惟尚未生效,且未經本集團提早採納。

香港財務報告準則第10號及香港會計準則第28號之修訂本	投資者與其聯營公司或合營公司之間的資產出售或注資 ³
香港會計準則第21號之修訂本	缺乏可兌換性 ¹
香港財務報告準則第18號之修訂本	呈列和披露財務報表 ²
香港財務報告準則第19號之修訂本	無公共責任的附屬公司—披露 ²

¹ 於2025年1月1日或之後開始之年度期間生效。

² 於2027年1月1日或之後開始之年度期間生效。

³ 於有待釐定的日期或之後開始之年度期間生效。

本公司董事預計應用香港財務報告準則的該等修訂將不會對本集團的財務表現及狀況及/或本集團的該等簡明綜合財務報表披露資料造成重大影響。

4. SEASONALITY OF OPERATIONS

Due to the seasonal nature of the production and sales of dyed fabrics and yarns, lower revenues and operating profits are usually expected in the first half of the year than in the second six months. Lower sales during the period January to February are mainly resulted from the decreased supply for dyed fabrics and yarns during peak holiday season in the People's Republic of China (the "PRC").

5. SIGNIFICANT EVENTS AND TRANSACTIONS

During the year ended 31 December 2023, the Group reduced the production volume of the fabric mill operated by Jiangyin Fuhui Textiles Limited ("Jiangyin Fuhui") and streamlined the production team of Jiangyin Fuhui. Taking these circumstances into account and to mitigate further losses, the Group had decided to cease the fabric dyeing and finishing operations and solely maintain the fabric knitting operation at the fabric mill operated by Jiangyin Fuhui. Details please refer to announcement dated 5 February 2024.

4. 業務季節性

由於製造及銷售色布及紗具有季節性，預計上半年的收入及經營盈利通常低於下半年。1月至2月期間的銷售額較低，主要是由於中華人民共和國（「中國」）節假日高峰期色布及紗的供應減少。

5. 重大事件及交易

截至2023年12月31日止年度，本集團減少了江陰福匯紡織有限公司（「江陰福匯」）經營的面料工廠的產量，並精簡江陰福匯的生產團隊。考慮到這些情況並為進一步減少虧損，本集團決定停止面料染整生產，僅保留江陰福匯營運的面料工廠之織造產能。詳情請參閱2024年2月5日之公告。

6. REVENUE AND SEGMENT INFORMATION

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

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

Six months ended 30 June 2024 (unaudited)

		Hong Kong 香港 HK\$'000 千港元	The PRC 中國 HK\$'000 千港元	Taiwan 台灣 HK\$'000 千港元	Korea 韓國 HK\$'000 千港元	Sri Lanka 斯里蘭卡 HK\$'000 千港元	America 美洲 HK\$'000 千港元	Europe 歐洲 HK\$'000 千港元	Others 其他地區 HK\$'000 千港元	Segment total 分類總值 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	營業額											
External sales	對外銷售	357,146	729,890	71,144	128,083	456,997	103,163	9,233	363,710	2,219,366	-	2,219,366
Inter-segment sales (note)	分類間銷售 (附註)	1,028,889	407,630	-	-	103,319	-	-	18,235	1,558,073	(1,558,073)	-
Total segment revenue	分類營業額總值	1,386,035	1,137,520	71,144	128,083	560,316	103,163	9,233	381,945	3,777,439	(1,558,073)	2,219,366
RESULTS	業績											
Segment profit	分類盈利	23,669	52,427	4,707	8,514	39,198	6,318	618	25,237			160,688
Interest income	利息收入											14,843
Unallocated income	未分配收入											8,591
Unallocated expenses	未分配支出											(151,012)
Finance costs	融資成本											(8,014)
Share of profit of an associate	應佔一間聯營公司之盈利											737
Profit before income tax expense	除所得稅支出前盈利											25,833

6. 營業額及分類資料

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

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

截至2024年6月30日止6個月(未經審核)

6. REVENUE AND SEGMENT INFORMATION (continued)

Six months ended 30 June 2023 (unaudited)

6. 營業額及分類資料 (續)

截至2023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	326,894	766,548	94,997	129,954	375,906	123,455	31,968	344,145	2,193,867	-	2,193,867
Inter-segment sales (note)	分類間銷售 (附註)	1,118,379	380,912	-	-	92,501	-	-	43,761	1,635,553	(1,635,553)	-
Total segment revenue	分類營業額總值	1,445,273	1,147,460	94,997	129,954	468,407	123,455	31,968	387,906	3,829,420	(1,635,553)	2,193,867
RESULTS	業績											
Segment profit	分類盈利	15,642	36,487	4,499	6,251	28,350	7,569	1,530	18,689			119,017
Interest income	利息收入											13,564
Unallocated income	未分配收入											1,058
Unallocated expenses	未分配支出											(163,473)
Finance costs	融資成本											(13,711)
Share of profit of an associate	應佔一間聯營公司之盈利											409
Loss before income tax expense	除所得稅支出前虧損											(43,136)

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

Segment profit represents the profit earned by each segment without allocation of central administration costs and other expenses (including non-production related employee benefits expenses, directors' emoluments, bank charges, etc.), depreciation and amortisation of investment properties, property, plant and equipment and other intangible assets, interest income, impairment loss and gain on disposal/written-off of property, plant and equipment, finance costs, share of profit of an associate, etc. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment. No analysis on segment assets and liabilities is disclosed as it is not presented to the chief operating decision makers.

附註：分類間銷售之價格乃參照當時之市場價格而釐定。

分類盈利指各分類所賺取的盈利，當中並無計入中央行政成本及其他費用（包括與非生產有關之僱員福利開支、董事酬金、銀行費用等）、投資物業、物業、機器及設備及其他無形資產之折舊及攤銷、利息收入、物業、機器及設備之減值損失及出售／撇銷收益、融資成本、應佔一間聯營公司之盈利等。此乃為資源分配及績效評估而向主要營運決策者匯報之基準。對分類資產及負債並沒有作出分析披露，因該資料沒有向主要營運決策者呈列。

6. REVENUE AND SEGMENT INFORMATION (continued)

Disaggregation of revenue

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

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2024	2023
		HK\$'000 千港元	HK\$'000 千港元
Revenue from contracts with customers within the scope of HKFRS 15:	香港財務報告準則第15號範圍內的客戶合同收入：		
Production and sales of dyed fabrics and yarns	製造及銷售色布及紗	1,893,885	1,835,782
Production and sales of garments	製造及銷售成衣	325,481	358,085
		2,219,366	2,193,867
Timing of revenue recognition:	確認收入的時間：		
At a point in time	在某時間點	2,219,366	2,193,867

7. FINANCE COSTS

6. 營業額及分類資料 (續)

營業額分列

按產品及按確認收入時間劃分的客戶合同收入分列如下：

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2024	2023
		HK\$'000 千港元	HK\$'000 千港元
Revenue from contracts with customers within the scope of HKFRS 15:	香港財務報告準則第15號範圍內的客戶合同收入：		
Production and sales of dyed fabrics and yarns	製造及銷售色布及紗	1,893,885	1,835,782
Production and sales of garments	製造及銷售成衣	325,481	358,085
		2,219,366	2,193,867
Timing of revenue recognition:	確認收入的時間：		
At a point in time	在某時間點	2,219,366	2,193,867

7. 融資成本

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2024	2023
		HK\$'000 千港元	HK\$'000 千港元
Finance costs on:	融資成本：		
Bank borrowings	銀行借貸	4,935	10,016
Lease liabilities	租賃負債	3,079	3,695
		8,014	13,711

8. INCOME TAX EXPENSE

8. 所得稅支出

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2024 HK\$'000 千港元	2023 HK\$'000 千港元
Current tax:	是期間稅項：		
Hong Kong	香港	824	592
The PRC	中國	12,246	10,926
Other jurisdictions	其他司法地區	9,185	9,217
		22,255	20,735
(Over)/under provision in prior years:	過往年度(超額撥備) / 撥備不足：		
The PRC	中國	(1,153)	(166)
Other jurisdictions	其他司法地區	1,798	1,408
		645	1,242
Deferred tax:	遞延稅項：		
Hong Kong	香港	(3,184)	79
The PRC	中國	1,298	9,780
Other jurisdictions	其他司法地區	576	(445)
		(1,310)	9,414
		21,590	31,391

Under the Hong Kong two-tiered profits tax rates regime, the first HK\$2,000,000 of assessable profits of one subsidiary of the Company, which is a qualifying corporation, is taxed at 8.25% and the remaining assessable profits at 16.5%. The profits of other group entities not entitled to the two-tiered profit tax rates regime will continue to be taxed at 16.5%.

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

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

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

Pursuant to the relevant laws and regulations in Sri Lanka, the tax rate of Sri Lanka subsidiary is 30%.

根據斯里蘭卡有關之法律及法規，斯里蘭卡附屬公司之稅率為30%。

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

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。

9. OTHER REVENUE, OTHER GAINS AND LOSSES/ PROFIT/(LOSS) FOR THE PERIOD

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

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2024 HK\$'000 千港元	2023 HK\$'000 千港元
Amortisation of deferred income	遞延收入之攤銷 (附註i)		
	(note i)	2,599	2,588
Compensation income	補償收入	5,600	16,583
Government grants	政府補貼 (附註ii)	538	1,976
	(note ii)		
Interest income	利息收入	14,843	13,564
Net rental income from investment properties	投資物業之租金收入淨值	3,826	5,310
Others	其他	8,662	5,671
		36,068	45,692

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

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2024 HK\$'000 千港元	2023 HK\$'000 千港元
Net exchange gains/(losses)	匯兌收益／(虧損) 淨值	4,387	(8,490)
Gain on disposal/written-off of property, plant and equipment	出售／撇銷物業、機器及設備之收益	3,131	23
(Provision for)/reversal of impairment loss recognised on trade and bills receivables, net	營業及票據應收款項之減值損失(撥備)／撥回確認淨值	(4,731)	1,177
		2,787	(7,290)

9. 其他收入、其他收益及虧損／是期間盈利／(虧損)

(a) 本集團其他收入之分析如下：

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2024 HK\$'000 千港元	2023 HK\$'000 千港元
Amortisation of deferred income	遞延收入之攤銷 (附註i)		
	(note i)	2,599	2,588
Compensation income	補償收入	5,600	16,583
Government grants	政府補貼 (附註ii)	538	1,976
	(note ii)		
Interest income	利息收入	14,843	13,564
Net rental income from investment properties	投資物業之租金收入淨值	3,826	5,310
Others	其他	8,662	5,671
		36,068	45,692

(b) 本集團其他收益及虧損之分析如下：

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2024 HK\$'000 千港元	2023 HK\$'000 千港元
Net exchange gains/(losses)	匯兌收益／(虧損) 淨值	4,387	(8,490)
Gain on disposal/written-off of property, plant and equipment	出售／撇銷物業、機器及設備之收益	3,131	23
(Provision for)/reversal of impairment loss recognised on trade and bills receivables, net	營業及票據應收款項之減值損失(撥備)／撥回確認淨值	(4,731)	1,177
		2,787	(7,290)

9. OTHER REVENUE, OTHER GAINS AND LOSSES/ PROFIT/(LOSS) FOR THE PERIOD (continued)

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

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2024	2023
		HK\$'000 千港元	HK\$'000 千港元
Profit/(loss) for the period has been arrived at after charging:	是期間盈利／(虧損) 已扣減：		
Amortisation of other intangible assets	其他無形資產之攤銷	-	1,507
Depreciation of investment properties	投資物業之折舊	2,549	2,636
Depreciation of property, plant and equipment	物業、機器及設備之折舊	78,572	85,431
Impairment of property, plant and equipment	物業、機器及設備之減值	10,767	-
Depreciation of right-of-use assets	使用權資產之折舊	13,971	14,430
Employee costs (including directors' emoluments)	僱員成本 (包括董事酬金)	342,171	338,909

Note:

- (i) Amortisation of deferred income mainly represents i) grants received from the PRC local government authority as subsidies to the Group for acquiring property, plant and equipment for business development and energy saving scheme implemented by the PRC local government, and ii) rental income received in advance for the leasing of three investment properties.
- (ii) For the six months ended 30 June 2024, government grants included grants of HK\$496,000 (six months ended 30 June 2023: HK\$1,976,000) received from the PRC local government authority as subsidies to the Group for incentive of foreign trade and steady growth of business and there were no restrictions with the use of such government grants.

9. 其他收入、其他收益及虧損／是期間盈利／(虧損) (續)

(c) 本集團是期間盈利／(虧損) 之分析如下：

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2024	2023
		HK\$'000 千港元	HK\$'000 千港元

附註：

- (i) 遞延收入之攤銷主要指i)收取來自中國當地政府機構授予本集團用作購入物業、機器及設備之補貼，該等補貼乃用於業務發展及中國當地政府執行的節能計劃及ii)租賃三個投資物業而預收的租金收入。
- (ii) 截至2024年6月30日止6個月，政府補貼包括收取來自中國當地政府機構授出作為本集團鼓勵外貿及業務穩定增長之補貼496,000港元(截至2023年6月30日止6個月：1,976,000港元)，而該等政府補貼的使用並無限制。

10. DIVIDENDS

10. 股息

(Unaudited)

(未經審核)

Six months ended 30 June

截至6月30日止6個月

		2024	2023
		HK\$'000 千港元	HK\$'000 千港元
Dividend attributable to the previous financial year, approved and recognised as distribution during the interim period:	上一財政年度應佔之股息，本中期期間已批准及確認為分派：		
2023 final dividend of HK\$3.00 cents (2022 final dividend of nil) per share	2023年末期股息每股3.00港仙 (2022年末期股息：零)	36,751	—

No interim dividend in respect of the six months ended 30 June 2024 has been proposed by the board of directors of the Company (the "Board") (six months ended 30 June 2023: nil).

本公司董事會（「董事會」）並無擬派截至2024年6月30日止6個月之中期股息（截至2023年6月30日止6個月：無）。

The final dividend of HK\$3.00 cents in respect of the year ended 31 December 2023 (2022: nil) per share, amounting to approximately HK\$36,751,000 (2022: nil) had been approved by the shareholders of the Company at the annual general meeting of the Company held on 21 June 2024.

截至2023年12月31日止年度的末期股息為每股3.00港仙（2022年：無），金額約為36,751,000港元（2022年：無），已於2024年6月21日舉行的本公司股東週年大會上獲得本公司股東批准。

Final dividend in respect of the year ended 31 December 2017 of HK\$10.4 cents per share, payable on 31 May 2018 and remaining unclaimed on 20 July 2024, were forfeited and reverted to the Company. Details please refer to announcement dated 21 June 2024.

截至2017年12月31日止年度之末期股息每股10.4港仙，須於2018年5月31日派付及於2024年7月20日之餘下未被領取之股息將予以沒收並撥歸本公司所有。詳情請參閱日期為2024年6月21日之公告。

11. LOSS PER SHARE

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

11. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃根據下列數據計算：

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2024	2023
		HK\$'000 千港元	HK\$'000 千港元
Loss	虧損		
Loss for the period attributable to owners of the Company for the purpose of computation of basic and diluted loss per share	就計算每股基本及攤薄虧損所用之本公司擁有人應佔是期間虧損	(9,906)	(81,607)

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至6月30日止6個月	
		2024	2023
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of computation of basic and diluted loss per share	就計算每股基本及攤薄虧損所用之普通股加權平均數目	1,225,026,960	1,225,026,960

(a) Basic loss per share

The computation of basic loss per share for the six months ended 30 June 2024 is based on the loss attributable to owners of the Company of HK\$9,906,000 (six months ended 30 June 2023: HK\$81,607,000) and the weighted average of 1,225,026,960 (six months ended 30 June 2023: the weighted average of 1,225,026,960) ordinary shares in issue during the period.

(b) Diluted loss per share

The Company had no potentially dilutive ordinary shares in issue during the periods ended 30 June 2024 and 30 June 2023.

(a) 每股基本虧損

截至2024年6月30日止6個月之每股基本虧損乃按期內本公司擁有人應佔虧損9,906,000港元(截至2023年6月30日止6個月: 81,607,000港元)及已發行普通股加權平均數目1,225,026,960股(截至2023年6月30日止6個月: 加權平均數目1,225,026,960股)計算。

(b) 每股攤薄虧損

截至2024年6月30日及2023年6月30日止期間內,本公司並無已發行之具潛在攤薄影響之普通股。

12. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

The Group incurred expenditure of HK\$59,342,000 during the six months ended 30 June 2024 (six months ended 30 June 2023: HK\$42,638,000) on property, plant and equipment to expand and upgrade the Group's manufacturing facilities.

During the six months ended 30 June 2024, as the result of the unexpected poor performance of the manufacturing plants for its production and sales of dyed fabrics and yarns located in the PRC and Hong Kong and further reduction in production capacity of the fabric mill operated by Jiangyin Fuhui announced on 5 February 2024, the Group carried out a review of the recoverable amount of the related property, plant and equipment and right-of-use assets under the cash-generating units ("CGU"). These assets are used in the Group's production and sales of dyed fabrics and yarns.

For the production and sales of dyed fabrics and yarns in the PRC and Hong Kong, the management used the CGU's value-in-use to determine the recoverable amount. The projected cash flows were updated to reflect the decreased demand for products and, the improvement in gross profit, the effectiveness of cost reduction measures a pre-tax discount rate of 8% (31 December 2023: 10%) was applied. Cash flows beyond the five-year period have been extrapolated using the estimated terminal growth rate of 3% growth (31 December 2023: 3%). The estimated average annual revenue growth rate of 6.5% (31 December 2023: 8.1%) was similar to the average growth rate for the industry, China Home Textile Market's most recent 5-year forecast is 7.4% (31 December 2023: 7.4%). All other assumptions remained consistent with those disclosed in the annual consolidated in the annual consolidated financial statements for the year ended 31 December 2023. As a result of the updated analysis, management did not identify any impairment loss for this CGU except for the impairment loss of HK\$10,767,000 for the idle equipments was recognised as those equipments have become idle upon the further reduction of the fabric production capacity at the fabric mill operated by Jiangyin Fuhui since February 2024 and they are not expected to use in the future.

12. 物業、機器及設備之變動

截至2024年6月30日止6個月期間內，本集團為擴大及提升本集團之生產設施而用於物業、機器及設備的開支為59,342,000港元（截至2023年6月30日止6個月：42,638,000港元）。

截至2024年6月30日止6個月，鑒於位於中國及香港的製造及銷售色布及紗的製造廠房表現低於預期，以及江陰福匯於2024年2月5日宣佈進一步削減面料工廠產能，本集團對現金產生單位（「現金產生單位」）下的相關物業、機器及設備以及使用權資產的可收回金額已進行檢討。該等資產用於本集團製造及銷售色布及紗。

就於中國及香港製造及銷售色布及紗而言，管理層使用現金產生單位的使用價值來確定可收回金額。已更新預計現金流以反映產品需求的減少、毛利的改善及成本降低措施的成效，並應用了8%（2023年12月31日：10%）的稅前貼現率。五年期後的現金流量乃使用估計最終增長率3%推算（2023年12月31日：3%）。估計平均年營業額增長率6.5%（2023年12月31日：8.1%）與行業平均增長率相近，中國家紡市場最近的五年預測為7.4%（2023年12月31日：7.4%）。所有其他假設與截至2023年12月31日止年度的年度綜合財務報表所披露者保持一致。經更新分析的結果顯示，管理層並無發現該現金產生單位的任何減值損失，惟自2024年2月起江陰福匯經營的面料廠進一步削減面料產能後，該等設備已閒置，且預計未來不再使用，故確認閒置設備的減值損失10,767,000港元。

13. MOVEMENTS IN RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Right-of-use assets

As at 30 June 2024, the carrying amounts of right-of-use assets were HK\$156,764,000, HK\$405,000 and HK\$1,080,000 (31 December 2023: HK\$169,747,000, HK\$459,000 and HK\$1,158,000) in respect of the leasehold land and buildings, equipment and machinery, respectively.

During the six months ended 30 June 2024, the Group entered into new lease agreements for factory premises, and therefore recognised the additions to right-of-use assets of HK\$3,094,000 (six months ended 30 June 2023: office premises and equipment of HK\$856,000).

(b) Lease liabilities

As at 30 June 2024, the carrying amounts of leased liabilities were HK\$111,825,000, HK\$412,000 and nil (31 December 2023: HK\$125,009,000, HK\$464,000 and nil) in respect of the leasehold land and buildings, equipment and machinery, respectively.

During the six months ended 30 June 2024, there is a reduction of lease liabilities of HK\$2,168,000 and a corresponding adjustment of the same amount to the right-of-use assets due to modification to lease terms.

13. 使用權資產及租賃負債之變動

(a) 使用權資產

於2024年6月30日，就租賃土地及建築物、設備及機器的使用權資產的賬面值分別為156,764,000港元、405,000港元及1,080,000港元（2023年12月31日：169,747,000港元、459,000港元及1,158,000港元）。

截至2024年6月30日止6個月，本集團就廠房物業訂立新租賃協議，因此確認使用權資產增加3,094,000港元（截至2023年6月30日止6個月：辦公室物業及設備856,000港元）。

(b) 租賃負債

於2024年6月30日，就租賃土地及建築物、設備及機器的租賃負債的賬面值分別為111,825,000港元、412,000港元及零（2023年12月31日：125,009,000港元、464,000港元及零）。

截至2024年6月30日止6個月，由於租賃條款修改，租賃負債減少2,168,000港元，使用權資產也相應調整相同金額。

14. INVENTORIES

14. 存貨

		(Unaudited) (未經審核)	(Audited) (經審核)
		At 30 June 於6月30日 2024	At 31 December 於12月31日 2023
		HK\$'000 千港元	HK\$'000 千港元
Spare parts	備件	26,953	29,129
Raw materials	原料	253,235	228,013
Work-in-progress	半製品	342,636	266,623
Finished goods	製成品	224,783	260,143
		847,607	783,908

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

The Group normally allows a credit period mainly ranging from 30 days to 60 days to its trade customers. The following is an ageing analysis of trade and bills receivables based on the invoice dates which approximates the respective revenue recognition dates, as at the end of the reporting period:

15. 營業及票據應收款項／預付款項、按金及其他應收款項

本集團通常主要提供介乎30天至60天信貸期予其營業客戶。營業及票據應收款項根據發票日期（與有關收入確認日期相若）於報告期終的賬齡分析如下：

		(Unaudited) (未經審核)	(Audited) (經審核)
		At 30 June 於6月30日 2024	At 31 December 於12月31日 2023
		HK\$'000 千港元	HK\$'000 千港元
Within 1 month	1個月內	459,197	384,120
1 to 2 months	1至2個月	225,108	267,879
2 to 3 months	2至3個月	128,771	98,811
Over 3 months	3個月以上	110,828	92,420
		923,904	843,230
Less: allowance for expected credit loss	減：預期信貸虧損撥備	(39,640)	(35,139)
		884,264	808,091

Other receivables as at 30 June 2024 represented value-added tax recoverable of HK\$10,341,000 (31 December 2023: HK\$9,201,000), prepayments, deposits and other receivables of HK\$114,939,000 (31 December 2023: HK\$132,153,000) and receivables from compensation of land resumption of HK\$228,698,000 (31 December 2023: HK\$228,698,000).

於2024年6月30日，其他應收款項乃指可收回增值稅10,341,000港元（2023年12月31日：9,201,000港元）、預付款項、按金及其他應收款項114,939,000港元（2023年12月31日：132,153,000港元）及土地徵收補償應收款項228,698,000港元（2023年12月31日：228,698,000港元）。

16. TRADE AND BILLS PAYABLES/OTHER PAYABLES AND ACCRUALS

16. 營業及票據應付款項／其他應付款項及應計費用

		(Unaudited) (未經審核)	(Audited) (經審核)
		At 30 June 於6月30日 2024	At 31 December 於12月31日 2023
		HK\$'000 千港元	HK\$'000 千港元
Trade payables	營業應付款項	537,568	533,243
Bills payables	票據應付款項	130,579	118,328
		668,147	651,571

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

營業及票據應付款項按發票日期於報告期終的賬齡分析如下：

		(Unaudited) (未經審核)	(Audited) (經審核)
		At 30 June 於6月30日 2024	At 31 December 於12月31日 2023
		HK\$'000 千港元	HK\$'000 千港元
Within 1 month	1個月內	381,716	430,215
1 to 2 months	1至2個月	181,917	135,777
2 to 3 months	2至3個月	58,048	30,212
Over 3 months	3個月以上	46,466	55,367
		668,147	651,571

Other payables and accruals as at 30 June 2024 represented other payables of HK\$154,366,000 including dividends payable of HK\$36,751,000 (31 December 2023: HK\$109,551,000) and accruals of HK\$112,340,000 (31 December 2023: HK\$180,411,000).

於2024年6月30日，其他應付款項及應計費用指其他應付款項154,366,000港元，包括應付股息36,751,000港元（2023年12月31日：109,551,000港元）及應計費用112,340,000港元（2023年12月31日：180,411,000港元）。

17. BANK BORROWINGS

During the six months ended 30 June 2024, the Group obtained new bank borrowings of HK\$34,012,000 (six months ended 30 June 2023: HK\$172,357,000) and made repayments of HK\$178,458,000 (six months ended 30 June 2023: HK\$263,119,000). These bank borrowings obtained and repaid are mainly denominated in Hong Kong dollar, Renminbi and United States dollar. The bank borrowings raised were mainly used to repay the existing bank borrowings or as working capital of the Group.

The bank borrowings of the Group are mainly variable rate borrowings. The average effective interest rate of bank borrowings of the Group is 6.36% (31 December 2023: 5.99%) per annum. As at 30 June 2024, the bank borrowings were repayable within two years (31 December 2023: within two years). All bank borrowings were unsecured as at 30 June 2024 and 31 December 2023.

Pursuant to the Group's banking facilities letters, the Group was required to maintain a number of covenant ratios. During the six months ended 30 June 2024 and year ended 31 December 2023, the Group had complied with all covenant ratios.

As at 30 June 2024, the Group's borrowings with the carrying amount of HK\$48,789,000 (31 December 2023: HK\$154,435,000) are subject to the fulfillment of covenants relating to certain of the Group's financial ratios. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The management regularly monitors its compliance with these covenants. As at 30 June 2024 and 31 December 2023, none of the covenants relating to drawn down facilities had been breached.

18. SHARE CAPITAL

Ordinary shares,
issued and fully paid:
At beginning and end of the
period/year

普通股，已發行及繳足：
於期／年初及於期／年終

(Unaudited) (未經審核) At 30 June 2024 於2024年6月30日		(Audited) (經審核) At 31 December 2023 於2023年12月31日	
No. of shares 股份數目	HK\$'000 千港元	No. of shares 股份數目	HK\$'000 千港元
1,225,026,960	889,810	1,225,026,960	889,810

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

17. 銀行借貸

截至2024年6月30日止6個月期間內，本集團取得新銀行借貸34,012,000港元（截至2023年6月30日止6個月：172,357,000港元）及已償還178,458,000港元（截至2023年6月30日止6個月：263,119,000港元）。該等已取得及已償還之銀行借貸主要以港元、人民幣及美元計值。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。

本集團銀行借貸主要為浮息借貸。本集團銀行借貸之平均實際年利率為6.36%（2023年12月31日：5.99%）。於2024年6月30日，銀行借貸須於兩年內（2023年12月31日：兩年內）償還。於2024年6月30日及2023年12月31日，所有銀行借貸均為無抵押。

根據本集團的銀行融資函件，本集團須維持數個契諾比率。於截至2024年6月30日止6個月及截至2023年12月31日止年度，本集團已遵守所有契諾比率。

於2024年6月30日，本集團賬面值為48,789,000港元（2023年12月31日：154,435,000港元）的借貸須履行與若干本集團財務比率有關的契諾。倘本集團違反契諾，所提取的融資將須應要求償還。管理層定期監測其遵守該等契諾的情況。於2024年6月30日及2023年12月31日，概無與已提取融資有關的契諾遭違反。

18. 股本

根據香港公司條例（第622章）第135條，本公司的普通股並無票面價值。

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the first half of 2024 (“1H2024” or the “Period”), the apparel industry faced a complex and challenging external environment characterized by heightened inflationary pressures, escalating geopolitical tensions, increasing international trade barriers, and global economic growth falling short of expectations. The destocking process in international markets had largely concluded, with demand gradually recovering. The international textile and apparel industrial chain and supply chain underwent accelerated restructuring, leading to a slow improvement in exports compared to the same period last year. Domestically, the social and economic recovery continued, with demand being consistently released, resulting in stable growth in the domestic market amid intensifying industry competition. In response to this complex and dynamic external environment and the fierce industry competition, the Group implemented a series of strategies and measures. It closely monitored changes in consumer demand, actively explored new development models and opportunities, expanded into new markets and customer segments, and timely adjusted its business strategies. By adopting stringent quality control and cost reduction measures to enhance its competitiveness in this fiercely competitive market, the Group achieved a turnaround in profit before income tax expense from operating losses during the first half of the year. Despite facing numerous external challenges, the Group remains optimistic about the industry’s prospects and is committed to actively pursuing continuous innovation.

Our total sales volume of fabric increased by 14% as compared to the first half of 2023 (“1H2023”). Revenue also slightly increased compared to the same period last year, our total revenue was approximately HK\$2,219,000,000 in 1H2024 (1H2023: approximately HK\$2,194,000,000), an increase of 1.2% compared with 1H2023. Loss attributable to owners of the Company for 1H2024 was approximately HK\$10,000,000, which was significantly narrower than the loss attributable to the owners of the Company of approximately HK\$82,000,000 for 1H2023. The improvement in the results for 1H2024 was mainly attributable to the Group’s continuous expansion of market customers, scientific allocation of business orders, optimization and adjustment of capacity layout, and lean enhancements in manufacturing capabilities. During the first half of the year, the Group actively expanded both domestic and international markets, resulting in a 1.2% increase in revenue compared to the same period last year. We decisively ceased the fabric dyeing and finishing operations of Jiangyin Fuhui Textiles Limited (an indirect wholly-owned subsidiary of the Group), while increasing the capacity of Yancheng Fuhui Textiles Limited (an indirect wholly-owned subsidiary of the Group) and Dongguan Shatin Lake Side Textiles Printing & Dyeing Co., Ltd. (an indirectly controlled subsidiary of the Group) to enhance overall order allocation and capacity utilization. We made continuous efforts to promote comprehensive quality control and lean production, leading to quality improvement, heightened efficiency, and reduced costs. As a result, administrative expenses and finance costs collectively decreased by 5.1% compared to the same period last year, while the total cost of sales decreased by HK\$50 million, a 2.4% decline compared to the same period last year. Both gross profit and profit before tax exhibited an upward trend, with gross profit increasing significantly by HK\$70 million and the gross profit margin increasing by 3.2 percentage points from 7.8% in 1H2023 to 11.0% in 1H2024. These improvements led to a substantial enhancement in the Group’s results in 1H2024 compared to the same period last year.

管理層討論及分析

業務回顧

於2024年上半年(「1H2024」或「是期間」)期間，服飾業面臨的外部環境依舊複雜嚴峻，通脹壓力加劇、地緣政治局勢緊張、國際貿易壁壘增多，全球經濟增長不及預期，國際市場去庫存基本結束，需求緩慢恢復，國際紡織服裝產業鏈、供應鏈加速重構，出口相比去年同期緩慢提升。國內社會經濟恢復，需求不斷釋放，內銷市場穩定增長，行業競爭愈發激烈。面對複雜多變的外部環境，和白熱化的行業競爭，本集團實行了一系列的策略和措施，密切關注消費者需求的變化，積極探索新發展模式及機會，拓展新的市場和客戶，適時調整業務策略，採取嚴格的品質控制和成本壓降措施，致力於在競爭激烈的市場中增強本集團的競爭力，在上半年除所得稅支出前盈利取得了扭轉經營虧損局面。儘管外部困難重重，但本集團將積極應對持續創新，對行業前景仍抱持樂觀態度。

本集團的面料總銷售量較2023年上半年(「1H2023」)增加14%，營業額亦較去年同期輕微增長，本集團在1H2024的總營業額約為2,219,000,000港元(1H2023:約2,194,000,000港元)，較1H2023上升1.2%。1H2024的回顧期內本公司擁有人應佔虧損約為10,000,000港元較1H2023的回顧期內本公司擁有人應佔虧損約為82,000,000港元大幅收窄。1H2024業績改善主要歸因於本集團對市場客戶的不懈拓展、業務訂單科學配置、產能佈局的優化調整、製造能力的精益提升。上半年集團積極拓展海內外市場，營業收入較同期增加1.2%，果斷停止江陰福匯紡織有限公司(本集團的間接全資附屬公司)面料染整業務，提高鹽城福匯紡織有限公司(本集團的間接全資附屬公司)、東莞沙田麗海紡織印染有限公司(本集團的間接控股附屬公司)的產能，提升集團整體訂單配置和產能利用水準。持續推進全面品質管制和精益生產，提質增效、降本控費，行政費用和融資成本合共較上年度同期減少5.1%，總銷售成本較同期下跌50百萬港元，較去年同期下降2.4%，毛利及稅前利潤均呈現上漲趨勢，毛利大幅上漲了70百萬港元及毛利率由1H2023的7.8%上升3.2個百分點至1H2024的11.0%。以上，使1H2024業績同比上年度同期有大幅改善。

According to the information published on the website of the China Cotton Association (中國棉花協會), the China cotton price index CCINDEX2129B (中國棉花價格指數) was RMB16,161/ton as at 28 June 2024 and was RMB16,754/ton as at 2 January 2024. The China cotton price index was at the highest in February 2024 at RMB17,517/ton and at the lowest in June 2024 at RMB16,096/ton. When compared with a year before, the China cotton price index CCINDEX2129B was RMB17,550/ton as at 30 June 2023, and RMB15,368/ton as at 3 January 2023. From the year-on-year comparison between 30 June 2023 and 30 June 2024, a 7.9% decrease of the China cotton price index was recorded. According to the information released on the website of investing.com, the closing price of US Cotton #2 Futures was USD70.98/pound on 30 June 2024, and USD81.31/pound on 7 January 2024. Compared to the previous year, the closing price of US Cotton #2 Futures was USD81.58/pound on 30 June 2023, and USD83.14/pound on 3 January 2023. From the year-on-year comparison between 30 June 2023 and 30 June 2024, a 14.6% decrease in the US Cotton #2 Futures was recorded.

The Bohai-Rim Steam-Coal Price Index is an index system that objectively reflects the price level and the trend of spot coal trading, the price level of offshore closeout and the fluctuation of thermal coal in the ports in the Bohai Rim region (China's vast economic regions and key areas of national open development, composed of Beijing-Tianjin-Hebei regions, Shandong Peninsula region and Liaoning Central and South region), which is the reference system of power coal price in China. According to China Coal Market Website, the monitoring data showed that Bohai-Rim Steam-Coal Price Index was RMB717/ton as at 26 June 2024, a decrease by RMB2/ton year-on-year. The Group continues to focus on lean management, technology automation, machinery upgrade, cost reduction and control initiatives to boost overall operating efficiency.

Production and Sales of Dyed Fabrics and Yarns

During the Period, the Group's core business, production and sales of dyed fabrics and yarns, generated revenue of approximately HK\$1,893,885,000 and accounted for 85.3% of the Group's total revenue.

Production and Sales of Garments

Revenue from the production and sales of garments for 1H2024 was approximately HK\$325,481,000 and accounted for 14.7% of the Group's total revenue.

Dividend

The Board has decided and announced that no interim dividend will be declared for the six months ended 30 June 2024. Except for 2022, the Group has maintained a practice of paying final dividends in the past few years, with a payout ratio ranging from 71.4% to 100%. Upon reviewing the Group's cash flow position up to 30 June 2024, which remains strong, and with the expectation of a profitable performance in the Group's second half of 2024 ("2H2024"), it is anticipated that dividends for the 12 months ending 31 December 2024, will be declared, aiming to maintain the dividend payout ratio as much as possible.

根據中國棉花協會網站公佈資訊，中國棉花價格指數CCINDEX2129B於2024年6月28日為每噸人民幣16,161元，而2024年1月2日則為每噸人民幣16,754元。中國棉花價格指數分別於2024年2月及2024年6月錄得最高每噸人民幣17,517元及最低每噸人民幣16,096元的水平。對比上一年度，中國棉花價格指數CCINDEX2129B於2023年6月30日為每噸人民幣17,550元，及於2023年1月3日為每噸人民幣15,368元，於2023年6月30日至2024年6月30日期間，中國棉花價格指數按年錄得7.9%下降。根據英為財情網站公佈資訊，美國二號棉花期貨於2024年6月30日收盤價為每磅70.98美元，而2024年1月7日收盤價則為每磅81.31美元。對比上一年度，美國二號棉花期貨於2023年6月30日收盤價為每磅81.58美元，於2023年1月3日收盤價為每磅83.14美元，於2023年6月30日至2024年6月30日期間，美國二號棉花期貨按年錄得14.6%下降。

環渤海動力煤價格指數是客觀地反映環渤海地區(中國廣大經濟區域及全國開放開發的重點區域，以京津冀地區、山東半島地區和遼中南地區構成)港口動力煤的現貨交易價格水平和變化趨勢、離岸平倉價格水平、以及波動情況的指數體系的總稱，是中國動力煤價格參照體系。根據中國煤炭市場網，監測數據顯示於2024年6月26日，環渤海動力煤價格指數為人民幣717元/噸，按年下降人民幣2元/噸。本集團繼續注重精益管理、技術自動化、機械升級、成本削減及管控措施，藉以提升整體經營效益。

製造及銷售色布及紗

在是期間，本集團核心業務一色布及紗的製造及銷售，為本集團帶來約1,893,885,000港元的營業額，佔本集團總營業額的85.3%。

製造及銷售成衣

1H2024成衣製造及銷售的營業額約為325,481,000港元，佔本集團總營業額的14.7%。

股息

董事會決定及宣佈就截至2024年6月30日止6個月不予派發任何中期股息。除2022年外，本集團於過去數年均維持派發末期股息，派息比率約為71.4%至100%。經審視集團截至2024年6月30日之現金流情況仍然強勁，而預計集團之2024年下半年(「2H2024」)的業績很大機會有盈利，所以預期截至2024年12月31日止12個月之末期股息將會派發，並盡可能保持派息比率。

Awards and Certifications

獎項及認證

Our awards and certificates accredited during 1H2024 were as follows:

在1H2024，本集團所獲獎項及認證如下：

No. 文件序號	Name of Award/Certification 獎項／認證名稱	Type of Award/ Certification 獎項／認證類型	Date of Issue (Year/Month) 頒發日期(年/月)	Issuing Unit/Organisation 發出單位／機構
Fountain Set (Holdings) Limited 福田實業(集團)有限公司				
1	U.S. Cotton Trust Protocol® membership	Certification 認證	2024/03	U.S. Cotton Trust Protocol®
Fountain Set Limited 福田實業有限公司				
2	U.S. Cotton Trust Protocol® membership	Certification 認證	2024/03	U.S. Cotton Trust Protocol®
3	Global Organic Textile Standard (GOTS) Version 6.0 全球有機紡織品(GOTS) 6.0版本#	Certification 認證	2024/01	ECOCERT Group
4	Organic Content Standard (OCS) Version 3.0 有機含量標準(OCS) 3.0版本#	Certification 認證	2024/02	ECOCERT Group
5	Global Recycled Standard 4.0 (GRS 4.0) 全球回收標準(GRS 4.0)#	Certification 認證	2024/03	Intertek Group 天祥集團
Highscene Limited 漢盛有限公司				
6	U.S. Cotton Trust Protocol® membership	Certification 認證	2024/03	U.S. Cotton Trust Protocol®
Jiangyin Fuhui Textiles Limited 江陰福匯紡織有限公司				
7	U.S. Cotton Trust Protocol® membership	Certification 認證	2024/03	U.S. Cotton Trust Protocol®
8	Colorist Certificate	Certification 認證	2023/05	CARTER'S
9	Oeko-Tex Standard 100 Certification BEKO045002 Oeko-Tex標準100證書BEKO045002	Certification 認證	2023/12	TESTEX AG, Swiss Textile Testing Institute TESTEX AG, 瑞士紡織檢定所#
10	Oeko-Tex Standard 100 Certification BJ015193864 Oeko-Tex標準100證書BJ015193864	Certification 認證	2023/12	TESTEX AG, Swiss Textile Testing Institute TESTEX AG, 瑞士紡織檢定所#
11	Higg Facility Environmental Module (Verified Module) Higg FEM模組證書(已驗證模組)#	Certification 認證	-	Sustainable Apparel Coalition 可持續服裝聯盟#
12	Higg Facility Environmental Module (Self-Assessment) Higg FEM模組證書(自我評估)#	Certification 認證	-	Sustainable Apparel Coalition 可持續服裝聯盟#
13	二星級綠色工廠	Award 獎牌	2024/01	江陰市工信局

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Yancheng Fuhui Textiles Limited 鹽城福匯紡織有限公司				
14	U.S. Cotton Trust Protocol® membership	Certification 認證	2024/03	U.S. Cotton Trust Protocol®
15	KOHL'S Lab Certification	Certification 認證	2024/03	QUALITY ASSURANCE & PRODUCT INTEGRITY
16	中紡聯2024年度紡織品物理性能實驗室間 比對測試憑證	Certification 認證	2024/06	中國紡織工業聯合會檢測中心
17	2023年度爭星創優三星企業	Award 獎牌	2024/02	鹽城市人民政府
18	2023年度中國針織行業30強	Award 獎牌	2024/05	CKIA 中國針織工業協會
Shanghai Fuhui Textiles Trading Co., Ltd. 上海福匯紡織貿易有限公司				
19	U.S. Cotton Trust Protocol® membership	Certification 認證	2024/03	U.S. Cotton Trust Protocol®
20	2022年度創新優秀獎	Award 獎牌	-	ANTA
21	2023優秀供應商-最佳創新獎	Award 獎牌	-	ERKE
22	2023創新銀獎	Award 獎牌	-	ANTA
Ningbo Young Top Garment Co., Ltd. 寧波創裕制衣有限公司				
23	2023年優秀質量獎	Award 獎牌	-	Li Ning Co Ltd. 李寧有限公司
Dongguan Futian Oasis Heating Company Ltd. 東莞福田綠洲供熱有限公司				
24	Hong Kong—Guangdong Cleaner Production Partner (Manufacturing)	Certification	2023/12	Department of Industry and Information Technology of Guangdong Province, Environment and Ecology Bureau The Government of the Hong Kong Special Administrative Region of the People's Republic of China 廣東省工業和資訊化廳、香港特別行政區政府環境及 生態局
	粵港清潔生產夥伴 (製造業) 標誌企業	認證		
Shenzhen Faun Textiles Limited 深圳福力紡織品有限公司				
25	U.S. Cotton Trust Protocol® membership	Certification 認證	2024/03	U.S. Cotton Trust Protocol®

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Dongguan Shatin Lake Side Textiles Printing & Dyeing Co., Ltd. 東莞沙田麗海紡織印染有限公司				
26	U.S. Cotton Trust Protocol® membership	Certification 認證	2024/03	U.S. Cotton Trust Protocol®
27	Global Organic Textiles Stand (GOTS) Version 6.0 全球有機紡織品(GOTS) 6.0#	Certification 認證	2024/01	ECOCERT Group
28	Organic Content Standard (OCS) Version 3.0 有機含量標準(OCS) 3.0#	Certification 認證	2024/02	ECOCERT Group
29	Global Recycled Standard 4.0 (GRS 4.0) 全球回收標準(GRS)4.0#	Certification 認證	2024/03	Intertek Group 天祥集團
30	Oeko-Tex Standard 100 Certificate HKD20884 Oeko-Tex標準100證書HKD20884	Certification 認證	2023/12	TESTEX AG, Swiss Textile Testing Institute TESTEX AG, 瑞士紡織檢定所#
31	Oeko-Tex Standard 100 Certificate HKKO 056043 Oeko-Tex標準100證書HKKO 056043	Certification 認證	2024/04	TESTEX AG, Swiss Textile Testing Institute TESTEX AG, 瑞士紡織檢定所#
32	Oeko-Tex Standard 100 Certificate HKKO 041727 Oeko-Tex標準100證書HKKO 041727	Certification 認證	2024/03	TESTEX AG, Swiss Textile Testing Institute TESTEX AG, 瑞士紡織檢定所#
33	Oeko-Tex Standard 100 Certificate HK015 215774 Oeko-Tex標準100證書HK015 215774	Certification 認證	2024/04	TESTEX AG, Swiss Textile Testing Institute TESTEX AG, 瑞士紡織檢定所#
34	Laboratory Accreditation Authorization Certificate 實驗室認可授權證書#	Certification 認證	2024/06	Aritzia LP
35	Laboratory Approval Certificate 實驗室批准證書#	Certification 認證	2022/11	Gap Inc.
36	Certificate of Recognition 認可證書#	Certification 認證	2023/06	FITI (Shanghai) Testing & Insp. Co., Ltd 飛迪商品檢驗(上海)有限公司 Ralph Lauren
37	Hong Kong—Guangdong Cleaner Production Partner (Manufacturing) 粵港清潔生產夥伴(製造業) 標誌企業	Certification 認證	2023/12	Department of Industry and Information Technology of Guangdong Province, Environment and Ecology Bureau The Government of the Hong Kong Special Administrative Region of the People's Republic of China 廣東省工業和資訊化廳、香港特別行政區政府環境及 生態局
38	Higg Facility Environmental Module (Verified Module) Higg FEM模組證書(已驗證模組)#	Certification 認證	2023/06	Sustainable Apparel Coalition 可持續服裝聯盟#

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39	Higg Facility Environmental Module (Self-Assessment) Higg FEM模組證書(自我評估)#	Certification 認證	2023/06	Sustainable Apparel Coalition 可持續服裝聯盟#
Ocean Lanka (Private) Limited 海洋蘭卡(私人)有限公司				
40	Oeko-Tex Standard 100 Oeko-Tex標準100	Certification 認證	2023/08	Hohenstein Textile Institute (Germany)
41	Oeko-Tex Standard 100 (Organic) Oeko-Tex標準100(有機)#	Certification 認證	2024/03	Hohenstein Textile Institute (Germany)
42	Oeko-Tex Standard 100 (Recycle) Oeko-Tex標準100(回收)#	Certification 認證	2022/03	Hohenstein Textile Institute (Germany)
43	PVH Lab Certifications	Certification 認證	2023/12	PVH/Intertek Softline
44	George Laboratory Certification Scheme George實驗室認證計劃#	Certification 認證	2024/05	George & Intertek Softline
45	GAP Lab approved Certification GAP實驗室批准證書#	Certification 認證	2023/09	Eurofins MTS Products (HK)
46	Marks & Spencer Premier Accreditation Certificate 馬莎百貨高級認證證書#	Certification 認證	2023/07	Marks & Spencer 馬莎百貨#
47	VS & Co GOLD Laboratory Certification 維多利亞的秘密實驗室認證(金獎)	Certification 認證	2023/12	VICTORIA'S SECRET & CO & Bureau Veritas CPS 維多利亞的秘密及必維國際檢驗集團消費品服務事業部
48	bluesign® Certificate bluesign®證書#	Certification 認證	2022/07	bluesign Switzerland
49	Certificate of Structural Stability	Certification 認證	2024/02	National Building Research Org
50	GHG Qualification ISO 14064-1:2018 溫室氣體量化ISO 14064-1:2018#	Certification 認證	2023/04	Control Union (ES) 管制聯盟(西班牙)#
51	Certificate of Good Manufacturing Practices 良好生產規範證書#	Certification 認證	2023/10	SGS Lanka Ltd. 斯里蘭卡通用檢測認證有限公司#
52	Global Organic Textiles (GOTS) 6.0 全球有機紡織品(GOTS) 6.0#	Certification 認證	2024/02	Control Union (Netherlands) 管制聯盟(荷蘭)#
53	Higg Index Facility Social & Labor Module Higg Index FSLM模組證書#	Certification 認證	2024/02	Sustainable Apparel Coalition 可持續服裝聯盟#

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54	Higg Facility Environmental Module (Sustainability) Higg FEM模組證書 (可持續發展)#	Certification 認證	2023/01	Higg (FEM)Verification Protocol
55	ISO 14001:2015 Environmental Management Systems ISO 14001:2015環境管理系統	Certification 認證	2024/04	SGS United Kingdom Ltd. 英國通用檢測認證有限公司#
56	ISO 45001:2018 Occupational Health and Safety Management Systems ISO 45001:2018職業安全衛生管理系統	Certification 認證	2024/03	SGS Société Générale de Surveillance SA 瑞士通用檢測認證有限公司#
57	Organic Content Standard (OCS) 3.0 有機含量標準(OCS) 3.0#	Certification 認證	2024/03	Control Union Certifications B.V 世優認證 (上海) 有限公司
58	Global Recycled Standard (GRS) 4.0 全球回收標準(GRS) 4.0#	Certification 認證	2024/03	Control Union Certifications B.V 世優認證 (上海) 有限公司
59	Regenagri Content Standard 管制聯盟 (美國)	Certification 認證	2023/10	Control Union (United States)
60	Supplier to Zero	Certification 認證	2023/11	Supplier to Zero
61	Facility Merchandise Authorization	Certification 認證	2024/05	Asda Stires ltd UK
62	Facility Merchandise Authorization	Certification 認證	2024/05	BM Fashion UK
63	Facility Merchandise Authorization	Certification 認證	2023/08	Mark & Spencer PLC
64	Environment Protection License	License 牌照	2024/01	Board of Investment
65	Precursor Chemical License	License 牌照	2023/08	Precursor Control Authority
66	Scheduled Waste Management License	License 牌照	2024/01	Central Environment Authority
67	Presidential Awards (Best Knitted Fab exporter)	Award 獎牌	2023/11	Export Development Board
68	Presidential Merit Award (Knitted Fabrics)	Award 獎牌	2023/11	Export Development Board

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69	NCE Exporter Gold Award (Extra Large Category)	Award 獎牌	2023/12	National Chamber Of Exporters
70	VS & CO Excellence Award	Award 獎牌	2024/02	VICTORIA'S SECRET & CO 維多利亞的秘密
71	Lacoste Musketeers Award	Award 獎牌	2024/04	Lacoste Alligator, S.A. 拉科斯特®
72	Natic Color Accreditation Programme	Certification 認證	2023/07	Aesch-Switzerland

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

OUTLOOK

According to the Global Economic Prospects June 2024 issued by the World Bank Group, at the beginning of 2024, global economic activity and world trade stabilized and rebounded. Exports in the Asian region stimulated trade activities. As some economies strengthened in early 2024, emerging from the downturn in global merchandise trade in 2023, the global economic growth appears to be stabilizing. It is projected that in 2024, global economic growth will stabilize for the first time in three years, but at a slower pace compared to pre-2020 levels. One in four developing economies is expected to remain poorer than it was on the eve of the pandemic in 2019. Despite a decline in global food and energy prices, core inflation remains relatively high and is likely to persist. Global inflation is expected to decrease to 3.5% this year and further to 2.9% in 2025.

During 1H2024, economic growth in East Asia and the Pacific region strengthened slightly. In China, growth edged up, as exports expanded slightly, but consumer spending, after an expansion in 2023, faltered in 1H2024 due to weakened consumer confidence. It is expected to impede growth, especially for commodity-exporting countries and trade-intensive economies, with the growth rate projected to decrease to 4.8% this year. It is then expected to continue softening, to 4.2% in 2025 and 4.1% in 2026, as growth in China continues to slow, outweighing a slight pickup elsewhere in the region. In other regions, some economies strengthened in early 2024 as they emerged from the downturn in global merchandise trade in 2023. Additionally, there are signs of improvement in manufacturing activities. Economies highly dependent on tourism, such as Cambodia and Thailand, continue to benefit from the global tourism industry's recovery. With low inflation supporting, private consumption growth remains robust in many countries.

Global economic growth is expected to significantly slow down in 2H2024, with the global economic growth rate stabilizing at 2.6% for the year 2024. This is primarily driven by the strong expansion of the U.S. economy, with a slight increase to an average of 2.7% in 2025-26. Overall, it is anticipated that the average growth rate for developing economies will be 4% for 2024-25, slightly lower than that of 2023. Nearly 60% of economies (representing over 80% of the global population) are expected to have growth rates lower than the average of the 2010s. Growth in low-income economies is expected to accelerate to 5% in 2024 from 3.8% in 2023. Factors such as diminished investment prospects, slowing productivity growth, weakened investments, and worsening demographic trends are dampening China's potential growth rate, with the economic growth expected to slow down to 4.8% in 2024.

展望

根據世界銀行集團於2024年6月發佈的《全球經濟展望報告》，2024年年初，全球經濟活動和世界貿易企穩回升，亞洲地區的出口刺激了貿易活動。隨著出口走出2023年全球貨物貿易下滑導致的頹勢，一些經濟體的增長在2024年初有所加強，預計2024年全球經濟將是三年來首次穩定增長，但增長速度低於2020年前，四分之一的發展中經濟體今年的貧困程度仍高於疫情爆發前的2019年。儘管全球食品和能源價格有所回落，但核心通脹仍相對較高而且可能保持下去，預計今年全球通脹率將降至3.5%，2025年降至2.9%。

1H2024期間，東亞與太平洋地區經濟增長有所加強。在中國，出口推動增長小幅上升，消費支出在2023年擴張之後，1H2024由於消費者信心疲軟而表現低迷並將阻礙成長，尤其是大宗商品出口國和貿易密集型經濟體的成長，預計今年增長率將下降至4.8%。今後，隨著中國經濟增速繼續下降、抵消地區內其他經濟體的小幅回升，預計增長率將繼續放緩至2025年的4.2%和2026年的4.1%。在其他地區，隨著出口走出2023年全球貨物貿易下滑導致的頹勢，一些經濟體的增長在2024年初有所加強。此外，製造業活動顯示出改善跡象。柬埔寨和泰國等高度依賴旅遊業的經濟體的服務出口繼續受益於全球旅遊業的復甦。在低通脹助力下，各國私人消費增長保持強韌。

預計2H2024全球經濟成長預計將顯著放緩，2024年全球經濟增速將穩定在2.6%，主因是美國經濟擴張強勁，然後在2025-26年小幅上升至平均2.7%。總體來看，預計發展中經濟體2024-25年的平均增長率為4%，略低於2023年，近60%經濟體（佔全球人口的80%以上）的增長率將低於2010年代的平均水準。低收入經濟體的增速預計將從2023年的3.8%加快至2024年的5%。中國作為世界第二大經濟體，投資前景減弱、生產率增長放緩、投資減弱和人口結構逆風加劇等因素壓低潛在增長率，預計2024年經濟增長將放緩至4.8%。

Looking ahead to 2H2024, after four years of turmoil caused by pandemics, conflicts, currency inflation, and monetary tightening policies, global economic growth continues to face uncertainties, and the development situation of the apparel industry remains complex. However, the Group received a considerable number of orders in 1H2024, with ongoing optimization of production capacity layout and notable effectiveness in production cost control. Amid a stable macroeconomic environment, losses are expected to further narrow, and the Group adopts a cautious and optimistic attitude towards its performance for the second half of the year. In the future, the Group will continue to drive corporate development through technological innovation, seize market recovery opportunities to achieve win-win with clients, and expand market presence to increase business scale. The Group will systematically advance international operations to expand its global business footprint and establish a new pattern of coordinated development both domestically and internationally. The Group will also accelerate the transformation of production technologies towards informatization, automation, intelligence, and sustainability, strengthen lean management, improve product quality, streamline organizational structures, and maintain strict control over costs and expenses.

In the future, we will continue to strive to enhance the Group's core competitiveness and profitability, actively addressing the uncertainties of the external environment and competitive challenges, with the goal of creating greater value for our shareholders.

OUR APPRECIATION

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

展望2H2024，在經歷了四年的疫情、衝突、通貨膨脹和貨幣緊縮政策引發各種動盪之後，全球經濟增長不確定性持續，服裝行業發展形勢仍然錯綜複雜，但本集團已於1H2024獲得可觀的訂單量，產能佈局持續優化，生產成本管控卓見成效，在宏觀經濟環境穩定的大前提下，預期虧損將進一步收窄，本集團對下半年的表現持相對審慎樂觀態度。未來本集團將繼續以科技創新驅動企業發展，抓住市場復甦機遇攜手客戶共創雙贏；開拓市場、提高營業規模；系統推進國際化經營，拓展國際業務版圖，構建海內外協同發展新格局；加快資訊化、自動化、智慧化、綠色化生產技術改造進程，加強精益管理，提高產品品質、精簡組織架構、嚴控成本費用。

未來，我們將繼續努力，不斷提升集團的核心競爭力 and 盈利能力，積極應對外部環境的不確定性與競爭挑戰，為股東創造更大的價值。

致謝

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

FINANCIAL REVIEW

The key operating and financial indicators of the Group for the six months ended 30 June 2024 are set out below:

財務回顧

本集團截至2024年6月30日止6個月之主要經營及財務指標呈列如下：

		Six months ended 30 June 截至6月30日止6個月	
		2024	2023
Statement of Profit or Loss Items	損益表項目		
(All amounts in HK\$ thousands unless otherwise stated)	(除特別註明外所有金額均以千港元列示)		
Revenue	營業額	2,219,366	2,193,867
Gross profit	毛利	244,814	171,339
EBITDA*	息稅折舊及攤銷前利潤	125,557	67,501
Profit/(loss) for the period	是期間盈利／(虧損)	4,243	(74,527)
Loss attributable to owners of the Company	本公司擁有人應佔虧損	(9,906)	(81,607)
Basic loss per share (HK cents)	每股基本虧損 (港仙)	(0.8)	(6.7)
Key Financial Ratios	主要財務比率		
Profitability ratios	盈利能力比率		
Gross profit margin (%)	毛利率(%)	11.0%	7.8%
EBITDA* margin (%)	息稅折舊及攤銷前利潤率(%)	5.7%	3.1%
Expenses as a% of revenue	開支佔營業額比率		
Distribution and selling expenses	分銷及銷售費用	2.4%	1.7%
Administrative expenses	行政費用	8.9%	9.2%
Finance costs	融資成本	0.4%	0.6%
Asset efficiency	資產效率		
Inventory turnover period (days)	存貨周轉期(日)	79	71
Trade and bills receivables turnover period (days)	營業及票據應收款項周轉期(日)	73	76
Trade and bills payables turnover period (days)	營業及票據應付款項周轉期(日)	62	48

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

* EBITDA解釋為息稅折舊及攤銷前利潤。

		At 30 June 於6月30日	At 31 December 於12月31日
		2024	2023
Asset ratios	資產比率		
Current ratio [#]	流動比率 [#]	3.0	2.9
Net debt/EBITDA ratio (annualised)	淨債務／息稅折舊及攤銷前 利潤率(年化)	(8.4)	(3.6)
Gearing ratio	資本負債比率		
Total liabilities/Equity attributable to owners of the Company	負債總額／本公司擁有人 應佔權益	0.4	0.4

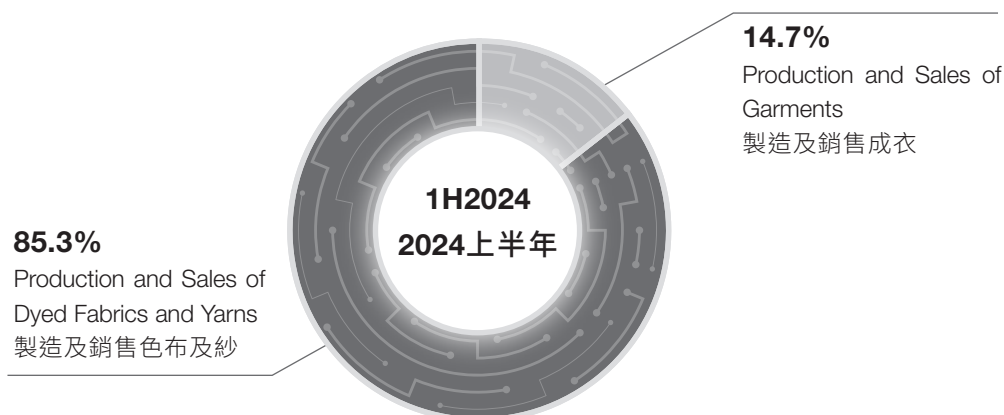
[#] Current ratio is calculated by dividing current assets by current liabilities.

[#] 流動比率的計算方法是將流動資產除以流動負債。

Revenue

The Group's revenue for the six months ended 30 June 2024 amounted to approximately HK\$2,219,366,000 (six months ended 30 June 2023: HK\$2,193,867,000).

Revenue by Business Segments



In the first half of 2024, the Group's core business, production and sales of dyed fabrics and yarns, generated revenue of approximately HK\$1,893,885,000 (six months ended 30 June 2023: HK\$1,835,782,000), which accounted for 85.3% (six months ended 30 June 2023: 83.7%) of the Group's total revenue. Revenue from production and sales of garments was approximately HK\$325,481,000 (six months ended 30 June 2023: HK\$358,085,000), which accounted for 14.7% (six months ended 30 June 2023: 16.3%) of the Group's total revenue.

Cost of Sales and Gross Profit

For the six months ended 30 June 2024, overall cost of sales of the Group amounted to approximately HK\$1,974,552,000 (six months ended 30 June 2023: HK\$2,022,528,000) and overall gross profit margin was 11.0% (six months ended 30 June 2023: 7.8%).

During the period under review, the Group's revenue grew 1.2% compared with the same period last year, which was mainly due to the increase in sales volume of fabrics by approximately 14.0% and the decline in the average selling price of fabrics by 8.7% due to the change of product mix. Compared with same period last year, gross profit margin improved owing to the increase in revenue as well as the decrease in production cost.

Distribution and Selling Expenses

For the six months ended 30 June 2024, the Group's overall distribution and selling expenses amounted to approximately HK\$53,494,000 (six months ended 30 June 2023: HK\$37,281,000), which accounted for 2.4% (six months ended 30 June 2023: 1.7%) of the Group's total revenue.

營業額

集團截至2024年6月30日止6個月的營業額約為2,219,366,000港元(截至2023年6月30日止6個月: 2,193,867,000港元)。

營業額按業務分類

14.7%
Production and Sales of Garments
製造及銷售成衣

於2024年上半年,集團核心業務—製造及銷售色布及紗的營業額約為1,893,885,000港元(截至2023年6月30日止6個月: 1,835,782,000港元),佔集團營業額總值的85.3%(截至2023年6月30日止6個月: 83.7%)。製造及銷售成衣的營業額約為325,481,000港元(截至2023年6月30日止6個月: 358,085,000港元),佔集團營業額總值的14.7%(截至2023年6月30日止6個月: 16.3%)。

銷售成本及毛利

集團截至2024年6月30日止6個月之整體銷售成本約為1,974,552,000港元(截至2023年6月30日止6個月: 2,022,528,000港元),整體毛利率為11.0%(截至2023年6月30日止6個月: 7.8%)。

於回顧期內,本集團的營業額較去年同期增長1.2%,主要是由於面料銷售量上升約14.0%及由於產品類型變更而引致的面料平均售價下降8.7%。與去年同期相比,由於營業額上升及生產成本的下落,使毛利率得以改善。

分銷及銷售費用

集團截至2024年6月30日止6個月之整體分銷及銷售費用約為53,494,000港元(截至2023年6月30日止6個月: 37,281,000港元),佔集團營業額總值的2.4%(截至2023年6月30日止6個月: 1.7%)。

Administrative Expenses

For the six months ended 30 June 2024, the Group's overall administrative expenses amounted to approximately HK\$197,065,000 (six months ended 30 June 2023: HK\$202,294,000), which accounted for 8.9% (six months ended 30 June 2023: 9.2%) of the Group's total revenue.

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

For the six months ended 30 June 2024, the Group's EBITDA amounted to approximately HK\$125,557,000 (six months ended 30 June 2023: HK\$67,501,000) and the EBITDA margin was 5.7% (six months ended 30 June 2023: 3.1%).

Finance Costs

For the six months ended 30 June 2024, the Group's finance costs amounted to approximately HK\$8,014,000 (six months ended 30 June 2023: HK\$13,711,000), representing 0.4% (six months ended 30 June 2023: 0.6%) of the Group's total revenue.

Capital Expenditure

During the period under review, the Group invested approximately HK\$59,342,000 (six months ended 30 June 2023: HK\$42,638,000) in additions to property, plant and equipment. The Group's capital commitments primarily related to the acquisition of property, plant and equipment. As at 30 June 2024, the Group had contracted capital commitments of approximately HK\$100,633,000 (31 December 2023: HK\$86,721,000) in relation to the acquisition of property, plant and equipment.

Income Tax Expense

For the six months ended 30 June 2024, income tax expense of the Group amounted to approximately HK\$21,590,000 (six months ended 30 June 2023: HK\$31,391,000).

行政費用

集團截至2024年6月30日止6個月之整體行政費用約為197,065,000港元(截至2023年6月30日止6個月:202,294,000港元),佔集團營業額總值的8.9%(截至2023年6月30日止6個月:9.2%)。

息稅折舊及攤銷前利潤(EBITDA)

集團截至2024年6月30日止6個月之息稅折舊及攤銷前利潤約為125,557,000港元(截至2023年6月30日止6個月:67,501,000港元),息稅折舊及攤銷前利潤率為5.7%(截至2023年6月30日止6個月:3.1%)。

融資成本

集團截至2024年6月30日止6個月之融資成本約為8,014,000港元(截至2023年6月30日止6個月:13,711,000港元),佔集團營業額總值的0.4%(截至2023年6月30日止6個月:0.6%)。

資本開支

於回顧期內,集團已投資約59,342,000港元(截至2023年6月30日止6個月:42,638,000港元)以增加物業、機器及設備。集團的資本承擔主要涉及購買物業、機器及設備。於2024年6月30日,集團有關購買物業、機器及設備的已簽約資本承擔約為100,633,000港元(2023年12月31日:86,721,000港元)。

所得稅支出

集團截至2024年6月30日止6個月之所得稅支出約為21,590,000港元(截至2023年6月30日止6個月:31,391,000港元)。

Liquidity and Financial Resources

As at 30 June 2024, the Group's net assets amounted to approximately HK\$3,432,921,000 (31 December 2023: HK\$3,468,666,000). The key figures of the Group's financial position were as follows:

資金流動性及財政資源

於2024年6月30日，集團資產淨值約為3,432,921,000港元（2023年12月31日：3,468,666,000港元）。集團財務狀況的主要資料如下：

		At 30 June	At 31 December
		於6月30日	於12月31日
		2024	2023
		HK\$'000 千港元	HK\$'000 千港元
Non-current assets	非流動資產	1,472,578	1,532,032
Current assets	流動資產	3,227,204	3,368,807
Total assets	資產總值	4,699,782	4,900,839
Current liabilities	流動負債	1,094,911	1,165,291
Non-current liabilities	非流動負債	171,950	266,882
Total liabilities	負債總值	1,266,861	1,432,173
Net assets	資產淨值	3,432,921	3,468,666

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

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

As at 30 June 2024, the Group's bank borrowings amounted to HK\$55,323,000 (31 December 2023: HK\$199,557,000). Details of the bank borrowings of the Group are set out in note 17 to the condensed consolidated financial statements.

於2024年6月30日，本集團銀行借貸為55,323,000港元（2023年12月31日：199,557,000港元）。本集團的銀行借貸詳情已載於綜合財務報表附註17。

As at 30 June 2024, the Group's bank balances and cash, including short-term bank deposits, amounted to HK\$1,114,470,000 (31 December 2023: HK\$1,378,997,000) and were mainly denominated in HKD, USD and Renminbi ("RMB").

於2024年6月30日，本集團銀行結餘及現金（包括短期銀行存款）合共1,114,470,000港元（2023年12月31日：1,378,997,000港元），主要是港幣、美元及人民幣。

As at 30 June 2024, the principal financial covenant figures/ratios (according to the definitions of the Group's principal banks) were as follows:

於2024年6月30日，主要的財務契約數據／比率（根據本集團主要往來銀行的定義）如下：

		At 30 June 於6月30日 2024	At 31 December 於12月31日 2023
Consolidated tangible net worth	綜合淨有形資產	HK\$3,138,667,000 港元	HK\$3,189,317,000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	0.0	0.1
Consolidated EBITDA to consolidated interest expense	綜合息稅折舊及攤銷前利潤對 綜合利息支出比例	15.7	12.5
Consolidated current assets to consolidated current liabilities	綜合流動資產對 綜合流動負債比例	3.0	2.9
Consolidated capital expenditure	綜合資本開支	HK\$59,342,000 港元	HK\$87,871,000港元

During the period/year ended 30 June 2024 and 31 December 2023, the Group had complied with all covenant ratios and undertakings.

於截至2024年6月30日止期間內及2023年12月31日止年度內，本集團已遵守所有契約比率及承諾。

Risk Management

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

The sale and the purchase of raw materials of the Group were mainly denominated in HKD, USD and RMB. Since the Group mainly carries out production in China, we are exposed to foreign exchange risk arising from RMB exposure. The Group has been closely monitoring the exchange rate fluctuation for USD and RMB and will continue to monitor the trend of the exchange rate and adopt appropriate measures in order to mitigate the foreign currency risk in a cautious manner.

In addition, bank borrowings of the Group were denominated in HKD and interests were mainly charged on a floating rate basis. The average effective interest rate of bank borrowings of the Group was 6.36% per annum for the period under review (31 December 2023: 5.99% per annum). As at 30 June 2024, the bank borrowings were repayable within two years (as at 31 December 2023: within two years). All bank borrowings were unsecured as at 30 June 2024 and 31 December 2023. The Group will continue to monitor the interest rates fluctuation in the market and will adopt appropriate measures to minimise the interest rate risk.

風險管理

集團會依據嚴格及審慎的風險管理政策應對外匯及利率風險。

集團之銷售和原料採購以港元、美元及人民幣為主。而集團主要的生產基地位於中國，故涉及人民幣所產生之外匯風險。集團一直密切留意美元及人民幣匯率的變動，會採取謹慎的方法，適時審視匯率的走勢，安排合適的措施以減低外匯風險。

此外，集團的銀行借貸以港元為單位，利息主要以浮動利率計算。回顧期內，本集團銀行借貸的平均實際年利率為6.36%（2023年12月31日：年利率為5.99%）。於2024年6月30日，銀行借貸須於兩年內償還（於2023年12月31日：兩年內）。於2024年6月30日及2023年12月31日，所有銀行借貸均無抵押。本集團將繼續留意市場的利率波動，並安排合適的措施以減低利率風險。

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2024, the Group had approximately 5,700 (30 June 2023: approximately 5,800) full-time employees. In response to the unfavourable market conditions, starting from the end of 2022, the Group decided to reduce production volume in one of its fabric mills namely, Jiangyin Fuhui Textiles Ltd and streamline the production team so as to further minimise its labour cost. The Group's emolument policies are formulated based on the performance of individual employee and the salary trends in various regions, which are reviewed regularly. The Group may, subject to the profitability, distribute a discretionary bonus to its employees as an incentive for their contribution to the Group.

The Group 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.

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

During 1H2024, the Company had not redeemed its listed securities, nor did the Company or any of its subsidiaries purchase or sell any of such securities.

CORPORATE GOVERNANCE CODE

Throughout the period from 1 January 2024 to 30 June 2024, the Company has applied the principles of, and complied with, all the mandatory disclosure requirements and the code provisions as set out in the section headed "Part 2 – Principles of good corporate governance, code provisions and recommended best practices" of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules (the "CG Code") except for code provision C.2.1 of the CG Code. Since 1 April 2023, Mr. LIU Xianfu, the Chairman and an Executive Director, has taken up the position of chief executive officer of the Company, details of which were set out in the announcement of the Company dated 31 March 2023. This deviated from code provision C.2.1 of the CG Code, which stipulates that the responsibilities between the chairman and chief executive officer should be divided and should not be performed by the same person. However, having considered the current status of the Group, the Board considers that vesting the roles of both chairman and chief executive officer in the same person enables the Group to plan its overall strategy more efficiently and achieve the budgeted target.

The Board believes that the balance of power and authority under this arrangement is adequately ensured by the Board which comprises experienced, professional and high caliber individuals being INEDs, and all major decisions are made in consultation with all the Board members who meet on a regularly basis to review the operations of the Group, and shall be approved by majority approval of the Board, with the four INEDs on the Board scrutinising important decisions and offering independent perspectives.

The Board will continue to review and consider splitting the roles of the chairman and the chief executive officer at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

僱員及酬金政策

本集團於2024年6月30日之全職僱員人數約為5,700人(2023年6月30日:約5,800人)。由於本集團為應對不利市況,自2022年年底開始減少其面料工廠之一江陰福匯紡織有限公司的產量以及精簡生產團隊,以盡量減少勞動力成本。本集團的酬金政策是根據個別僱員的工作表現及各地區薪酬趨勢而制定並定期作出檢討。本集團亦會因應盈利情況,酌情發放花紅予僱員以鼓勵他們對本集團之貢獻。

本集團為僱員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。

購回、出售及贖回本公司之上市證券

於1H2024,本公司並無贖回其上市證券,本公司或其附屬公司亦無購買或出售該等證券。

企業管治守則

由2024年1月1日至2024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」)之原則及其「第二部分—良好企業管治的原則、守則條文及建議最佳常規」一節之全部強制披露要求及守則條文,惟企管守則之守則條文第C.2.1條除外。自2023年4月1日起,主席及執行董事劉賢福先生開始兼任本公司行政總裁職務,詳情已載於本公司日期為2023年3月31日之公告。此會偏離企管守則之守則條文第C.2.1條的規定,主席與行政總裁的職責應有區分及不應由同一名人士擔任,但考慮到本集團現時的情況,董事會認為由同一名人士同時擔任主席及行政總裁兩個職務可以讓本集團更有效率地計劃整體策略及完成預算目標。

由於董事會由經驗豐富、專業及高質素人士組成(包括充足的獨立非執行董事人數),董事會相信會有足夠能力確保職能及權力在此安排下得到平衡。所有重大決策均與定期召開會議以審查本集團運營的所有董事會成員協商後作出,並須經董事會多數批准通過,並由董事會中的四名獨立非執行董事審查重要決策及提供獨立的觀點。

董事會將繼續檢討及考慮本集團的整體情況,並在適當及合適的時間分拆主席及行政總裁的角色。

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

AUDIT COMMITTEE’S REVIEW

The Company has established an audit committee of the Board (the “Audit Committee”) for the purposes of reviewing and providing supervision, among others, on the Company’s financial reporting process, risk management and internal control systems. The Audit Committee comprises three independent non-executive Directors. The Audit Committee has reviewed the unaudited consolidated interim results of the Group for 1H2024 and this Interim Report 2024 of the Company.

PUBLICATION OF 2024 INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the respective websites of the Company (www.fshl.com) and the Stock Exchange (www.hkexnews.hk). The 2024 interim report of the Company containing all the information required by the Listing Rules will be dispatched to the Shareholders and available on the respective websites of the Company and the Stock Exchange in due course in the manner as required by the Listing Rules.

By Order of the Board

Fountain Set (Holdings) Limited

LIU Xianfu

Chairman and Chief Executive Officer

Hong Kong, 23 August 2024

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

董事進行證券交易的標準守則

本公司已採納上市規則附錄10所載的上市發行人董事進行證券交易的標準守則（「標準守則」）為其有關董事進行證券交易之守則。經本公司向所有董事作出具體查詢後，所有董事已確認彼等於是期間均已遵守標準守則所要求的標準。

審核委員會審閱

本公司已成立董事會審核委員會（「審核委員會」），藉以檢討及監察本公司之財務申報程序、風險管理及內部監控制度。審核委員會由3名獨立非執行董事組成。審核委員會已審閱本集團1H2024之未經審核綜合中期業績及本2024中期報告。

刊發2024年中期業績公告及中期報告

本業績公告分別於本公司網站(www.fshl.com)及聯交所網站(www.hkexnews.hk)刊登。載有上市規則規定的所有資料之本公司之2024年中期報告將會於適當時候寄發予股東，並且按上市規則要求的形式分別刊載於本公司及聯交所網站。