

香港交易及結算所有限公司及香港聯合交易所有限公司對本公告的內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示，概不對因本公告全部或任何部份內容而產生或因倚賴該等內容而引致的任何損失承擔任何責任。



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

(於香港註冊成立之有限公司) (股份代號：420)

截至2018年12月31日止年度 末期業績公告

福田實業(集團)有限公司董事會(分別為「本公司」、「董事」及「董事會」)謹此宣佈截至2018年12月31日止年度本公司及其附屬公司(統稱為「本集團」)之經審核綜合業績如下：

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 綜合損益及其他全面收益表 FOR THE YEAR ENDED 31 DECEMBER 2018 截至2018年12月31日止年度

| | | Notes 附註 | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|---|------------------|----------|----------------------|----------------------|
| Revenue | 營業額 | 3 | 7,510,789 | 6,913,785 |
| Cost of sales | 銷售成本 | | (6,690,010) | (6,162,290) |
| Gross profit | 毛利 | | 820,779 | 751,495 |
| Other revenue | 其他收入 | | 68,957 | 44,892 |
| Other gains and losses | 其他收益及虧損 | | (5,179) | 22,250 |
| Distribution and selling expenses | 分銷及銷售費用 | | (181,673) | (172,868) |
| Administrative expenses | 行政費用 | | (442,718) | (412,891) |
| Finance costs | 融資成本 | 4 | (30,397) | (22,533) |
| Share of profit of an associate | 應佔一間聯營公司之盈利 | | 1,096 | 1,905 |
| Profit before income tax expense | 除所得稅支出前盈利 | | 230,865 | 212,250 |
| Income tax expense | 所得稅支出 | 5 | (52,586) | (36,304) |
| Profit for the year | 是年度盈利 | 6 | 178,279 | 175,946 |
| Profit for the year attributable to: | 應佔是年度盈利： | | | |
| Owners of the Company | 本公司擁有人 | | 160,792 | 156,846 |
| Non-controlling interests | 非控股權益 | | 17,487 | 19,100 |
| | | | 178,279 | 175,946 |
| | | | HK cents 港仙 | HK cents 港仙 |
| Earnings per share | 每股盈利 | | | |
| – Basic | – 基本 | 8 | 13.3 | 13.0 |
| – Diluted | – 攤薄 | 8 | 13.3 | 13.0 |

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

FOR THE YEAR ENDED 31 DECEMBER 2018 截至2018年12月31日止年度

| | | Note 附註 | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|--|----------------------|---------|----------------------|----------------------|
| Profit for the year | 是年度盈利 | 6 | 178,279 | 175,946 |
| Other comprehensive income, net of tax | 其他全面收益（經扣除稅項） | | | |
| Items that may be reclassified subsequently to profit or loss: | 其後可能重新分類至損益之項目： | | | |
| Net gain arising on revaluation of available-for-sale financial assets during the year | 年內重估可供出售金融資產產生之收益淨值 | | - | 272 |
| Exchange differences arising on translation of foreign operations | 換算海外業務產生之匯兌差額 | | (10,684) | 16,434 |
| Release upon disposal of available-for-sale financial assets | 處置可供出售金融資產時轉出 | | - | (901) |
| Reclassification adjustment of translation reserve upon deregistration of a subsidiary | 註銷一間附屬公司時匯兌儲備之重新分類調整 | | - | 1,127 |
| Other comprehensive income for the year | 是年度其他全面收益 | | (10,684) | 16,932 |
| Total comprehensive income for the year | 是年度全面收益總值 | | 167,595 | 192,878 |
| Total comprehensive income for the year attributable to: | 應佔是年度全面收益總值： | | | |
| Owners of the Company | 本公司擁有人 | | 153,265 | 168,075 |
| Non-controlling interests | 非控股權益 | | 14,330 | 24,803 |
| | | | 167,595 | 192,878 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

AS AT 31 DECEMBER 2018 於 2018 年 12 月 31 日

| | | | At 31 December 於 12 月 31 日 2018 HK\$'000 千港元 | At 31 December 於 12 月 31 日 2017 HK\$'000 千港元 |
|--|------------------|----------|---|---|
| | | Notes 附註 | | |
| Non-current assets | 非流動資產 | | | |
| Investment properties | 投資物業 | | 55,841 | 60,775 |
| Property, plant and equipment | 物業、機器及設備 | | 1,556,139 | 1,509,246 |
| Prepaid lease payments | 預付租賃款項 | | | |
| – non-current portion | – 非流動部分 | | 94,025 | 96,715 |
| Other intangible assets | 其他無形資產 | | 15,075 | 18,346 |
| Interest in an associate | 於一間聯營公司之權益 | | 19,901 | 18,805 |
| Deferred tax assets | 遞延稅項資產 | | 30,725 | 42,877 |
| | | | 1,771,706 | 1,746,764 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | 9 | 1,479,107 | 1,450,187 |
| Trade and bills receivables | 營業及票據應收款項 | 10 | 1,236,970 | 1,261,584 |
| Prepayments, deposits and other receivables | 預付款項、按金及其他應收款項 | | 179,425 | 261,728 |
| Prepaid lease payments | 預付租賃款項 | | | |
| – current portion | – 流動部分 | | 2,599 | 2,604 |
| Tax recoverable | 可收回稅項 | | 5,070 | 3,500 |
| Restricted bank deposits | 受限制銀行存款 | | 13,981 | 13,003 |
| Short-term bank deposits | 短期銀行存款 | | 76,856 | 206,405 |
| Bank balances and cash | 銀行結餘及現金 | | 898,810 | 643,196 |
| | | | 3,892,818 | 3,842,207 |
| Current liabilities | 流動負債 | | | |
| Trade and bills payables | 營業及票據應付款項 | 11 | 770,819 | 817,067 |
| Other payables and accruals | 其他應付款項及應計費用 | | 296,277 | 307,442 |
| Contract liabilities | 合約負債 | | 17,834 | – |
| Amounts due to non-controlling shareholders | 欠非控股股東款項 | | 80,100 | 80,100 |
| Amount due to an associate | 欠一間聯營公司款項 | | 4,269 | 5,286 |
| Deferred income – current portion | 遞延收入 – 流動部分 | | 1,622 | 1,622 |
| Tax payable | 應付稅項 | | 20,505 | 18,984 |
| Bank borrowings – due within one year | 銀行借貸 – 一年內到期 | | 495,707 | 515,606 |
| | | | 1,687,133 | 1,746,107 |
| Net current assets | 流動資產淨值 | | 2,205,685 | 2,096,100 |
| Total assets less current liabilities | 資產總值減流動負債 | | 3,977,391 | 3,842,864 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

AS AT 31 DECEMBER 2018 於 2018 年 12 月 31 日

| | | | At 31 December 於 12 月 31 日 2018 HK\$'000 千港元 | At 31 December 於 12 月 31 日 2017 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 | | 57,367 | 58,989 |
| Bank borrowings – due after one year | 銀行借貸 – 一年後到期 | | 302,806 | 219,623 |
| Deferred tax liabilities | 遞延稅項負債 | | 15,973 | 7,876 |
| | | | 376,146 | 286,488 |
| Net assets | 資產淨值 | | 3,601,245 | 3,556,376 |
| Capital and reserves | 資本及儲備 | | | |
| Share capital | 股本 | 12 | 865,716 | 865,716 |
| Reserves | 儲備 | | 2,567,084 | 2,536,545 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | | 3,432,800 | 3,402,261 |
| Non-controlling interests | 非控股權益 | | 168,445 | 154,115 |
| Total equity | 權益總值 | | 3,601,245 | 3,556,376 |

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 years ended 31 December 2018 and 31 December 2017 included in this final results announcement does not constitute the Company’s statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “Companies Ordinance”) is as follows:

The Company has delivered the financial statements of the Group for the year ended 31 December 2017 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 December 2018 in due course.

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

1. 一般資料

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

本末期業績公告所載有關截至2018年12月31日及2017年12月31日止年度之財務資料，並不構成本公司於該等年度之法定年度綜合財務報表，但摘錄自該等財務報表。根據香港法例第622章公司條例（「公司條例」）第436條須予披露有關該等法定財務報表之進一步資料如下：

本公司已根據公司條例第662(3)條及附表6第3部規定向公司註冊處處長呈交本集團截至2017年12月31日止年度之財務報表，並將會在適當時間遞交截至2018年12月31日止年度之財務報表。

本公司獨立核數師已就本集團兩個年度之財務報表作出報告。獨立核數師報告並無保留意見；並無載有獨立核數師在不對其報告作出保留意見之情況下，以強調的方式提請注意的任何事項；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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(a) Adoption of new/revised HKFRSs – effective on 1 January 2018

| | |
|---|---|
| HKFRS 9 | Financial Instruments |
| HKFRS 15 | Revenue from Contracts with Customers |
| HK(IFRIC) – Interpretation 22 | Foreign Currency Transactions and Advance Consideration |
| Annual Improvements to HKFRSs 2014-2016 Cycle | Amendments to HKAS 28, Investments in Associates and Joint Ventures |
| Amendments to HKFRS 2 | Classification and Measurement of Share-based Payment Transactions |
| Amendments to HKFRS 15 | Revenue from Contracts with Customers (Clarifications to HKFRS 15) |
| Amendments to HKAS 40 | Transfers of Investment Property |

HKFRS 9 – Financial Instruments

HKFRS 9 replaces HKAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: (i) classification and measurement; (ii) impairment and (iii) hedge accounting. The adoption of HKFRS 9 from 1 January 2018 has resulted in changes in accounting policies of the Group and the amounts recognised in the consolidated financial statements.

2. 採納香港財務報告準則（「香港財務報告準則」）

(a) 採納新訂／經修訂之香港財務報告準則 – 於2018年1月1日生效

| | |
|----------------------------|------------------------------|
| 香港財務報告準則第9號 | 金融工具 |
| 香港財務報告準則第15號 | 客戶合同收入 |
| 香港（國際財務報告詮釋委員會）– 詮釋第22號 | 外幣交易及預付代價 |
| 香港財務報告準則2014年至2016年週期之年度改進 | 香港會計準則第28號之修訂本，於聯營公司及合營公司的投資 |
| 香港財務報告準則第2號之修訂本 | 以股份為基礎之付款交易的分類及計量 |
| 香港財務報告準則第15號之修訂本 | 客戶合同收入（澄清香港財務報告準則第15號） |
| 香港會計準則第40號之修訂本 | 轉撥投資物業 |

香港財務報告準則第9號 – 金融工具

香港財務報告準則第9號於2018年1月1日或之後開始的年度期間取代香港會計準則第39號金融工具：確認及計量，合併金融工具會計之所有三個方面：(i) 分類及計量；(ii) 減值及(iii) 對沖會計。自2018年1月1日起採納香港財務報告準則第9號引致本集團會計政策及綜合財務報表確認的金額出現變動。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(a) Adoption of new/revised HKFRSs – effective on 1 January 2018 (continued)

HKFRS 9 – Financial Instruments (continued)

(i) Classification and measurement of financial instruments

HKFRS 9 basically retains the existing requirements in HKAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous HKAS 39 categories for financial assets of held to maturity financial assets, loans and receivables and available-for-sale financial assets. The adoption of HKFRS 9 has no impact on the Group’s accounting policies related to financial liabilities and derivative financial instruments as there are no such financial instruments of the Group. The impact of HKFRS 9 on the Group’s classification and measurement of financial assets is set out below.

Under HKFRS 9, except for certain trade receivables (that the trade receivables do not contain a significant financing component in accordance with HKFRS 15), an entity shall, at initial recognition, measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“FVTPL”), transaction costs. A financial asset is classified as: (i) financial assets at amortised cost (“amortised cost”); (ii) financial assets at fair value through other comprehensive income (“FVTOCI”); or (iii) FVTPL. The classification of financial assets under HKFRS 9 is generally based on two criteria: (i) the business model under which the financial asset is managed and (ii) its contractual cash flow characteristics (the “solely payments of principal and interest” criterion, also known as “SPPI criterion”). Under HKFRS 9, embedded derivatives is no longer required to be separated from a host financial asset. Instead, the hybrid financial instrument is assessed as a whole for the classification.

Amortised cost would be applied to the Group’s financial assets. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gains or losses on derecognition are recognised in profit or loss.

A financial asset is measured at amortised cost if it meets both of the following conditions and it has not been designated as at FVTPL:

- It is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI criterion.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(a) 採納新訂／經修訂之香港財務報告準則 – 於2018年1月1日生效（續）

香港財務報告準則第9號 – 金融工具（續）

(i) 金融工具的分類及計量

香港財務報告準則第9號基本上保留了現有香港會計準則第39號有關金融負債之分類及計量的規定。然而，其取消了先前香港會計準則第39號中持至到期金融資產、貸款及應收款項以及可供出售金融資產的金融資產類別。採納香港財務報告準則第9號並不會對本集團有關金融負債及衍生金融工具的會計政策造成影響，原因是本集團並無該等金融工具。香港財務報告準則第9號對本集團金融資產分類及計量的影響載列如下。

根據香港財務報告準則第9號，除若干營業應收款項（根據香港財務報告準則第15號，營業應收款項並無包括重大的融資成分）外，實體於初始確認時，應按公平價值計量金融資產，倘並非按公平價值計入損益（「按公平價值計入損益」）的金融資產，則另加上交易成本。金融資產分類為：(i) 按攤銷成本（「攤銷成本」）計量的金融資產；(ii) 按公平價值計入其他全面收益（「按公平價值計入其他全面收益」）的金融資產；或(iii) 按公平價值計入損益的金融資產。根據香港財務報告準則第9號的金融資產分類一般根據兩個準則：(i) 管理金融資產的業務模式及(ii)其合約現金流量特徵（「僅支付本金及利息」準則，亦稱為「僅支付本金及利息準則」）。根據香港財務報告準則第9號，內含衍生工具無須與主體金融資產分開列示。取而代之，混合式金融工具類別須整體評估。

攤銷成本將應用於本集團的金融資產。按攤銷成本計量的金融資產其後使用實際利率法計量。利息收入、外幣匯兌收益及虧損以及減值於損益確認。終止確認的任何收益或虧損於損益確認。

倘金融資產同時符合以下條件，且並無指定為按公平價值計入損益，則該金融資產按攤銷成本計量：

- 該金融資產由一個旨在通過持有金融資產收取合約現金流量的業務模式所持有；及
- 該金融資產的合約條款於特定日期產生的現金流量是符合僅支付本金及利息準則。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(a) Adoption of new/revised HKFRSs – effective on 1 January 2018 (continued)

HKFRS 9 – Financial Instruments (continued)

(i) Classification and measurement of financial instruments (continued)

The following table summarises the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Group’s financial assets as at 1 January 2018:

| Financial assets 金融資產 | Original classification under HKAS 39 根據香港會計準則 第 39 號的原有類別 | New classification under HKFRS 9 根據香港財務 報告準則第 9 號 的新類別 | Carrying amount as at 1 January 2018 under HKAS 39 根據香港會計準則 第 39 號於 2018 年 1 月 1 日的賬面值 HK\$'000 千港元 | Carrying amount as at 1 January 2018 under HKFRS 9 根據香港財務報告 準則第 9 號於 2018 年 1 月 1 日 的賬面值 HK\$'000 千港元 |
|--|---|--|---|--|
| Trade and bills receivables 營業及票據應收款項 | Loans and receivables 貸款及應收款項 | Amortised cost 攤銷成本 | 1,261,584 | 1,261,584 |
| Prepayments, deposits and other receivables 預付款項、按金及 其他應收款項 | Loans and receivables 貸款及應收款項 | Amortised cost 攤銷成本 | 28,920 | 28,920 |
| Restricted bank deposits 受限制銀行存款 | Loans and receivables 貸款及應收款項 | Amortised cost 攤銷成本 | 13,003 | 13,003 |
| Short-term bank deposits 短期銀行存款 | Loans and receivables 貸款及應收款項 | Amortised cost 攤銷成本 | 206,405 | 206,405 |
| Bank balances and cash 銀行結餘及現金 | Loans and receivables 貸款及應收款項 | Amortised cost 攤銷成本 | 643,196 | 643,196 |

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(a) 採納新訂／經修訂之香港財務報告準則 – 於 2018 年 1 月 1 日生效（續）

香港財務報告準則第 9 號 – 金融工具（續）

(i) 金融工具的分類及計量（續）

下表概述本集團於 2018 年 1 月 1 日的各類金融資產根據香港會計準則第 39 號的原有計量類別及根據香港財務報告準則第 9 號的新計量類別：

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(a) Adoption of new/revised HKFRSs – effective on 1 January 2018 (continued)

HKFRS 9 – Financial Instruments (continued)

(ii) Impairment of financial assets

The adoption of HKFRS 9 has changed the Group’s impairment model by replacing the HKAS 39 “incurred loss model” with the “expected credit loss (“ECL”) model”. HKFRS 9 requires the Group to recognise ECLs for trade and bills receivables, other receivables and financial assets at amortised costs, earlier than HKAS 39. Cash and cash equivalents are subject to ECL model but the impairment is immaterial for the current year.

Under HKFRS 9, the loss allowances are measured on either of the following bases: (1) 12-month ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Measurement of ECLs

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets’ original effective interest rate.

The Group’s significant financial assets which are subject to the new ECL model include trade and bills receivables and other receivables. The Group modified its impairment methodology under HKFRS 9 for these classes of financial assets.

Impairment on other receivables is measured as either 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition.

The Group has elected to measure loss allowances for trade and bills receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group’s historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(a) 採納新訂／經修訂之香港財務報告準則 – 於2018年1月1日生效（續）

香港財務報告準則第9號 – 金融工具（續）

(ii) 金融資產減值

採納香港財務報告準則第9號更改本集團的減值模式，將由香港會計準則第39號「已產生虧損模式」更改為「預期信貸虧損（「預期信貸虧損」）模式」。香港財務報告準則第9號規定本集團就營業及票據應收款項、其他應收款項及按攤銷成本列賬的金融資產較香港會計準則第39號提前確認預期信貸虧損。現金及等同現金項目須受預期信貸虧損模式所限，惟本年度減值並不重大。

根據香港財務報告準則第9號，虧損撥備按以下其中一項基準計量：(1)12個月的預期信貸虧損：其為於報告日期後12個月內發生的潛在違約事件導致的預期信貸虧損；及(2)年限內預期信貸虧損：此乃於金融工具預計年期內所有潛在違約事件導致的預期信貸虧損。

預期信貸虧損的計量

預期信貸虧損乃基於根據合約上應收的合約現金流量與本集團預期收取的所有現金流量之間的差額。該差額其後按貼近資產原有的實際利率貼現。

本集團的重大金融資產受新的預期信貸虧損模式所規限，包括營業及票據應收款項及其他應收款項。本集團已就該等類別的金融資產根據香港財務報告準則第9號修訂其減值方法。

其他應收款項的減值乃視乎信貸風險自初始確認後有否顯著增加而按12個月的預期信貸虧損或年限內預期信貸虧損計量。

本集團已選用香港財務報告準則第9號簡化法以計量營業及票據應收款項的虧損撥備，並已根據年限內預期信貸虧損計算預期信貸虧損。本集團已設立根據本集團過往信貸虧損經驗計算的撥備矩陣，並按針對債務人的前瞻性因素及整體經濟環境予以調整。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(a) Adoption of new/revised HKFRSs – effective on 1 January 2018 (continued)

HKFRS 9 – Financial Instruments (continued)

(ii) Impairment of financial assets (continued)

Presentation of ECLs

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impact of the ECL model

(a) Impairment of trade and bills receivables

As mentioned above, the Group applies the HKFRS 9 simplified approach to measure ECLs which recognises lifetime ECLs for all trade and bills receivables. To measure the ECLs, trade and bills receivables have been grouped based on shared credit risk characteristics and the days past due.

(b) Impairment of other financial assets

Other financial assets at amortised cost of the Group include other receivables. Applying the ECL model, no additional impairment for other receivables as at 1 January 2018 is recognised.

The Group concluded that the impact of ECLs on the Group’s financial position was insignificant as at 1 January 2018.

(iii) Hedge accounting

Hedge accounting under HKFRS 9 has no impact on the Group as the Group does not apply hedge accounting in its hedging relationships.

(iv) Transition

The general principle of HKFRS 9 is to apply the standard retrospectively in accordance with HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. For the new classification and measurement requirements, the Group has elected for the exception from the requirement to restate comparative information as set out in the transitional provisions. As a result, the comparative information provided continues to be accounted for in accordance with the Group’s previous accounting policy.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(a) 採納新訂／經修訂之香港財務報告準則 – 於2018年1月1日生效（續）

香港財務報告準則第9號 – 金融工具（續）

(ii) 金融資產減值（續）

預期信貸虧損的呈列

以攤銷成本計量的金融資產的虧損撥備從資產的總賬面值中扣除。

預期信貸虧損模式的影響

(a) 營業及票據應收款項減值

誠如上文所述，本集團應用香港財務報告準則第9號簡化法計量預期信貸虧損，就所有營業及票據應收款項確認年限內預期信貸虧損。為計量預期信貸虧損，營業及票據應收款項已根據共有信貸風險特點及逾期日數分組。

(b) 其他金融資產減值

本集團按攤銷成本計量的其他金融資產包括其他應收款項。於應用預期信貸虧損模式時，2018年1月1日概無就其他應收款項確認任何額外減值。

本集團認為於2018年1月1日的本集團之預期信貸虧損對財務狀況的影響並不重大。

(iii) 對沖會計

香港財務報告準則第9號的對沖會計對本集團並無影響，此乃由於本集團並未在對沖關係中應用對沖會計。

(iv) 過渡

香港財務報告準則第9號的一般原則為根據香港會計準則第8號會計政策、會計估計變動及錯誤追溯應用該準則。就新分類及計量規定而言，本集團選擇豁免過渡條文所載重列比較資料的規定。因此，所提供的比較資料繼續根據本集團以前的會計政策入賬。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(a) Adoption of new/revised HKFRSs – effective on 1 January 2018 (continued)

HKFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised goods or services in the contract. HKFRS 15 identifies 3 situations in which control of the promised goods or services is regarded as being transferred over time:

- when the customer simultaneously receives and consumes the benefits provided by the entity’s performance as the entity performs;
- when the entity’s performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
- when the entity’s performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity’s activities do not fall into any of these 3 situations, then under HKFRS 15, the entity recognises revenue for the sale of those goods or services at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that will be considered in determining when the transfer of control occurs.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(a) 採納新訂／經修訂之香港財務報告準則 – 於2018年1月1日生效（續）

香港財務報告準則第15號 – 客戶合同收入

本項新準則設立單一的收入確認框架。該框架的核心原則為實體應確認收入以金額描述轉讓已承諾的貨物或服務予客戶，該金額反映該實體預期就交換該等貨物及服務有權獲得的代價。香港財務報告準則第15號將取代現行收入確認指引（包括香港會計準則第18號收入、香港會計準則第11號建築合約及相關詮釋）。

香港財務報告準則第15號要求應用五個步驟確認收入：

- 第一步：識別與客戶的合約
- 第二步：識別合約中的履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至各履約責任
- 第五步：於各履約責任完成時確認收入

香港財務報告準則第15號包含與特定收入相關的特定指引，該等指引或會改變現時根據香港財務報告準則採用的方法。該準則亦對收入相關的披露作出質化與量化的重大改進。

根據香港財務報告準則第15號，收入於客戶獲得合約的承諾貨物或服務的控制權時確認。香港財務報告準則第15號識別下列對承諾貨物或服務的控制權被視為隨時間轉移的3種情況：

- 客戶於實體履約時同時接受及使用實體履約所提供的利益時；
- 客戶可控制實體履約建造或改良中的資產（例如在建的商品）時；或
- 實體履約過程中並無創建對實體具可替代用途的資產，而該實體對迄今已完成的履約付款具有強制執行權利時。

倘合約條款及實體活動並不屬於任何該等3種情況，則根據香港財務報告準則第15號，實體於某一指定時間點（即控制權轉移時）就銷售貨物或服務確認收入。擁有權風險及回報的轉移僅為於釐定控制權轉移發生時將會考慮的其中一項指標。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(a) Adoption of new/revised HKFRSs – effective on 1 January 2018 (continued)

HKFRS 15 – Revenue from Contracts with Customers (continued)

Nature of the goods, satisfaction of performance obligations and payments

The Group sells dyed fabrics, yarns and garments. Revenue is recognised when control of the products has been transferred, being when the products are delivered to the customer and there is no unfulfilled obligation that could affect the customer’s acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. There is generally only one performance obligation in the contract.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Invoices are usually payable within 60 days.

Right of return

Some of the Group’s contracts with customers provide customers a right of return (a full or partial refund of any consideration paid within 14 days after the arrival of the goods at the destination).

Nature of change in accounting policy and impact

Right of return

Under HKAS 18, revenue for these contracts was recognised when a reasonable estimate of the returns could be made, provided that all other revenue recognition criteria are met. If a reasonable estimate could not be made, such revenue would be deferred until the return period lapsed or a reasonable estimate could be made.

Under HKFRS 15, right of return gives rise to variable consideration. The variable consideration is estimated at contract inception and constrained until the associated uncertainty is subsequently resolved. The application of the constraint on variable consideration increases the amount of revenue that will be deferred. In addition, a refund liability and a right to recover returned goods assets are recognised.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(a) 採納新訂／經修訂之香港財務報告準則 – 於2018年1月1日生效（續）

香港財務報告準則第15號 – 客戶合同收入（續）

貨物的性質、完成履約責任及付款

本集團銷售色布、紗及成衣。收入乃在產品的控制權獲轉讓時（即產品已運送予客戶時）確認，並且無影響客戶是否接受產品的未履行責任時確認。直至產品已運抵指定地點，陳舊過時及虧損風險已轉移至客戶，及客戶已根據銷售合約接收產品（即接收條款已失效），或本集團有客觀證據顯示所有接收條件均已達成後，貨物交付方告完成。合約內通常僅有一項履約責任。

應收款項於貨物交付時確認，因從那一刻開始，收取代價已成為無條件，而付款之到期僅須時間的流逝。發票通常在60日內繳清。

退貨權

本集團與客戶訂立的部分合約讓客戶享有退貨權（在貨物運抵目的地後之14日內退還全部或部分已付代價）。

會計政策變動的性質及影響

退貨權

根據香港會計準則第18號，該等合約的收入於可對退貨作出合理估計時確認，惟須符合所有其他收入確認準則。倘不能作出合理估計，則有關收入將遞延，直至退貨期失效或可作出合理估計為止。

根據香港財務報告準則第15號，退貨權產生可變代價。可變代價乃於合約開始時估計且受到約束，直至相關的不確定性於其後解除為止。對可變代價應用約束會增加將予遞延的收入金額。此外，退款責任及回收已退貨物資產的權利予以確認。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(a) Adoption of new/revised HKFRSs – effective on 1 January 2018 (continued)

HKFRS 15 – Revenue from Contracts with Customers (continued)

The Group concluded that the impact of refund liability from the right of return was insignificant as at 1 January 2018.

The Group has adopted HKFRS 15 Revenue from Contracts with Customers from 1 January 2018 which resulted in changes in accounting policies. In accordance with the transitional provisions in HKFRS 15, comparative figures have not been restated.

Impact on the consolidated statement of financial position as at 1 January 2018 (increase/(decrease)):

| | | At 31 December 2017 under HKAS 18 根據香港會計 準則第18號 於2017年 12月31日 HK\$'000 千港元 | Effect of adoption of HKFRS 15 採納香港財務 報告準則第15號 的影響 HK\$'000 千港元 | At 1 January 2018 under HKFRS 15 根據香港財務 報告準則第15號 於2018年 1月1日 HK\$'000 千港元 |
|-----------------------------|-------------|---|--|--|
| Contract liabilities | 合約負債 | – | 5,131 | 5,131 |
| Other payables and accruals | 其他應付款項及應計費用 | 307,442 | (5,131) | 302,311 |

The Group assessed the impacts of adopting HKFRS 15 on its financial statements. Based on the assessment, the adoption of HKFRS 15 has no significant impact on the Group's revenue recognition.

Except as described above regarding the impact of HKFRS 15 and HKFRS 9, the adoption of the above new/revised HKFRSs has no material impact on the Group's financial statements.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(a) 採納新訂／經修訂之香港財務報告準則 – 於2018年1月1日生效（續）

香港財務報告準則第15號 – 客戶合同收入（續）

本集團認為，於2018年1月1日有關退貨權引致的退款責任的影響並不重大。

本集團已於2018年1月1日起採納香港財務報告準則第15號客戶合同收入，從而引起會計政策變動。根據香港財務報告準則第15號的過渡條文，並無重列比較數據。

於2018年1月1日對綜合財務狀況表的影響（增加／（減少））：

本集團已評估採納香港財務報告準則第15號對其財務報表的影響。根據其評估，採納香港財務報告準則第15號對本集團的收入確認並無重大影響。

除上述香港財務報告準則第15號及香港財務報告準則第9號的影響外，採納上述新訂／經修訂之香港財務報告準則並無對本集團的財務報表造成重大影響。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(b) New/revised HKFRSs that have been issued but are not yet effective

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

| | |
|---|--|
| HKFRS 16 | Leases ¹ |
| HK(IFRIC) – Interpretation 23 | Uncertainty over Income Tax Treatments ¹ |
| Annual Improvements to HKFRSs 2015-2017 Cycle | Amendments to HKAS 23, Borrowing Costs ¹ |
| Annual Improvements to HKFRSs 2015-2017 Cycle | Amendments to HKAS 12, Income Taxes ¹ |
| Amendments to HKAS 1 and HKAS 8 | Definition of Material ² |
| Amendments to HKAS 28 | Long-term Interests in Associates and Joint Ventures ¹ |
| Amendments to HKFRS 9 | Prepayment Features with Negative Compensation ¹ |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³ |

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

² Effective for annual periods beginning on or after 1 January 2020

³ The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continues to be permitted.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則

下列可能與本集團財務報表有關之新訂／經修訂香港財務報告準則已經頒佈，惟尚未生效亦未經本集團提早採納。本集團目前擬於該等變動生效日期應用該等變動。

| | |
|-----------------------------|---------------------------------------|
| 香港財務報告準則第16號 | 租賃 ¹ |
| 香港（國際財務報告詮釋委員會）– 詮釋第23號 | 所得稅處理之不確定性 ¹ |
| 香港財務報告準則2015年至2017年週期之年度改進 | 香港會計準則第23號之修訂本，借貸成本 ¹ |
| 香港財務報告準則2015年至2017年週期之年度改進 | 香港會計準則第12號之修訂本，所得稅 ¹ |
| 香港會計準則第1號及香港會計準則第8號之修訂本 | 重大的定義 ² |
| 香港會計準則第28號之修訂本 | 於聯營公司及合營公司的長期權益 ¹ |
| 香港財務報告準則第9號之修訂本 | 帶有負補償特性之預付款項 ¹ |
| 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 |

¹ 於2019年1月1日或之後開始之年度期間生效

² 於2020年1月1日或之後開始之年度期間生效

³ 該等修訂本原訂於2016年1月1日或之後開始之期間生效。生效日期現已延遲／刪除。繼續允許提前應用有關修訂本。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (continued)

HKFRS 16 – Leases

The total operating lease commitment of the Group in respect of rented premises and plant and machinery as at 31 December 2018 amounted to HK\$292,331,000 in which HK\$290,061,000 were with original lease term over 1 year. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases at its present value upon the application of HKFRS 16. The combination of straight-line depreciation of the right-of-use asset and the effective interest rate method applied to the lease liability will result in a higher total charge to the profit or loss in the initial years of the lease, and decreasing expenses during the latter part of the lease term, but there is no impact on the total expenses recognised over the lease term. The directors of the Group do not expect the adoption of HKFRS 16, as compared to the current accounting policy of the Group, would result in significant impact on the Group’s financial position and financial performance in future. These estimates are based on accounting policies, assumptions, judgements and estimation techniques that may be subject to change until the Group finalises its financial statements for the year ending 31 December 2019.

3. REVENUE AND SEGMENT INFORMATION

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

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則（續）

香港財務報告準則第16號 – 租賃

於2018年12月31日本集團就租賃物業以及廠房及機器的營運租賃承擔總額達292,331,000港元，其中290,061,000港元的原租賃期限逾1年。初步評估顯示，此等安排將符合香港財務報告準則第16號下租賃的定義，因此，於應用香港財務報告準則第16號時，本集團將就所有該等租賃按其現值確認使用權資產及相應負債。綜合應用直線法折舊及實際利率法的使用權資產及租賃負債後，將導致於租賃初段年期於損益扣除較高總費用，及於租賃期限後段扣除的開支下降，惟不會對租賃期限內確認的開支總額造成影響。與本集團當前的會計政策相比，本集團董事預期採納香港財務報告準則第16號將不會對本集團未來的財務狀況及財務表現造成重要影響。該等估計乃基於在本集團完成截至2019年12月31日止年度財務報表之前或會有所變動的會計政策、假設、判斷及估計技術作出。

3. 營業額及分類資料

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

3. REVENUE AND SEGMENT INFORMATION (continued)

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

3. 營業額及分類資料 (續)

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

| 2018 | 2018年 | | | | | | | | | Segment | | Consolidated |
|----------------------------------|-------------|------------------------------------|----------------------------------|---------------------------------|--------------------------------|--------------------------------------|----------------------------------|---------------------------------|-----------------------------------|----------------------------------|---------------------------------------|--------------|
| | | 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 | total 分類總值 HK\$'000 千港元 | Eliminations 對銷 HK\$'000 千港元 | |
| Revenue | 營業額 | | | | | | | | | | | |
| External sales | 對外銷售 | 1,638,762 | 1,656,757 | 805,785 | 869,874 | 857,847 | 665,073 | 23,058 | 993,633 | 7,510,789 | - | 7,510,789 |
| Inter-segment sales (note) | 分類間銷售 (附註) | 4,993,205 | 2,804,149 | - | - | 311,448 | - | - | 166,227 | 8,275,029 | (8,275,029) | - |
| Total segment revenue | 分類營業額總值 | 6,631,967 | 4,460,906 | 805,785 | 869,874 | 1,169,295 | 665,073 | 23,058 | 1,159,860 | 15,785,818 | (8,275,029) | 7,510,789 |
| Results | 業績 | | | | | | | | | | | |
| Segment profit | 分類盈利 | 131,227 | 150,425 | 68,076 | 73,438 | 69,324 | 50,975 | 1,930 | 83,691 | | | 629,086 |
| Interest income | 利息收入 | | | | | | | | | | | 4,894 |
| Unallocated income | 未分配收入 | | | | | | | | | | | 3,802 |
| Depreciation and amortisation | 折舊及攤銷 | | | | | | | | | | | (185,455) |
| Other unallocated expenses | 其他未分配支出 | | | | | | | | | | | (192,161) |
| Finance costs | 融資成本 | | | | | | | | | | | (30,397) |
| Share of profit of an associate | 應佔一間聯營公司之盈利 | | | | | | | | | | | 1,096 |
| Profit before income tax expense | 除所得稅支出前盈利 | | | | | | | | | | | 230,865 |

3. REVENUE AND SEGMENT INFORMATION (continued)

3. 營業額及分類資料 (續)

| 2017 | 2017年 | Segment | | | | | | | | | Eliminations | Consolidated |
|----------------------------------|-------------|------------------------------------|----------------------------------|---------------------------------|--------------------------------|--------------------------------------|----------------------------------|---------------------------------|-----------------------------------|----------------------------------|--------------|--------------|
| | | 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 | total 分類總值 HK\$'000 千港元 | | |
| Revenue | 營業額 | | | | | | | | | | | |
| External sales | 對外銷售 | 1,552,586 | 1,430,586 | 654,260 | 1,024,772 | 723,035 | 513,969 | 51,417 | 963,160 | 6,913,785 | - | 6,913,785 |
| Inter-segment sales (note) | 分類間銷售 (附註) | 4,772,958 | 2,682,576 | - | - | 333,261 | - | - | 146,873 | 7,935,668 | (7,935,668) | - |
| Total segment revenue | 分類營業額總值 | 6,325,544 | 4,113,162 | 654,260 | 1,024,772 | 1,056,296 | 513,969 | 51,417 | 1,110,033 | 14,849,453 | (7,935,668) | 6,913,785 |
| Results | 業績 | | | | | | | | | | | |
| Segment profit | 分類盈利 | 127,896 | 144,589 | 55,507 | 86,945 | 51,406 | 41,170 | 4,357 | 80,884 | | | 592,754 |
| Interest income | 利息收入 | | | | | | | | | | | 4,557 |
| Unallocated income | 未分配收入 | | | | | | | | | | | 23,051 |
| Depreciation and amortisation | 折舊及攤銷 | | | | | | | | | | | (191,150) |
| Other unallocated expenses | 其他未分配支出 | | | | | | | | | | | (196,334) |
| Finance costs | 融資成本 | | | | | | | | | | | (22,533) |
| Share of profit of an associate | 應佔一間聯營公司之盈利 | | | | | | | | | | | 1,905 |
| Profit before income tax expense | 除所得稅支出前盈利 | | | | | | | | | | | 212,250 |

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

附註：分類間銷售之價格乃參照當時之市場價格而釐定。

Segment profit represents the profit earned by each segment without allocation of central administration costs and other expenses (including non-production related employee benefits expenses, directors' emoluments, bank charges, etc.), depreciation and amortisation, interest income, loss on disposal/written-off of property, plant and equipment, gain from disposal of available-for-sale financial assets, finance costs, share of profit of an associate, loss on deregistration of a subsidiary, etc. This is the measure reported to the Board 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 Board.

分類盈利乃指各分類所賺取的盈利，當中並無計入中央行政成本及其他費用（包括非與生產有關之僱員福利開支、董事酬金、銀行費用等）、折舊及攤銷、利息收入、出售／註銷物業、機器及設備之虧損、處置可供出售金融資產之收益、融資成本、應佔一間聯營公司之盈利、註銷一間附屬公司之虧損等。此乃為資源分配及績效評估而向董事會匯報之基準。對分類資產及負債並沒有作出分析披露，因該資料沒有向董事會呈列。

3. REVENUE AND SEGMENT INFORMATION (continued)

Disaggregation of revenue

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

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|--|-----------------------|----------------------|----------------------|
| Revenue from contracts with customers | 香港財務報告準則第 15 號 | | |
| within the scope of HKFRS 15: | 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 | 6,635,572 | 5,998,860 |
| Production and sales of garments | 製造及銷售成衣 | 875,217 | 914,925 |
| | | 7,510,789 | 6,913,785 |
| Timing of revenue recognition: | 確認收入的時間： | | |
| At a point in time | 在某時間點 | 7,510,789 | 6,913,785 |
| Transferred over time | 隨時間轉移 | - | - |
| | | 7,510,789 | 6,913,785 |

The Group has initially applied HKFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated and was prepared in accordance with HKAS 18.

本集團已首次應用香港財務報告準則第 15 號並使用累積效應法。根據該方法，比較資料未予重列且已按照香港會計準則第 18 號編製。

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

下表提供有關營業及票據應收款項以及來自客戶合約的合約負債資料。

| | | At 31 December 於 12 月 31 日 2018 HK\$'000 千港元 | At 1 January 於 1 月 1 日 2018 HK\$'000 千港元 |
|---------------------------------------|-------------------|---|---|
| Trade and bills receivables (note 10) | 營業及票據應收款項 (附註 10) | 1,236,970 | 1,261,584 |
| Contract liabilities | 合約負債 | 17,834 | 5,131 |

The contract liabilities mainly relate to the advance consideration received from customers. HK\$3,749,000 of the contract liabilities as of 1 January 2018 has been recognised as revenue for the year ended 31 December 2018.

合約負債主要與收自客戶的預付代價有關。而於 2018 年 1 月 1 日合約負債 3,749,000 港元已確認為截至 2018 年 12 月 31 日止年度的收入。

Information about major customers

No revenue from individual customer contributed over 10% of the total revenue of the Group for the years ended 31 December 2018 and 31 December 2017.

有關主要客戶之資料

截至 2018 年 12 月 31 日及 2017 年 12 月 31 日止年度，來自個別客戶之營業額佔本集團營業總額均無超過 10%。

4. FINANCE COSTS

4. 融資成本

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|-------------------|-------|----------------------|----------------------|
| Finance costs on: | 融資成本： | | |
| Bank borrowings | 銀行借貸 | 30,397 | 22,533 |

5. INCOME TAX EXPENSE

5. 所得稅支出

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|--|------------------|----------------------|----------------------|
| Current tax: | 是年度稅項： | | |
| Hong Kong | 香港 | 228 | 1,523 |
| The PRC | 中國 | 30,292 | 22,440 |
| Other jurisdictions | 其他司法地區 | 6,003 | 3,222 |
| | | 36,523 | 27,185 |
| (Over)/under provision in prior years: | 過往年度(超額撥備)/撥備不足： | | |
| Hong Kong | 香港 | (89) | (81) |
| The PRC | 中國 | (5,131) | 407 |
| Other jurisdictions | 其他司法地區 | 1,044 | 820 |
| | | (4,176) | 1,146 |
| | | 32,347 | 28,331 |
| Deferred tax: | 遞延稅項： | | |
| Hong Kong | 香港 | (103) | 441 |
| The PRC | 中國 | 12,124 | 7,368 |
| Other jurisdictions | 其他司法地區 | 8,218 | 164 |
| | | 20,239 | 7,973 |
| | | 52,586 | 36,304 |

In March 2018, the Hong Kong Government introduced a two-tiered profits tax rates regime by enacting the Inland Revenue (Amendment) (No. 3) Ordinance 2018 (the "Ordinance"). Under the two-tiered profits tax rates regime, the first HK\$2 million of assessable profits of qualifying corporations is taxed at 8.25% and the remaining assessable profits at 16.5%. The Ordinance is effective from the year of assessment 2018-2019.

Accordingly, the provision for Hong Kong Profits Tax for the year ended 31 December 2018 is calculated in accordance with the two-tiered profits tax rates regime (2017: a single tax rate of 16.5% was applied).

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

Pursuant to the relevant laws and regulations in Sri Lanka, the tax rate of Sri Lanka subsidiary changed from 12% to 14% effective from 1 April 2018.

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

香港政府在2018年3月通過《2018年稅務(修訂)(第3號)條例》(「該條例」)，實施利得稅兩級制。根據利得稅兩級制，合資格企業的首2,000,000港元應評稅利潤的稅率為8.25%，而餘下的應評稅利潤則為16.5%。該條例自2018至2019課稅年度起生效。

因此，截至2018年12月31日止年度的香港利得稅撥備乃根據利得稅兩級制計算(2017年：應用單一稅率16.5%)。

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

根據斯里蘭卡有關之法律及法規，斯里蘭卡附屬公司之稅率自2018年4月1日起從12%調整為14%。

其他司法地區之稅項是以有關各自司法地區當時之稅率計算。

6. PROFIT FOR THE YEAR

6. 是年度盈利

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|---|-----------------------------------|----------------------|----------------------|
| Profit for the year has been arrived at after charging/(crediting): | 是年度盈利已扣減／(計入)下列各項： | | |
| Amortisation of deferred income ¹ | 遞延收入的攤銷 ¹ | (1,622) | (1,607) |
| Amortisation of other intangible assets ³ | 其他無形資產之攤銷 ³ | 3,271 | 3,271 |
| Auditors' remuneration | 核數師之薪酬 | | |
| – BDO Limited | – 香港立信德豪會計師事務所有限公司 | 2,987 | 3,065 |
| – Other auditors | – 其他核數師 | 47 | – |
| Cost of inventories sold (note i) | 存貨銷售成本(附註i) | 6,690,010 | 6,162,290 |
| Depreciation of investment properties | 投資物業之折舊 | 3,627 | 3,780 |
| Depreciation and impairment of property, plant and equipment | 物業、機器及設備之折舊及減值 | 175,998 | 181,497 |
| Employee costs (including directors' emoluments) | 僱員成本(包括董事酬金) | 1,009,030 | 961,823 |
| Gain on disposal of available-for-sale financial assets ² | 處置可供出售金融資產之收益 ² | – | (901) |
| Government grants (note ii) ¹ | 政府補貼(附註ii) ¹ | (5,612) | (3,493) |
| Interest income ¹ | 利息收入 ¹ | (4,894) | (4,557) |
| Loss on deregistration of a subsidiary ² | 註銷一間附屬公司之虧損 ² | – | 1,127 |
| Loss on disposal/written-off of property, plant and equipment ² | 出售／註銷物業、機器及設備之虧損 ² | 9,405 | 18,731 |
| Net exchange losses/(gain) ² | 匯兌虧損／(收益)淨值 ² | 4,592 | (21,269) |
| Net rental income from investment properties ¹ | 投資物業的租金收入淨值 ¹ | (10,519) | (9,655) |
| Provision for impairment loss reversed on other receivables, net ² | 其他應收款項之減值損失撥回撥備淨值 ² | (188) | (89) |
| Provision for impairment loss reversed on trade and bills receivables, net ² | 營業及票據應收款項之減值損失撥回撥備淨值 ² | (8,630) | (19,849) |
| Release of prepaid lease payments | 預付租賃款項轉出 | 2,559 | 2,602 |

¹ Included in other revenue

² Included in other gains and losses

³ Included in administrative expenses

¹ 包括在其他收入內

² 包括在其他收益及虧損內

³ 包括在行政費用內

6. PROFIT FOR THE YEAR (continued)

Notes:

- (i) Cost of inventories sold includes HK\$1,688,961,000 (2017: HK\$1,666,095,000) of staff costs, depreciation, subcontracting fee, provision/ (reversal) of write-down of inventories and other manufacturing overheads, which are also included in the respective total amounts disclosed above for each of these types of expenses.
- (ii) Government grants mainly represent grants of HK\$4,394,000 (2017: HK\$2,109,000) received from the PRC local government authority as subsidies to the Group for (a) acquiring certain property, plant and equipment for energy saving scheme and environmental protection scheme implemented by the PRC local government; (b) incentive of foreign trade; and (c) incentive of steady growth of business.

There were no restrictions with the use of such government grants.

7. DIVIDENDS

Dividend recognised as distribution 是年度已確認為分派之股息：
during the year:
2017 final dividend of HK10.4 cents 2017年末期股息每股10.4港仙
(2016 final dividend of HK5.3 cents) (2016年末期股息：5.3港仙)
per share

No interim dividend was paid or proposed for both years.

The final dividend of HK10.64 cents in respect of the year ended 31 December 2018 (2017: HK10.4 cents) per share, amounting to approximately HK\$128,215,000 (2017: HK\$125,323,000) in total, and the special dividend of HK1.33 cents in respect of the year ended 31 December 2018 (2017: Nil) per share, amounting to approximately HK\$16,027,000 (2017: Nil) in total, have been recommended by the Board and are subject to the approval of the shareholders at the forthcoming annual general meeting of the Company.

6. 是年度盈利 (續)

附註：

- (i) 存貨銷售成本包括1,688,961,000港元 (2017年：1,666,095,000港元) 員工成本、折舊、加工費用、註銷存貨之撥備／(撥回)及其他製造費用，此等項目亦已包括在上文所披露各類開支之相關總額內。
- (ii) 政府補貼主要指收取來自中國當地政府機構授出的4,394,000港元 (2017年：2,109,000港元) 作為本集團 (a) 為中國當地政府實施之節能計劃及環保計劃而購置若干物業、機器及設備；(b) 鼓勵外貿；及(c) 激勵業務穩定增長之補貼。

該等政府補貼的使用不受限制。

7. 股息

| | 2018 | 2017 |
|--|--------------|--------------|
| | HK\$'000 千港元 | HK\$'000 千港元 |

125,323

63,866

於兩個年度並無已付或擬派中期股息。

董事會建議派付截至2018年12月31日止年度之末期股息每股10.64港仙 (2017年：10.4港仙)，合共約128,215,000港元 (2017年：125,323,000港元)，以及截至2018年12月31日止年度之特別股息每股1.33港仙 (2017年：無)，合共約16,027,000港元 (2017年：無)，並須待股東於本公司應屆股東週年大會上批准。

8. EARNINGS PER SHARE

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

| | | 2018 HK\$'000 千港元 | 2017 HK\$'000 千港元 |
|---|--------------------------------|----------------------|----------------------|
| Earnings | 盈利 | | |
| Profit for the year attributable to owners of the Company for the purposes of basic earnings and diluted earnings per share | 就計算每股基本盈利及攤薄盈利所用之本公司擁有人應佔是年度盈利 | 160,792 | 156,846 |
| | | 2018 | 2017 |

| Number of shares | 股份數目 | | |
|--|----------------------------|----------------------|---------------|
| Weighted average number of ordinary shares for the purposes of basic earnings and diluted earnings per share | 就計算每股基本盈利及攤薄盈利所用之普通股加權平均數目 | 1,205,026,960 | 1,205,026,960 |

The computation of diluted earnings per share for the years ended 31 December 2018 and 31 December 2017 does not assume the exercise of the Company's outstanding share options because the adjusted exercise prices of those options calculated in accordance with HKAS 33 "Earnings Per Share" are higher than the average market price of the shares for both years.

由於根據香港會計準則第33號「每股盈利」計算之本公司尚未行使購股權之經調整行使價高於股份於兩個年度之平均市價，因此計算截至2018年12月31日及2017年12月31日止年度之每股攤薄盈利時並無假設該等購股權已獲行使。

9. INVENTORIES

| | | At 31 December 於 12月 31日 2018 HK\$'000 千港元 | At 31 December 於 12月 31日 2017 HK\$'000 千港元 |
|------------------|-----|---|---|
| Spare parts | 備件 | 40,573 | 42,995 |
| Raw materials | 原料 | 626,960 | 624,626 |
| Work-in-progress | 半製品 | 441,646 | 441,275 |
| Finished goods | 製成品 | 369,928 | 341,291 |
| | | 1,479,107 | 1,450,187 |

8. 每股盈利

本公司擁有人應佔每股基本盈利及攤薄盈利乃根據下列數據計算：

9. 存貨

10. TRADE AND BILLS RECEIVABLES

| | | At 31 December | At 31 December |
|------------------------------------|--------|-----------------------|---------------------|
| | | 於 12 月 31 日 | 於 12 月 31 日 |
| | | 2018 | 2017 |
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Trade receivables | 營業應收款項 | 973,909 | 965,409 |
| Bills receivables | 票據應收款項 | 273,910 | 324,358 |
| Less: allowance for doubtful debts | 減：呆賬撥備 | (10,849) | (28,183) |
| | | 1,236,970 | 1,261,584 |

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

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

| | | At 31 December | At 31 December |
|--------------------|------------|-----------------------|---------------------|
| | | 於 12 月 31 日 | 於 12 月 31 日 |
| | | 2018 | 2017 |
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Not yet due | 未到期 | 1,019,693 | 1,121,989 |
| Overdue 1-30 days | 逾期 1-30 天 | 141,800 | 90,821 |
| Overdue 31-60 days | 逾期 31-60 天 | 47,743 | 24,211 |
| Overdue >60 days | 逾期超過 60 天 | 27,734 | 24,563 |
| | | 1,236,970 | 1,261,584 |

11. TRADE AND BILLS PAYABLES

| | | At 31 December | At 31 December |
|----------------|--------|-----------------------|---------------------|
| | | 於 12 月 31 日 | 於 12 月 31 日 |
| | | 2018 | 2017 |
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Trade payables | 營業應付款項 | 525,832 | 641,859 |
| Bills payables | 票據應付款項 | 244,987 | 175,208 |
| | | 770,819 | 817,067 |

11. 營業及票據應付款項

11. TRADE AND BILLS PAYABLES (continued)

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

| | | At 31 December 於 12月 31 日 2018 <i>HK\$'000</i> 千港元 | At 31 December 於 12月 31 日 2017 <i>HK\$'000</i> 千港元 |
|--------------------|------------|---|---|
| Not yet due | 未到期 | 467,562 | 553,549 |
| Overdue 1-30 days | 逾期 1-30 天 | 44,783 | 66,510 |
| Overdue 31-60 days | 逾期 31-60 天 | 6,788 | 11,144 |
| Overdue >60 days | 逾期超過 60 天 | 6,699 | 10,656 |
| | | 525,832 | 641,859 |

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

As at 31 December 2018, bills payables of HK\$32,527,000 (31 December 2017: HK\$43,345,000) were secured by the Group's restricted bank deposits of HK\$9,758,000 (31 December 2017: HK\$13,003,000).

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

12. SHARE CAPITAL

| | | At 31 December 於 12月 31 日 2018 | At 31 December 於 12月 31 日 2017 | | |
|--|--------------|--|--------------------------------------|-------------------------------------|-------------------------------|
| | | No. of shares <i>股份數目</i> | HK\$'000 <i>千港元</i> | No. of shares <i>股份數目</i> | HK\$'000 <i>千港元</i> |
| Ordinary shares, issued and fully paid | 普通股，已發行及繳足股本 | 1,205,026,960 | 865,716 | 1,205,026,960 | 865,716 |

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.

11. 營業及票據應付款項 (續)

營業應付款項按付款到期日的賬齡分析如下：

| | At 31 December 於 12月 31 日 2018 <i>HK\$'000</i> 千港元 | At 31 December 於 12月 31 日 2017 <i>HK\$'000</i> 千港元 |
|--------------------|---|---|
| Not yet due | 467,562 | 553,549 |
| Overdue 1-30 days | 44,783 | 66,510 |
| Overdue 31-60 days | 6,788 | 11,144 |
| Overdue >60 days | 6,699 | 10,656 |
| | 525,832 | 641,859 |

於報告期終，本集團之所有票據應付款項均未到期。

於 2018 年 12 月 31 日，票據應付款項 32,527,000 港元 (2017 年 12 月 31 日：43,345,000 港元) 乃由本集團之受限制銀行存款 9,758,000 港元 (2017 年 12 月 31 日：13,003,000 港元) 作為抵押。

購貨的信貨期介乎 30 天至 120 天。

12. 股本

| | At 31 December 於 12月 31 日 2018 | At 31 December 於 12月 31 日 2017 | | |
|--|--|--------------------------------------|-------------------------------------|-------------------------------|
| | No. of shares <i>股份數目</i> | HK\$'000 <i>千港元</i> | No. of shares <i>股份數目</i> | HK\$'000 <i>千港元</i> |
| Ordinary shares, issued and fully paid | 1,205,026,960 | 865,716 | 1,205,026,960 | 865,716 |

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 & ANALYSIS

管理層討論及分析

BUSINESS REVIEW

2018 was a year in which textile manufacturers experienced a massive operating pressure, marked by a complicated and changeable market situation and the combination of unfavorable factors of the operating environment. In the face of a tough business environment, the Group managed to maintain overall operational stability and meet its expected operational and management targets by taking effective well-coordinated actions across all business units and overcoming difficulties together. The Group successfully increased its revenue by 8.6% to HK\$7,510.8 million for the year ended 31 December 2018 (2017: HK\$6,913.8 million). The reason for this growth was the effective strategic plan to capture more fabric orders from the existing customers as well as new customers from the United States, Japan and Europe. During the year under review, the Group's fabric year-on-year volume growth was approximately 6.9% while the average selling price slightly increased by 2.6% year-on-year due to the change of product mix.

The Group's gross profit margin during 2018 was 10.9% (2017: 10.9%). The gross profit margin of the second half of 2018 ("2H18") was 12.1%, which was higher than 11.7% year-on-year; the net profit margin of 2H18 was 2.9%, which was also higher than 2.8% year-on-year, reflecting the momentum of our growth. Thanks to the continuous tight internal cost control, the Group's earnings before interest, tax, depreciation and amortisation (EBITDA) was HK\$429.2 million (2017: HK\$406.8 million) for the year ended 31 December 2018, and it was a noticeable 5.5% increment year-on-year. Profit for the year increased slightly by 1.3% to HK\$178.3 million (2017: HK\$175.9 million). Profit for the year attributable to owners of the Company increased correspondingly by 2.5% to HK\$160.8 million (2017: HK\$156.8 million). Basic earnings per share was HK13.3 cents (2017: HK13.0 cents).

Facing such a difficult environment, the Board made concrete adjustments to the Group's operational strategy, optimally capitalized the Group's production capacity and devoted more effort to developing and refining products, and adapting to the market changes. All staff members of the Group had built team spirit and were determined to achieve the annual operational targets for 2018 in the past four years, and the Group achieved the best annual production output ever during the year under review. Close to full utilization rate in our fabric production facilities was successfully achieved over two-thirds of the year under review.

Increase in profit for four consecutive years marked the enhancement of our operating capability and management standards, the significant upgrade of production techniques, and the gradual increase in product development capability after four years of continuous reforms, the Group has entered a new stage of growth.

業務回顧

2018年對於紡織生產製造企業，是市場形勢複雜多變、經營環境不利因素疊加反映，經營壓力巨大的一年。面對惡劣的經營環境，福田集團全體員工齊心協力、克服困難、積極採取有效措施應對經營環境變化，努力不懈，保持公司整體運營穩定，各項經營管理工作達到了預期的目標。集團成功於截至2018年12月31日止年度的營業額增加8.6%至7,510,800,000港元（2017年：6,913,800,000港元）。此乃由於以有效的策略計劃吸納更多現有客戶的面料訂單及美國、日本及歐洲的新客戶。於回顧年內，集團面料出貨量按年增長約6.9%，而平均售價則由於產品結構的改變而按年輕微上升2.6%。

本集團2018年的毛利率為10.9%（2017年：10.9%）。本集團2018年下半年（「2018年下半年」）毛利率為12.1%，高於去年同期的11.7%；而2018年下半年純利率為2.9%，也略高於去年同期的2.8%，反映了我們增長的勢頭。藉著持續嚴格的內部成本控制，集團於截至2018年12月31日止年度的息稅折舊及攤銷前利潤為429,200,000港元（2017年：406,800,000港元），按年顯著上升5.5%。年度盈利輕微上升1.3%至178,300,000港元（2017年：175,900,000港元）。本公司擁有人應佔年度盈利相應上升2.5%至160,800,000港元（2017年：156,800,000港元）。每股基本盈利為13.3港仙（2017年：13.0港仙）。

在此嚴峻的情況下，董事會果斷調整集團經營策略，最大限度集中發揮集團生產製造能力，加大投入力度，努力開發及改進產品，以適應市場變化。集團廣大職工發揚「同心協力、共同奮鬥」的精神，憑藉過去四年以來改革創新的管理成果頑強拼搏，全面實現2018年全年經營目標，全年生產出貨量的發揮超過了歷史最好水平。在回顧年度有超過的三分之二的時間，我們面料生產設施成功地接近滿產的情況。

2018年盈利連續四年保持增長，標誌著我們過去四年來的不斷改革，整體經營能力和管理水準全面提升，工藝技術水準顯著提高，產品開發能力逐步增強，集團的發展躍上了新的台階。

(1) Enhancement of production capacity and management standards

A new production pattern of three primary fabric production facilities, namely Jiangyin Fuhui Textiles Limited (“Jiangyin Fuhui”), Dongguan Shatin Lake Side Textiles Printing & Dyeing Co., Ltd. (“Dongguan Shatin”) and Yancheng Fuhui Textiles Limited (“Yancheng Fuhui”), was established preliminarily after four years of reforms and embodied “sophistication, quality and uniqueness”. Our production capacity has been enhanced noticeably. We have established an operation and management system focusing on the integration of production, supply and sales, thereby laying a solid foundation for the Group’s sustainable and steady growth as well as the continuous enhancement of management standards.

Jiangyin Fuhui fabric mill was built in 2001 with a current monthly production capacity of 12.50 million pounds of finished fabric. It is a primary fabric mill of the Group. After streamlining the processes, enhancing lean manufacturing and management and upgrading the equipment, it has become a mill with extensive varieties, multi-batch, short delivery timeframe and mass production plant that satisfies market demand with high-quality products and services.

Dongguan Shatin fabric mill was built in 1998 with a current monthly production capacity of 7.50 million pounds of finished fabric. It has become a backbone fabric mill of the Group with comprehensive capabilities of producing featured categories and structures, after restructuring its production and management model and improving its workshop of synthetics fabric printing, knitting and dyeing.

Yancheng Fuhui fabric mill was built in 2009 with a current monthly production capacity of 4.50 million pounds of finished fabric. Its key development direction is to carry out product research and development, and manufacture refined products in line with Japan and the PRC domestic markets through upgrading the equipment and improving the production techniques and product development standards.

(2) Leverage integrated marketing as the principal means to effectively respond to market changes

In the face of a changing market, the Group further developed the overall consolidated business model integrating production, supply and sales with a view to consolidating internal marketing resources and better capturing market trends. The Group led formulation of marketing and pricing strategies as well as coordination across procurement, supply and production units to strengthen the collaboration in the service of strategic customers and minimise negative impact of market changes on business operations. Meanwhile, the Group further strengthened the management of its integrated marketing system with the focus on ensuring an optimal use of product strategy and sales strategy in the marketing process, strengthening the Group’s unified pricing, and maximizing revenue generated from the orders, which created favourable conditions for meeting the year’s operational targets.

(1) 生產製造能力和經營管理水準全面提高

經過四年來的改革發展面料，初步形成了以「精、優、特」為標誌的三大主力面料生產基地江陰福匯紡織有限公司（「江陰福匯」）、東莞沙田麗海紡織印染有限公司（「沙田麗海」）及鹽城福匯紡織有限公司（「鹽城福匯」）的產能新格局，生產製造能力顯著增強。以「產供銷一體化」為核心的經營管理體系的建立，為集團業績持續穩定增長奠定了基礎，經營管理水準不斷提升。

江陰福匯面料廠房建於2001年，現生產能力月產達1,250萬磅成品面料，為集團主力生產企業。經過流程優化、精益製造及管理提升和裝備更新，目前已經成為基礎產品多品種、多批次、短交期、大批量生產的製造企業，以優質產品和服務滿足市場需求。

沙田麗海面料廠房建於1998年，現生產能力月產達750萬磅成品面料，經過生產及管理模式重組和面料印花、化纖織染車間的改造和提升，以全面生產特色品種和結構面料，成為集團的骨幹面料生產企業。

鹽城福匯面料廠房建於2009年，現生產能力月產達450萬磅成品面料，通過裝備更新和工藝技術和產品開發標準的提升，在集團以產品研發和面向日本與中國內銷市場的精細化產品生產為主要發展方向。

(2) 發揮整體行銷的主導作用，有效應對市場變化

面對市場的變化，本集團進一步發揮產供銷一體化經營整體行銷的整合作用，整合內部行銷資源，把握市場變化趨勢，集團統一主導市場策略、價格策略，協調集團內部採購供應和生產製造，加強與戰略性客戶的相互支援、配合，共同應對市場變化影響，降低給企業經營帶來的不利影響。同時，集團還進一步加強整體行銷體系的管理，集中控制行銷過程中產品策略和銷售策略的合理運用，強化集團統一定價權，最大程度提升訂單的經濟價值，為全年經營目標的實現，創造了有利條件。

(3) Strengthen centralised procurement to maintain business stability

Steadily rising prices of cotton yarn, dyes and chemicals since the beginning of the year caused a pressure on the Group's business and affected the earnings. The Group's centralised procurement management system played an important role in ensuring the supply of raw materials and managing and mitigating the impact of rising raw material prices on business operation.

Confronting with the adverse situation of rising prices of cotton yarn, dyes and chemicals, the Group provided effective support for the sales department by creating a well-priced sales strategy informed by an accurate assessment of the price trends of raw materials through the centralised procurement management system. In addition, the Group coordinated the production units through the system by stepping up quality grade management of raw materials and matching raw material quality and price for orders in accordance with the principle of "same price for the same quality", which effectively buffered the impact of the decrease in revenue from orders brought by rising raw material prices and improved the Group's average earnings per order.

Centralised procurement also helped the Group strengthen the strategic cooperation with its main suppliers, effectively alleviate supply shortage resulting from quickly rising raw material prices, and ensure stable and efficient production and operations.

(4) Unify production scheduling to maintain operational stability

In response to demand fluctuations and rising costs, the Group adjusted its marketing strategy to reflect the adjusted market landscape. Due to changes in demand, this year saw significant variation in order sizes and categories compared to previous years, marked by increased small orders and rush orders, which put a much greater pressure on the producers in production management than they faced before.

Unified production scheduling played a role in stabilising the Group's management system by balancing production and demand. Unified coordination of production management is the Group's most important mechanism to control full-year production cost, assure product quality, and defuse and solve all types of adverse factors. By scheduling orders according to the cost levels of different manufacturers with a view to saving manufacturing costs, implementing early coordination for order fulfilment, and closely monitoring the production lines of the manufacturers in order to control production progress, increase production efficiency, ensure timely product delivery and high product quality and reduce manufacturing loss, the mechanism played a crucial role for meeting the year's operational targets.

(3) 加強集中採購管理，保持經營穩定

年初以來，棉紗和染化料價格持續上漲，給本集團的經營造成了壓力，經營收益受到影響。原料集中採購的組織管理系統對保證生產原料供應，平抑和減少原材料價格上漲對企業經營的影響程度發揮了重要作用。

面對紗線、染化料價格上漲的不利局面，集團集中採購管理系統準確作出原料價格變化趨勢的判斷，為營業部門統籌指定銷售策略，合理確定銷售價格，提供了有效的支援。集團通過集中採購系統，協調生產製造部門，加大原材料品質分級管理，按照「同質同價」的原則，對銷售訂單合理安排選擇原材料品質與價格的匹配程度，有效的平衡了原材料價格上漲帶來的訂單收益減少的影响，有效改善了集團平均銷售訂單價差收益的水準。

集團通過集中採購系統，加強與主要供應商的戰略合作，使由於原料價格快速上漲造成的供應緊缺得到了有效緩解，保證了生產運營的平穩高效。

(4) 統一生產調度保持生產營運平穩

應對市場需求波動和成本上升的影響，集團根據市場變化調整行銷策略。由於市場的需求變化，今年以來，主要客戶訂單量和品種相比往年都有大幅調整和變化，小批量、短交期訂單增加，生產企業的製造管理工作壓力比以往明顯增大。

統一生產調度，在本集團管理系統中的作用發揮了穩定經營平衡生產的作用。生產製造的統一協調管理是本集團全年生產成本控制 and 產品品質保障，消化和解決影響經營的各種不利因素的最重要環節。按照各生產企業的成本水準合理調整訂單安排，節約製造成本，實行訂單排產預先協調準備，嚴密監控各生產企業產品線上生產狀態，調控生產進度，提高生產效率，保證產品交期和品質，減少製造損失，為實現全年經營目標起到了關鍵作用。

(5) Shift growth drivers to bolster high-quality development

In accordance with the guidelines of China's 13th Five-Year Plan for the textile industry, the Group will be committed to achieving its goal of business transformation and integrated development with industry-leading process technologies and production equipment by relying on innovation for higher quality and enhanced efficiency during the 13th Five-Year Plan period.

Fabric printing and dyeing industry is an important part of the textile production process which involves dyeing and finishing, property enhancement, and improvement of quality and value. The industry has a high technology content with strict requirements on manufacturing precision and operating quality and has assumed a new landscape featuring innovation-driven development, improved quality and efficiency, increased brand effect, and strengthened international cooperation since the beginning of the 13th Five-Year Plan period, driven by the 13th Five-Year Plan for the textile industry. Information technology (IT) is widely used in many areas of the industry, including production, research and development (R&D), management, warehousing and logistics, and smart automated production characterised by online monitoring of production processes, automated handling and packaging, smart warehousing, and smart management, has been promoted in the industry as well.

Increasing labour productivity and product quality stability through smart production and integrated IT management has become a big trend of innovation-driven development in the industry.

Against the backdrop of innovation-driven development, the Group accelerated the switch of growth drivers for high-quality development in 2018 by summarising and drawing upon its experience in the previous stage of development.

(6) Optimize capacity planning, deployment and utilisation to lead the industry in smart manufacturing

Against the backdrop of China's industry policy adjustment, the Group's future domestic production capacity deployment will to varying degrees be affected by changes in policy and environment. Going with the flow by taking advantage of the process of industry policy adjustment as an opportunity to reorganise the Group's production capacity and upgrade its production to IT-driven smart production is a choice that will allow the Group to shift from a passive to proactive position in the process of industry restructuring.

According to the Group's preliminary plan, Yancheng Fuhui fabric mill will establish continuous production processes of smart dyeing and printing based on extensive systems including online monitoring of production, smart dyeing and automated process management, centralised distribution of dyes and chemicals and quick inspection of half-finished products and achieve industry-leading integration of manufacturing execution system (MES) and enterprise resource planning (ERP) SAP system. This will provide a substantial improvement in both product quality and operating efficiency.

(5) 轉換動能推動高品質發展

按照中國紡織十三五戰略發展規劃的要求，本集團在「十三五」期間，要以創新引領提質增效為導向，實現工藝技術和生產裝備達到行業領先水準，轉型升級整合發展的目標。

面料印染行業是紡織產業鏈條中染整加工、功能輔加和提升品質、價值的重要環節。印染行業技術含量高，對設備製造精度和運行品質要求嚴格，進入「十三五」以來，印染行業在國家紡織「十三五」發展規劃的推動下，形成以創新為驅動發展，品質效益提升、品牌效應明顯，國際合作加強的產業發展新格局。資訊化技術在生產、研究與開發（研發）、管理、倉儲、物流等多環節廣泛應用，以線上工藝品質監控、自動輸送包裝、智慧倉儲、智慧管理為主要特徵的自動化、智慧化生產方式已經在行業內推廣。

以智慧化生產和資訊化集成管理，提高勞動生產率和產品品質穩定性已經成為行業創新發展的大趨勢。

在行業創新發展的大背景下，本集團在2018年認真分析總結前一發展階段取得的經驗基礎，加快推進集團轉換動能，向高品質發展。

(6) 合理規劃產能佈局利用產能轉換的過程，建設行業領先水準的智慧化示範企業

在國內產業政策調整的大環境下，未來本集團在國內的生產製造能力的分佈，將會不同程度受到政策與環境變化的影響。順勢而為，將產業政策調整的過程作為本集團重新規劃自身生產能力佈局，提升生產企業技術水準向資訊化管理智慧化生產轉型升級的機遇，是本集團在產業結構調整過程中變被動為主動的選擇。

根據初步規劃設計，未來鹽城福匯面料廠將建立具備智慧化印染連續生產，具有印染生產工藝線上採集、智慧化配色及工藝自動管理、染化料中央配送、半成品快速檢驗等系統，實現生產執行管理系統MES與計劃企業管理系統SAP整合應用的行業先進水準。產品品質和效益水準可得到大幅度提升。

(7) Accelerate IT system overhaul to drive high-quality development

In the face of the dual pressure from the reindustrialisation of developed countries and accelerated industrialisation of developing countries, the restructuring and transformation of China's textile industry will also pick up speed during the 13th Five-Year Plan period.

It has become a consensus and shared pursuit of the textile manufacturing industry to embrace innovation-driven, green, open and sharing-oriented development, strengthen innovation capacity with the focus on improving the quality of development and increasing efficiency, advance smart and green manufacturing, foster new growth drivers and create new competitive advantages.

Thanks to IT-driven process transformation with the continuous development of programmed control of manufacturing processes and information technology, IT-based methods that integrate MES and ERP SAP system to improve printing and dyeing processes and production capacity have been widely used in the printing and dyeing industry.

The Group has been committed to increasing the productivity of its production subsidiaries by leveraging information technology for high-quality development with improved product quality and reduced consumption. In 2018, the Group drew upon advanced experience of the textile industry peers in view of the trend of smart manufacturing in the industry. It initiated the development and design of a manufacturing execution system called MES+ which reflects the characteristics of the Group's production processes and management procedures and gives a full scope to the Group's traditional advantages in printing and dyeing processes, with plans to integrate it with the existing ERP SAP system to make up for the weakness of IT-based management of its production subsidiaries.

The establishment of MES+ and its integration with ERP SAP system will deliver a 30% productivity improvement, a 20% decrease in product production cycle, and a 30% reduction in defect rate for the Group's production subsidiaries, thus effectively increasing the Group's earnings.

(8) Speed up product R&D to put brand building on a solid foundation

While continuously strengthening the production capacity building of its production subsidiaries, the Group remained market-oriented and customer-centric and committed to collaborating with upstream and downstream partners to develop new and high value-added products in 2018.

By focusing on the notion of "fashionable, technological and green", the Group achieved fruitful results in designing and developing comfortable, fashionable, environmental-friendly and functional products by using high-performance fibre materials such as new materials like synthetic biomass fibre and ultra-spun cotton fibre and new knitting techniques and equipment.

(7) 加快執行資訊系統升級改造，推動高品質發展

隨著發達國家再工業化和發展中國家加快推進工業化過程的雙重壓力，國內紡織行業結構調整和產業升級的過程將在「十三五」期間加快推進。

貫徹創新、綠色、開放、共用的發展理念，以提高發展品質和效益為中心，增強創新能力，推進智慧製造和綠色製造，形成發展新功能，創造競爭新優勢已成為紡織製造業的共識和追求。

隨著製造業生產程序控制和資訊技術的不斷發展，通過資訊化建設建立生產執行管理系統MES與計劃企業管理系統SAP的整合應用，提高印染生產技術和生產能力的方法已為印染行業廣泛採用。

為推動高品質發展，以資訊化手段整體提升集團各生產企業的生產效率，提高產品品質，降低消耗。2018年，本集團著眼於未來紡織業智慧製造的發展趨勢，借鑒同業企業的先進經驗。組織開發設計適合於自身生產工藝和管理流程特點，有助於發揮本集團在印染工藝技術上傳統優勢的生產製造執行系統MES+，並計劃與集團現有計劃企業管理系統SAP整合應用，以此彌補本集團生產企業資訊化管理的不足。

建立生產製造執行系統MES+，並實現與計劃企業管理系統SAP整合應用後，可以使本集團下屬企業生產效率提升30%，產品生產週期縮短20%，次品率降低30%，有效提高經營收益。

(8) 加快產品開發，培育產品品牌建設基礎

2018年，本集團不斷加強生產企業生產能力建設的同時，以市場為導向，以客戶需求為中心，積極與上、下游企業協同，研發高附加值新產品。

聚焦於「時尚、科技、綠色」主題，以高性能纖維為原料，如生物質合成纖維、超紡棉纖維等新型材料，結合針織織造新技術和新裝備，設計開發舒適、時尚、環保和功能性產品，取得了豐富的成果。

In the year, the Group rolled out a succession of products with new technical features with a remarkable success in the market. Currently, the Group's new products include not only the blue wool series, super soft series, synthetic woven fabric series and high elastic cotton series, but also functional series which have been highly-recognised in the industry as well. A lineup of collections including Stay New, Touch Cotton, TR120 BAL Poly, Micor Rayon/Acrylic, and NYLON(UMORFIL) have hit the market one after another. We have also developed stretchable fabric called FBG-tech™. FBG stands for "Fabric body guard". This super fabric contains fire amazing functions all-in-one, i.e. wind proof, air permeability, water repellency, heat-generation and water vapour permeability.

By continuously improving product R&D capacity and adopting new materials, new processes and new technologies over the years, the Group has advanced from category expansion to product serialisation based on steadily accumulated know-how, which positions it strongly for subsequent brand building.

(9) Events after the Reporting Date

The Group did not have any significant event after the reporting date (i.e. 31 December 2018) and up to the date of this announcement.

今年以來不斷有一批具有新技術特性的產品陸續推出市場，收到了良好效果。目前，本集團新產品除包括藍絨棉系列、超柔系列、仿梭織系列、高彈力系列等系列產品外，功能性面料開發也已經達到行業認可的較高水準。Stay New保新整理、Touch Cotton純棉耐磨整理、TR120 BAL Poly混紡閃光外觀、Micor Rayon/Acrylic保暖軟柔系列、NYLON(UMORFIL)仿生環保親膚系列等一批系列產品已相繼投放市場。我們還開發了名為FBG-tech™的富彈性面料。FBG代表「面料保鏢」。這種超級面料具有五種強勁功能，即防風、透氣、防潑水、保暖和透濕。

經過幾年來的不斷提高產品研發能力，通過採用新材料、新工藝和新技術，本集團產品開發已經從品種多樣化向產品系列化發展，借助於不斷的技术積累，為本集團產品品牌建設打下堅實的基礎。

(9) 報告日後事項

本集團自報告日（即2018年12月31日）後至本公告日期止，並沒有任何重大事項發生。

FINANCIAL REVIEW

The key operating and financial indicators of the Group for the year ended 31 December 2018 are set out below:

財務回顧

本集團截至2018年12月31日止年度之主要經營及財務指標呈列如下：

| | | 2018 | 2017 |
|---|---------------------|------------------|-----------|
| 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 | 7,510,789 | 6,913,785 |
| Gross profit | 毛利 | 820,779 | 751,495 |
| EBITDA* | 息稅折舊及攤銷前利潤 | 429,230 | 406,833 |
| Profit for the year | 是年度盈利 | 178,279 | 175,946 |
| Profit attributable to owners of the Company | 本公司擁有人應佔盈利 | 160,792 | 156,846 |
| Basic earnings per share (HK cents) | 每股基本盈利 (港仙) | 13.3 | 13.0 |
| Key Financial Ratios | 主要財務比率 | | |
| Profitability ratios | 盈利能力比率 | | |
| Gross profit margin (%) | 毛利率 (%) | 10.9% | 10.9% |
| EBITDA* margin (%) | 息稅折舊及攤銷前利潤率 (%) | 5.7% | 5.9% |
| 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% | 2.5% |
| Administrative expenses | 行政費用 | 5.9% | 6.0% |
| Finance costs | 融資成本 | 0.4% | 0.3% |
| Asset efficiency | 資產效率 | | |
| Inventory turnover period (days) | 存貨周轉期 (日) | 81 | 86 |
| Trade and bills receivables turnover period (days) | 營業及票據應收款項周轉期 (日) | 60 | 67 |
| Trade and bills payables turnover period (days) | 營業及票據應付款項周轉期 (日) | 42 | 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 31 December 於12月31日 2018 | At 31 December 於12月31日 2017 |
|--|-------------------|-----------------------------------|-----------------------------------|
| Asset ratios | 資產比率 | | |
| Current ratio [#] | 流動比率 [#] | 2.3 | 2.2 |
| Net debt/EBITDA ratio | 淨債務／息稅折舊及攤銷前利潤率 | (0.4) | (0.3) |
| 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 | 0.6 | 0.6 |

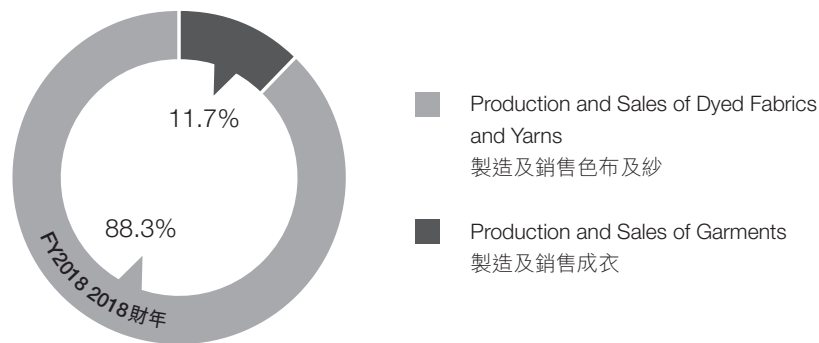
[#] Current ratio is calculated by dividing current assets by current liabilities.

[#] 流動比率的計算方法是將流動資產除以流動負債。

Revenue

The Group's revenue for the year ended 31 December 2018 amounted to approximately HK\$7,510,789,000 (2017: HK\$6,913,785,000).

Revenue by business segments



In current year, the Group's core business, production and sales of dyed fabrics and yarns, generated revenue of approximately HK\$6,635,572,000 (2017: HK\$5,998,860,000), which accounted for 88.3% (2017: 86.8%) of the Group's total revenue. Revenue from production and sales of garments was approximately HK\$875,217,000 (2017: HK\$914,925,000), which accounted for 11.7% (2017: 13.2%) of the Group's total revenue.

Cost of Sales and Gross Profit

For the year ended 31 December 2018, overall cost of sales of the Group amounted to approximately HK\$6,690,010,000 (2017: HK\$6,162,290,000) and overall gross profit margin was 10.9% (2017: 10.9%).

During the year under review, the Group's revenue increased by 8.6%, which was mainly due to the increase in sales volume of fabric by approximately 6.9%. The increase in average selling price of fabric was offset by the increase in energy costs, resulting in a stable gross profit margin as compared with last year.

營業額

集團截至2018年12月31日止年度的營業額約為7,510,789,000港元(2017年: 6,913,785,000港元)。

營業額按業務分類

於本年度，集團核心業務－製造及銷售色布及紗的營業額約為6,635,572,000港元(2017年: 5,998,860,000港元)，佔集團營業額總值的88.3%(2017年: 86.8%)。製造及銷售成衣的營業額約為875,217,000港元(2017年: 914,925,000港元)，佔集團營業額總值的11.7%(2017年: 13.2%)。

銷售成本及毛利

集團截至2018年12月31日止年度之整體銷售成本約為6,690,010,000港元(2017年: 6,162,290,000港元)，整體毛利率為10.9%(2017年: 10.9%)。

於回顧年內，本集團的營業額上升8.6%，主要是由於面料銷售量增加約6.9%。而毛利與去年相若，主要原因為面料平均售價上升抵銷能源成本上漲。

Distribution and Selling Expenses

For the year ended 31 December 2018, the Group's overall distribution and selling expenses amounted to approximately HK\$181,673,000 (2017: HK\$172,868,000), which accounted for 2.4% (2017: 2.5%) of the Group's total revenue.

Administrative Expenses

For the year ended 31 December 2018, the Group's overall administrative expenses amounted to approximately HK\$442,718,000 (2017: HK\$412,891,000), which accounted for 5.9% (2017: 6.0%) of the Group's total revenue.

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

For the year ended 31 December 2018, the Group's EBITDA amounted to approximately HK\$429,230,000 (2017: HK\$406,833,000) and the EBITDA margin was 5.7% (2017: 5.9%).

Finance Costs

For the year ended 31 December 2018, the Group's finance costs amounted to approximately HK\$30,397,000 (2017: HK\$22,533,000), representing 0.4% (2017: 0.3%) of the Group's total revenue.

Capital Expenditure

During the year under review, the Group invested approximately HK\$242,653,000 (2017: HK\$231,326,000) in additions of property, plant and equipment. The Group's capital commitments primarily relate to the acquisition of property, plant and equipment. As at 31 December 2018, the Group had contracted capital commitments of approximately HK\$20,000,000 (31 December 2017: HK\$66,663,000) in relation to the acquisition of property, plant and equipment.

Income Tax Expense

For the year ended 31 December 2018, income tax expense of the Group amounted to approximately HK\$52,586,000 (2017: HK\$36,304,000).

Profit Attributable to Owners of the Company

For the year ended 31 December 2018, profit attributable to owners of the Company was approximately HK\$160,792,000 (2017: HK\$156,846,000) and the corresponding profit margin was 2.1% (2017: 2.3%).

分銷及銷售費用

集團截至2018年12月31日止年度之整體分銷及銷售費用約為181,673,000港元(2017年: 172,868,000港元), 佔集團營業額總值的2.4%(2017年: 2.5%)。

行政費用

集團截至2018年12月31日止年度之整體行政費用約為442,718,000港元(2017年: 412,891,000港元), 佔集團營業額總值的5.9%(2017年: 6.0%)。

息稅折舊及攤銷前利潤(EBITDA)

集團截至2018年12月31日止年度之息稅折舊及攤銷前利潤約為429,230,000港元(2017年: 406,833,000港元), 息稅折舊及攤銷前利潤率為5.7%(2017年: 5.9%)。

融資成本

集團截至2018年12月31日止年度之融資成本約30,397,000港元(2017年: 22,533,000港元), 佔集團營業額總值的0.4%(2017年: 0.3%)。

資本開支

於回顧年內, 集團已投資約為242,653,000港元(2017年: 231,326,000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2018年12月31日, 集團有關購買物業、機器及設備的已簽約資本承擔約為20,000,000港元(2017年12月31日: 66,663,000港元)。

所得稅支出

集團截至2018年12月31日止年度之所得稅支出約為52,586,000港元(2017年: 36,304,000港元)。

本公司擁有人應佔盈利

集團截至2018年12月31日止年度之本公司擁有人應佔盈利約為160,792,000港元(2017年: 156,846,000港元), 其相關盈利率為2.1%(2017年: 2.3%)。

Inventories

As at 31 December 2018, the Group's inventories amounted to approximately HK\$1,479,107,000 (31 December 2017: HK\$1,450,187,000). The inventory turnover period was 81 days, a decrease of 5 days compared with 86 days in 2017.

Trade and Bills Receivables

As at 31 December 2018, the Group's trade and bills receivables amounted to approximately HK\$1,236,970,000 (31 December 2017: HK\$1,261,584,000). Trade and bills receivables turnover period was 60 days, a decrease of 7 days compared with 67 days in 2017.

Trade and Bills Payables

As at 31 December 2018, the Group's trade and bills payables amounted to approximately HK\$770,819,000 (31 December 2017: HK\$817,067,000). Trade and bills payables turnover period was 42 days, a decrease of 6 days compared with 48 days in 2017.

Liquidity and Financial Resources

As at 31 December 2018, the Group's net assets amounted to approximately HK\$3,601,245,000 (31 December 2017: HK\$3,556,376,000). The key figures of the Group's financial position were as follows:

存貨

集團於2018年12月31日之存貨約為1,479,107,000港元(2017年12月31日: 1,450,187,000港元)。存貨周轉期為81天，與2017年86天相比減少5天。

營業及票據應收款項

集團於2018年12月31日之營業及票據應收款項約為1,236,970,000港元(2017年12月31日: 1,261,584,000港元)。營業及票據應收款項周轉期為60天，與2017年67天相比減少7天。

營業及票據應付款項

集團於2018年12月31日之營業及票據應付款項約為770,819,000港元(2017年12月31日: 817,067,000港元)。營業及票據應付款項周轉期為42天，與2017年48天相比減少6天。

資金流動性及財政資源

於2018年12月31日，集團資產淨值約為3,601,245,000港元(2017年12月31日: 3,556,376,000港元)。集團財務狀況的主要資料如下：

| | | At 31 December 於12月31日 2018 <i>HK\$'000 千港元</i> | At 31 December 於12月31日 2017 <i>HK\$'000 千港元</i> |
|--------------------------|-------------|--|--|
| Non-current assets | 非流動資產 | 1,771,706 | 1,746,764 |
| Current assets | 流動資產 | 3,892,818 | 3,842,207 |
| Total assets | 資產總值 | 5,664,524 | 5,588,971 |
| Current liabilities | 流動負債 | 1,687,133 | 1,746,107 |
| Non-current liabilities | 非流動負債 | 376,146 | 286,488 |
| Total liabilities | 負債總值 | 2,063,279 | 2,032,595 |
| Net assets | 資產淨值 | 3,601,245 | 3,556,376 |

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

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

As at 31 December 2018, the principal financial covenant figures/ratios (according to the definitions of the Group's principal banks) were as follows:

於2018年12月31日，主要的財務契約數據／比率（根據本集團主要往來銀行的定義）如下：

| | | At 31 December 於12月31日 2018 | At 31 December 於12月31日 2017 |
|---|---------------------------|---|-----------------------------------|
| Consolidated tangible net worth | 綜合淨有形資產 | HK\$3,162,107,000 港元 | HK\$3,124,272,000 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 | 0.3 | 0.2 |
| Consolidated EBITDA to consolidated interest expense | 綜合息稅折舊及攤銷前利潤對 綜合利息支出比例 | 14.1 | 18.1 |
| Consolidated current assets to consolidated current liabilities | 綜合流動資產對 綜合流動負債比例 | 2.3 | 2.2 |
| Consolidated capital expenditure | 綜合資本開支 | HK\$242,653,000 港元 | HK\$231,326,000 港元 |

During the years ended 31 December 2018 and 2017, the Group had complied with all covenant ratios and undertakings.

於截至2018年及2017年12月31日止年度內，本集團已遵守所有契約比率及承諾。

Risk Management

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

風險管理

集團會依據嚴格及審慎的風險管理政策應對外匯及利率風險。

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

集團之銷售和原料採購以港元、美元及人民幣為主。而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，安排合適的措施以降低外匯風險。

In addition, bank borrowings of the Group were denominated in HKD and USD and interests were mainly charged on a floating rate basis. The Group will continue to monitor the interest rates fluctuation in the market and will adopt appropriate measures to minimise the interest rate risk.

此外，集團的銀行借貸以港元和美元為單位，利息主要以浮動利率計算。本集團將繼續留意市場的利率波動，安排合適的措施以降低利率風險。

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2018, the Group had 8,926 (2017: 9,345) full-time employees. The Group will continue to implement streamlined production so as to further minimize our labour cost. The Group's emolument policies are formulated on the performance of individual employee and the salary trends in various regions, which are reviewed regularly. Subject to the Group's profitability, the Group may also distribute a discretionary bonus to its employees as an incentive for their contribution to the Group.

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

OUTLOOK

Steadily advancing key work plans in a well-coordinated manner

In line with the larger trend of industrial restructuring, transformation and upgrading and with the focus on shifting growth drivers, the Group in the coming three years will be committed to accelerating capacity building and innovation-driven business transformation under the guidance of China's 13th Five-Year Development Plan for the textile industry.

The Group will focus its work in four key areas, namely adjusting its production capacity deployments and building Yancheng Fuhui fabric mill into an exemplary smart factory; accelerating IT-driven technological restructuring and upgrading and improving product quality and operating performance; improving product R&D capacity and forming a series of branded product series with proprietary intellectual property rights; and actively taking part in industry integration and establishing industry alliances integrating upstream and downstream partners for strategic coordination. In accordance with the principles of coordinated planning and steady advancement, it will gradually achieve high-quality development.

In accordance with its three-year work plan, the Group will complete the design, feasibility verification, regulatory approval and organisational preparation of Yancheng Fuhui fabric mill; complete the IT management system overhaul of production subsidiaries; and establishing strategic partnerships with key partners to develop products, expand market and share gains together in 2019.

The plan is to complete Yancheng Fuhui fabric mill as an exemplary smart factory in 2020 in a milestone achievement of the Group's manufacturing transformation, marked by the preliminary formation of a portfolio of competitive product series with increased added value, updated IT management systems and industry leading manufacturing.

The Group aims to achieve high-quality development in 2021 when it will have put in place a solid smart manufacturing infrastructure, increase brand premium comprehensively, and achieve industry leadership in terms of manufacturing technologies and product quality.

僱員及酬金政策

集團於2018年12月31日之全職僱員人數為8,926人(2017年: 9,345人)。本集團將繼續實施精簡生產,以盡量減少勞工成本。集團的僱員酬金政策是根據個別僱員的工作表現及各地區薪酬趨勢而制定並定期作出檢討。集團亦會因應集團之盈利情況,酌情發放花紅予僱員以鼓勵他們對集團之貢獻。

本公司為僱員設有一個購股權計劃,亦會提供定期培訓課程及資助進修計劃,以提高僱員之生產、銷售及管理技能。

前景

統籌規劃、穩步推進重點工作計劃實施

未來三年,本集團要順應產業結構調整和行業轉型升級的大趨勢,圍繞轉換發展動能,構建高品質發展能力,按照中國紡織「十三五」發展戰略規劃的指引,以創新為動力,加快企業能力建設,實現轉型升級。

以調整產能佈局,建設鹽城福匯面料廠為智慧化示範工廠;加快推進資訊化技術改造升級,提高產品品質和經營效益;提升產品研發能力;形成具有自主智慧財產權的產品品牌系列;積極參與產業整合;及發展建立上、下游企業協同戰略聯盟四方面任務為重要工作方向。按照統籌規劃,穩步推進的原則,逐步實現高品質發展。

三年工作計劃安排,2019年完成鹽城福匯面料廠建設的設計、論證、報建審批和組織準備。完成本集團下屬生產企業資訊化管理系統升級改造,廣泛建立與重要合作企業戰略合作夥伴關係,共同開發產品,共同開拓市場,共用經營成果。

2020年,建設鹽城福匯面料廠為智慧化示範工廠,實現生產製造轉型升級,初步形成自有產品的品牌系列,提高產品附加價值,資訊化管理系統升級,達到行業先進水準。

2021年,本集團初步具有智慧化生產基礎,產品品牌價值全面提升,生產製造技術和產品品質達到行業領先水準,實現高品質發展。

CORPORATE GOVERNANCE CODE 企業管治守則

Throughout the year from 1 January 2018 to 31 December 2018 (the “Year”), the Company has consistently adopted and complied with all the applicable code provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules” and the “CG Code”, respectively), except for the deviation disclosed below, as guidelines to reinforce our corporate governance principles.

With effect from 23 January 2015, Mr. ZHAO Yao, the chairman of the Board and an executive Director, has taken up the position of the chief executive officer of the Company, details of which were set out in the Company’s announcement dated 23 January 2015. This deviated from code provision A.2.1 of the CG Code which stipulates that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. However, having considered the current status of the Group, vesting the roles of both chairman and 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 with a sufficient number thereof being independent non-executive Directors.

由2018年1月1日起至2018年12月31日止年度（「本年度」），本公司一貫地採納及遵守聯交所證券上市規則附錄14所載之企業管治守則之全部適用守則條文（分別為「上市規則」及「企管守則」），惟下文所披露的偏離情況除外，作為強化本公司企業管治原則之方針。

自2015年1月23日起，董事會主席及執行董事趙耀先生開始兼任本公司行政總裁職務，詳情已載於本公司日期為2015年1月23日之公司公告。此會偏離企管守則條文A.2.1的規定，主席與行政總裁的角色應有區分，不應由一人同時兼任，但考慮到本集團現時的情況，由同一名人士同時擔任主席及行政總裁兩個職務可以讓本集團更有效率地計劃整體策略及完成預算目標。由於董事會由經驗豐富人士及專業人士組成（包括充足的獨立非執行董事人數），相信會有足夠能力確保職能及權力在此安排下得到平衡。

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

董事進行證券交易的標準守則

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

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

ANNUAL GENERAL MEETING 股東週年大會

It is proposed that the annual general meeting of the Company (the “AGM”) will be held on Friday, 10 May 2019. The notice of the AGM will be dispatched to the shareholders of the Company (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.

本公司之股東週年大會（「股東週年大會」）擬於2019年5月10日（星期五）舉行。股東週年大會之通告將於適當時候寄發予本公司股東（「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。

FINAL DIVIDEND 末期股息

The Board has resolved to recommend the payment of a final dividend of HK10.64 cents per share in respect of the Year (the “Final Dividend”) to the Shareholders whose names will appear on the register of members of the Company (the “Register of Members”) on Wednesday, 22 May 2019. Subject to the approval of the Shareholders at the forthcoming AGM, the proposed Final Dividend will be payable on or about Friday, 31 May 2019.

董事會建議派發本年度末期股息每股10.64港仙（「末期股息」）予在2019年5月22日（星期三）名列在股東名冊（「股東名冊」）之股東。待即將舉行的股東週年大會上獲股東批准後，末期股息預期於2019年5月31日（星期五）或之前派付。

SPECIAL DIVIDEND 特別股息

For the celebration of 30th listing anniversary of the Company, the Board has also resolved to recommend the payment of a special dividend of HK1.33 cents per share in respect of the Year (the “Special Dividend”) to the Shareholders whose names will appear on the Register of Members on Wednesday, 22 May 2019. Subject to the approval of the Shareholders at the forthcoming AGM, the proposed Special Dividend will be payable on or about Friday, 31 May 2019.

為慶祝公司上市30週年，董事會建議派發本年度特別股息每股1.33港仙（「特別股息」）予在2019年5月22日（星期三）名列在股東名冊之股東。待在即將舉行的股東週年大會上獲股東批准後，特別股息預期於2019年5月31日（星期五）或之前派付。

CLOSURE OF REGISTER OF MEMBERS 暫停辦理股份過戶登記

In relation to the AGM

The Register of Members will be closed from Tuesday, 7 May 2019 to Friday, 10 May 2019, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, the non-registered Shareholders must lodge all transfer documents accompanied by the relevant share certificates with the Company’s share registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong for registration, not later than 4:30 p.m. on Monday, 6 May 2019.

就股東週年大會而言

本公司於2019年5月7日（星期二）至2019年5月10日（星期五）（首尾兩天包括在內），暫停辦理股份過戶登記手續。股東如欲出席股東週年大會並於會上投票，非登記股東須於2019年5月6日（星期一）下午4時30分前，將所有過戶文件連同相關股票，一併送交本公司的股份過戶登記處寶德隆證券登記有限公司，地址為香港北角電氣道148號21樓2103B室，辦妥過戶登記手續。

In relation to the proposed Final Dividend and Special Dividend

Conditional on the passing of the resolutions approving the payment of the Final Dividend and the Special Dividend in respect of the Year by the Shareholders at the AGM, the Register of Members will be closed from Wednesday, 22 May 2019 to Friday, 24 May 2019, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed Final Dividend and the proposed Special Dividend, the non-registered Shareholders must lodge all transfer documents accompanied by the relevant share certificates with the Company’s share registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong for registration, not later than 4:30 p.m. on Tuesday, 21 May 2019.

就擬派末期股息及特別股息而言

待股東於股東週年大會上通過批准宣派本年度之末期股息及特別股息之決議案後，本公司將於2019年5月22日（星期三）至2019年5月24日（星期五）（首尾兩天包括在內），暫停辦理股份過戶登記手續。股東如欲收取建議派發之末期股息及建議派發之特別股息，非登記股東須於2019年5月21日（星期二）下午4時30分前，將所有過戶文件連同相關股票，一併送交本公司的股份過戶登記處寶德隆證券登記有限公司，地址為香港北角電氣道148號21樓2103B室，辦妥過戶登記手續。

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

購回、出售或贖回本公司之上市證券

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

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

AUDIT COMMITTEE’S REVIEW 審核委員會審閱

The Company has established an audit committee of the Board (the “Audit Committee”) for the purposes of reviewing and providing supervision over the Company’s financial reporting process, risk management and internal controls. The Audit Committee presently comprises 1 non-executive Director and 2 independent non-executive Directors (the “INEDs”), and one of the INEDs acts as the chairman of the Audit Committee. The Audit Committee has reviewed the audited consolidated final results as well as the systems of risk management and internal control of the Group for the Year.

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。審核委員會現由1名非執行董事及2名獨立非執行董事（「獨立非執行董事」）組成，並由其中1名獨立非執行董事擔任審核委員會主席。審核委員會已審閱本集團本年度之經審核綜合末期業績以及風險管理及內部監控制度。

PUBLICATION OF 2018 FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

刊發2018年末期業績公告及年報

This results announcement is published on the respective websites of the Company (www.fshl.com) and the Stock Exchange (www.hkexnews.hk). The 2018 annual report of the Company containing all the information required by the Listing Rules will be dispatched to the Shareholders and available on the respective websites of the Company and the Stock Exchange in due course in the manner as required by the Listing Rules.

本業績公告將分別於本公司網站(www.fshl.com)及聯交所網站(www.hkexnews.hk)刊登。載有上市規則規定的所有資料之本公司之2018年年報將會於適當時候寄發予股東，並且按上市規則要求的形式分別刊載於本公司及聯交所網站。

承董事會命
福田實業(集團)有限公司
主席兼行政總裁
趙耀

香港，2019年3月22日

於本公告日期，董事會有4位執行董事，即趙耀先生(主席兼行政總裁)、劉賢福先生、陶永銘先生及邱恒達先生；2位非執行董事，即嚴震銘博士(非執行副主席)及孫福紀先生；及3位獨立非執行董事，即伍國棟先生、應偉先生及林偉成先生。