



Eagle Nice

(International) Holdings Limited

鷹美(國際)控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

(Stock Code 股份代號 : 02368)

Build the Future

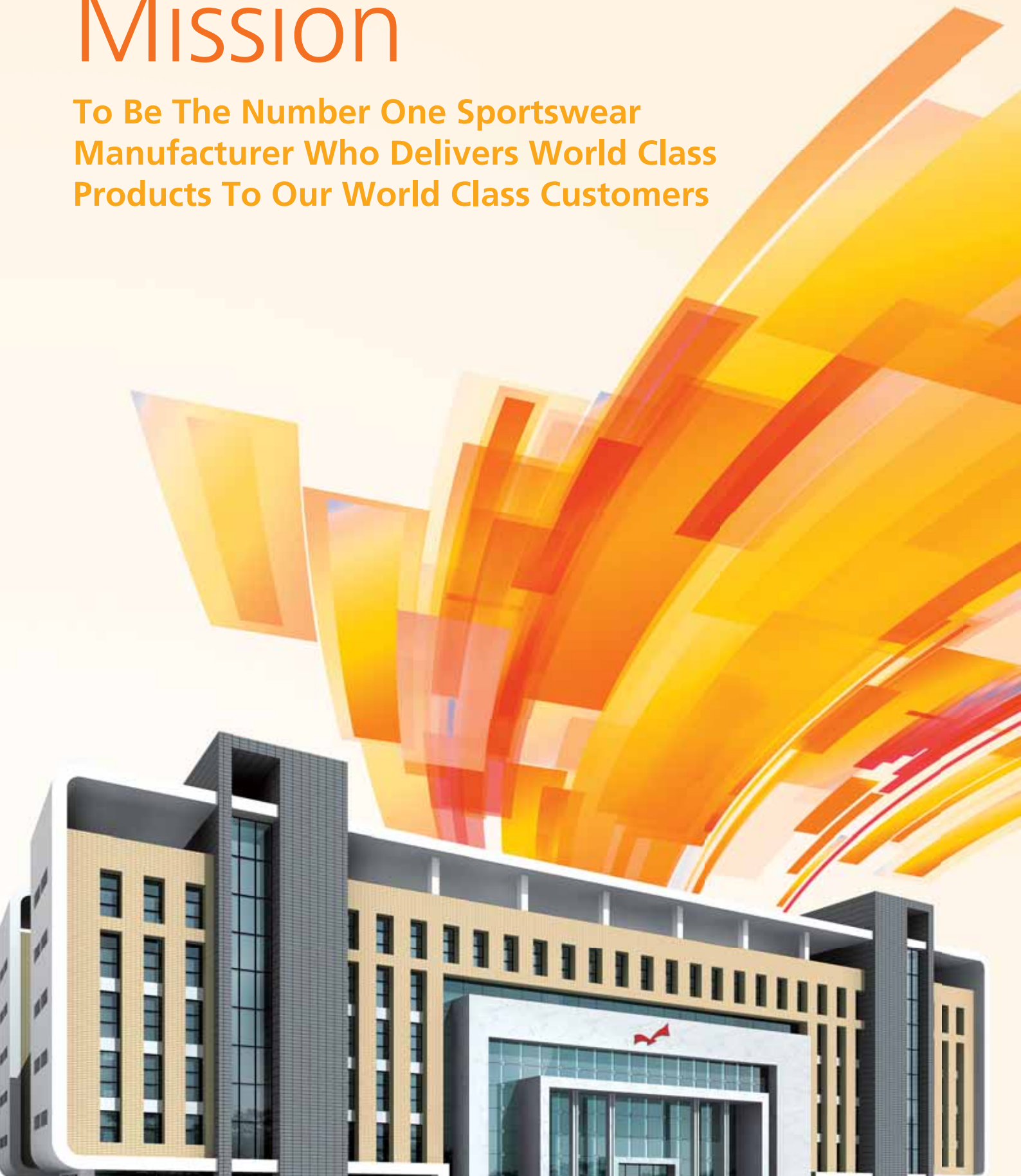
厚植根基，創建未來

Annual Report 年報 2011

* For identification purpose only 僅供識別

Company Mission

To Be The Number One Sportswear
Manufacturer Who Delivers World Class
Products To Our World Class Customers





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Corporate Information

Executive Directors

Chung Yuk Sing (*Chairman*)
Chen Hsiao Ying (*Chief Executive Officer*)
Kuo Tai Yu
Chen Fang Mei, Christina

Independent Non-executive Directors

Chan Cheuk Ho
Li Chi Chung
Cheng Yung Hui, Tony

Company Secretary

Woo Man Chi

Registered Office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head Office and Principal Place of Business in Hong Kong

Units 0902-0903 and 0905-0906
9th Floor, Tower B
Regent Centre
70 Ta Chuen Ping Street
Kwai Chung
New Territories
Hong Kong

Legal Advisers

Vincent T.K. Cheung, Yap & Co.
11th Floor
Central Building
1-3 Pedder Street
Central
Hong Kong

Auditors

Ernst & Young
Certified Public Accountants
18th Floor
Two International Finance Centre
8 Finance Street, Central
Hong Kong

Audit Committee Members

Chan Cheuk Ho (*Chairman*)
Li Chi Chung
Cheng Yung Hui, Tony

Remuneration Committee Members

Chung Yuk Sing (*Chairman*)
Chan Cheuk Ho
Li Chi Chung

Principal Bankers

The Hongkong and Shanghai
Banking Corporation Limited
673 Nathan Road
Kowloon
Hong Kong

Taipei Fubon
Commercial Bank Co., Ltd.
18/F Central Tower
28 Queen's Road Central
Hong Kong

Bank of China, Guangdong Branch
Composite Building
Dabeshan Road
Longhu District
Shantou
Guangdong Province
The People's Republic of China

Principal Share Registrar and Transfer Office

HSBC Trustee (Cayman) Limited
P.O. Box 484
HSBC House
68 West Bay Road
Grand Cayman KY1-1106
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Tricor Tengis Limited
26th Floor
Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

Website

<http://www.eaglenice.com.hk>

Stock Code

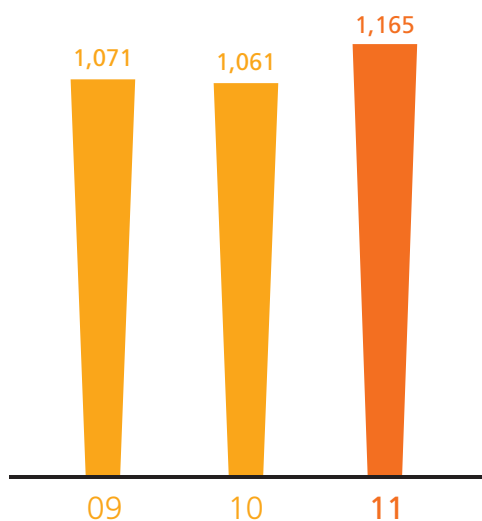
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Financial Highlights

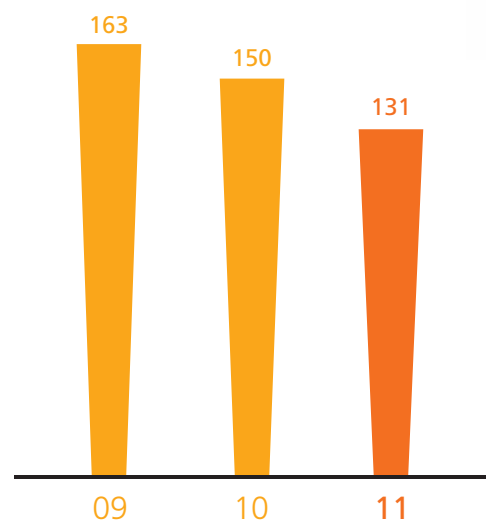
Results	2011 HK\$ Million	2010 HK\$ Million (restated)
Revenue	1,165	1,061
Profit before depreciation, amortisation, interest and tax	198	217
Profit for the year attributable to owners of the Company	131	150
Basic earnings per share	HK\$0.26	HK\$0.30
Dividend per share		
– Interim	HK12 cents	HK13 cents
– Final	HK3 cents	HK7 cents

Financial Position	2011 HK\$ Million	2010 HK\$ Million (restated)
Total assets	1,166	1,071
Net debts	Nil	Nil
Shareholders' equity	950	895
Net assets per share	HK\$1.90	HK\$1.79
Net debts to total assets (excluding cash)	Nil	Nil
Net debts to shareholders' equity	Nil	Nil

Revenue
HK\$ Million



Profit Attributable to Shareholders
HK\$ Million





Working in
Harmony & Strong
Team Spirit
to reach New
Height together





COMPANY VISION

To Be The Number One Sportswear Manufacturer
Delivers World Class Products To Our World Class Customers

公司願景

成為運動成衣製造行業的領導者
為世界頂級客戶創造世界頂級產品



Chairman's Statement

With a slow recovery in the global economy in 2010, the Group has resolved to further expand its business scale and develop new markets by commencing two investment projects in Jiangxi and Indonesia respectively, on top of its solid foundations built over the years. The Group believes that these two new projects will position the Group for scaling new heights after they go into full operation and provide better return for shareholders.



Dear Shareholders,

On behalf of the board of directors (the "Board") of Eagle Nice (International) Holdings Limited (the "Company"), I am pleased to present the annual results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2011.

Summary of Results and Review of Operations

There was a slow recovery in the global economy in 2010 as governments of various countries endeavoured to stimulate economic activities with tailored policies, so that the sales of sportswear resumed growth in tandem with improved economic conditions. Meanwhile, overall supply was reduced following the closures of small-scale or ineffective plants in the aftermath of the financial tsunami. As a result, the Group's revenue for 2011 increased by close to 10% as compared to the previous year. During the year, we were honoured by Nike with the annual outstanding supplier award in recognition of our efforts and achievements in lean manufacturing, as well as

our ongoing quest for progress and improvements. Despite the impact of seasonal factors on our results for the second half of the year, we still reported growth of 29% in overall turnover for the second half of the year as compared to the same period of the previous year, thanks to the diligent efforts of the management.

Labour shortage, rapid increment in wages, rising costs for raw materials and transportation, and RMB appreciation are realistic issues that will not be resolved in any time soon. These changes in the economic environment are inevitable as the PRC's economy



Chairman's Statement (continued)

continues to advance. Faced by all manufacturers and exporters of the nation alike, it is a challenge that tests the business foundations and competence of companies. Refusal to change is not an option, for we will lag behind if we do not progress. In view of the above, the Group has resolved to further expand its business scale and develop new markets by commencing two investment projects in Jiangxi Province, the PRC (the "Jiangxi Project") and Banten Province, Indonesia (the "Indonesia Project") respectively, on top of its solid foundations built over the years. While these projects are expected to foster new niches for long-term profit growth for our customers, shareholders and investors, their administrative and training costs will inevitably affect the Group's profitability in the short term. For the financial year under review, the two projects accounted for approximately 3% of the Group's total costs. The Group's gross profit margin, operating profit margin and net profit margin were lowered by 2.6%, 3.3% and 2.8% respectively as compared to last year.

As a token of thanks for the shareholders' longstanding support, the Board had maintained a rather high dividend payout ratio in the past. In view of the substantial funding requirements of the Group's development plans in the coming years, namely the construction and initial operation of the Jiangxi Project and the Indonesia Project, the Board recommended a final dividend of HK3 cents per share on an adjusted dividend payout ratio of 57% for the year, in order to facilitate more effective application of resources and avoid profit erosion.

The Board expects the business environment to remain challenging in future, while depreciation and other production costs would increase at a double-digit annual rate in the coming years as a result of the commissioning of new plants. Therefore, the Board proposes to maintain a lower dividend payout ratio or even suspend dividend payment in the coming years in order to optimise the use of financial resources for the benefit of business growth, which is in the interest of the Group's development in the long term and will result in more lucrative return when the additional capacity is put to operation. I ask for your support for the Board's revision of its dividend policy for the time being, so that we may all benefit from greater rewards in the future.

Industry Review and Challenges

The year under review saw challenging business environments all around the world, where PRC manufacturers were confronted with economic pressures at both ends. Europe and the US governments were repeatedly calling for appreciation in RMB, while the PRC local governments increased the social security rate and minimum wage level for workers. In Guangdong Province, the PRC, the minimum wage level had been raised by over 20% since May 2010. The above factors, coupled with the substantial increase in raw materials and transportation costs, labour shortage and general inflation, resulted in significantly higher production costs for the Group during the year. As a longstanding business partner, the Group was able to share some of the rising costs with its customers with long business relationship, such that the additional costs were largely alleviated and the Group's operating costs were lowered as a result.



Chairman's Statement (continued)

It is expected that the business environment in the PRC will remain challenging in the coming years. "The Social Insurance Law of the PRC", coming into effect on 1 July 2011, will further rescind local relief measures relating to the collection of social insurance fees. In addition, the Outline of the "12th Five-Year Plan for the National Economic and Social Development of the PRC" (the "12th Five-Year Plan") announced in March 2011 has called for the reform of the income distribution system, aiming to double the wage level of PRC nationals in 5 years' time, which implies an annual growth rate of approximately 15%. The future increase in wages is expected to pose an unduly heavy burden on labour-intensive enterprises.

Nevertheless, the strengths demonstrated by the "Made in China" tag in the worldwide supply chain cannot possibly be replicated by any other countries any time soon. Moreover, the rapid infrastructure development in the PRC in recent years has allowed the PRC market players to respond more quickly to customers especially in terms of logistics interface, thus bringing them closer in line with the requirements of international customers in respect of order management. The Jiangxi Project commenced in 2010 is capitalising on this advantage to fulfill customers' requirements.

Market Review and Development Sportswear as fashion

Sportswear can be distinguished into professional outfit, fashion sportswear and leisure sportswear. The booming development of the sportswear market has attracted fashion brands to diversify into this segment. The fashion element has brought boundless opportunities for development of the sportswear market. In response, the Group's R&D centre in the PRC has been equipped with advanced production technology and machineries in order to provide more sophisticated fashion elements and new ideas to enable ODM development for the Group on the basis of its existing OEM operations.

Eco-friendly products underlining major trends in sportswear

In recent years, the eco-label system has become a mechanism of growing importance in global markets, especially in developed regions such as Europe and the US. Consumers are increasingly concerned about the environment-friendliness and safety of clothes and garments, while the Low Carbon Manufacturing Programme launched by World Wide Fund in early 2008 has received strong support from numerous international sportswear brands. The Group has also been actively identifying suppliers for sportswear materials that are eco-friendly and not hazardous to the environment.

Tapping European and US markets while exploring emerging markets

The Group had focused on the Asian market in the early years until 2007 when it started to develop the European and US markets by capturing the business opportunities of the scheduled cancellation of textile quotas by Europe and the US in 2008 and 2009, respectively, in a bid to neutralise the risks of market concentration through market diversification. Owing to its success in developing the European and US markets, the weighting of European and US sales as a percentage of the Group's total sales increased to 41% for the year under review, as compared to 31% for the previous year. Given the heated competition in the PRC sportswear market, the Group adjusted the weighting of sales to the PRC customers from 40% for the previous year to 34% for the year under review. To address the new situation, the Group adjusted its market strategy in the right time by focusing on the PRC, Europe and the US as its three major markets, instead of concentration on the markets of the PRC and Southeast Asia as in the early years. The Group was also eyeing suitable opportunities for developments in emerging Southeast Asian countries as a means to lower the risk of market concentration.

Chairman's Statement (continued)

The Japanese economy suffered a heavy blow at the beginning of 2011 when a 9.0 magnitude earthquake struck the northeastern coast of Honshu, triggering a devastating tsunami that claimed heavy casualties and causing radiation leak at the Fukushima Nuclear Plant. Domestic consumption is set to decline in an economic slump under the lingering threat of nuclear radiation, while disruptions in transportation and logistics are posing further difficulties. As orders for the Group's products from Japan are likely to be affected in the coming year, the management has taken corresponding measures in order to minimise any resulting adverse impact to the Group.

Social Responsibility

The Group is convinced that human resources represent an invaluable asset of the Group and the community. It is an important task of the Group to provide a healthy and harmonious work environment for its staff. To enrich the work life of our employees and to facilitate mutual communications between the management and other staff, an internal newsletter is published on a quarterly basis to provide a platform for explaining company policies, sharing values of our corporate culture and commending staff who deliver outstanding performance. The publication enables our staff to gain a better understanding of the Company's objectives and values and enhances their sense of belonging, while enhancing two-way communication by extensively soliciting the views of our employees.

The Group also concerns itself with people in need. Last year, we donated RMB1 million to the Shantou Longhu Social Order and Welfare Association (汕頭龍湖社會治安福利會) for charitable purposes, RMB100,000 as student subsidies and HK\$230,000 for disaster relief in the Jiangxi Province, the PRC. We are committed to sharing in the spirit of charity and giving back to the society.

Eagle Nice was honoured with the Annual Outstanding Enterprise Award by Economic Digest, a well-known financial magazine in Hong Kong, for three years in a row in recognition of its efforts and achievements in corporate governance.

Outlook

Looking ahead, the sportswear market should continue to offer enormous potential with rising demand for sportswear products driven by worldwide enthusiasm for sports and fitness activities, the PRC Government's initiatives to improve per capita income and living standards of the nation as a means to increase domestic consumption and to promote healthy lifestyle, as well as booming economic growth of the ASEAN as emerging markets. Furthermore, the increasing popularity of fashionable and eco-friendly sportswear has also created boundless opportunities for the development of the sportswear market.

Alongside such exciting opportunities, however, PRC manufacturers are also facing unprecedented challenges. Costs are expected to grow at a double-digit annual rate in the foreseeable future giving aggravating inflation, rising minimum wages under the mandate of the 12th Five-Year Plan and ongoing appreciation in RMB. Moreover, there is increasing competition from garment manufacturers in Southeast Asian countries such as Vietnam, Malaysia and Thailand. To address the upcoming challenges, the Group will commit dedicated efforts to R&D and seek to manufacture high-end functional products that command a higher profit margin. To increase our competitiveness, we will keep abreast of fashion trends and shorten our production cycle to complement our customers' market strategies of offering fashion sportswear items that are typically marketed in short turnover cycles.



Chairman's Statement (continued)

Regarding our business, the Group's existing production facilities are nearly operating at full capacity following years of rapid growth, and capacity expansion is necessary as we prepare for the future development. Leveraging opportunities presented by global economic recovery, the Group confirmed two new investment projects of the Jiangxi Project and the Indonesia Project in early 2010. Land sites were acquired in these two regions to build plants for new production capacity. The costs for phase-one of the Jiangxi Project and the Indonesia Project are estimated at HK\$400 million and HK\$200 million respectively. The management believes that the Group's production capacity will be doubled upon completion of these two projects. By then, the Group will not only benefit from the abundant supply of relatively low-cost labour in these two regions, but will also be able to explore their potentially enormous local markets for apparel products in tandem with its customers' business development.

With thriving economic development in the inland regions of the PRC, international sportswear brands are seeking to tap the market of third- to fourth-tier PRC cities. In this connection, the Jiangxi Project is well-positioned to complement our customers' strategies for future development in the PRC and our competitiveness will be enhanced as a result. Meanwhile, the China-ASEAN Free Trade Area (CAFTA) has quickly grown into one of the three largest economies in the world. As a CAFTA member whose economy is just starting to grow, Indonesia is an ideal location for building production bases in terms of cost control and labour supply, while its domestic market and ASEAN market hold out enormous potential. As such, it is optimistic that the Indonesia Project will add further strengths to our competitiveness by complementing our customers' strategies for future development in the ASEAN.

With regard to finances, the two investment projects of the Jiangxi Project and the Indonesia Project have resulted in significantly increased capital outlay for the Group. As at 31 March 2011, total investment costs paid for the Jiangxi Project and the Indonesia Project amounted to HK\$204 million and HK\$84 million respectively. Subsequent to the reporting date, the Group raised new bank loans to finance these two investment projects and existing operations amounting to HK\$210 million, which will result in additional finance costs being incurred in the coming year. In addition, the Group will report a substantial increase in annual depreciation after production commences by the end of 2011 at the two projects, which are not expected to contribute any profit in initial stage of operation. As a consequence, the Group's cashflows and profit for the coming years will inevitably come under pressure. With a view to effectively using cash resources, the Group will determine its dividend policy in a reasonable manner in the coming years. The Board considers lowering the dividend payout ratio or even suspending dividend payment to ensure solid cashflows for meeting business requirements. Nevertheless, the Board believes that these two new projects will position the Group for scaling new heights after they go into full operation, upon which dividend payout ratio will be increased to provide better return for shareholders.

APPRECIATION

On behalf of the Group, I would like to express my sincere gratitude to the directors and the management for their valuable advice during the year. I would also like to thank our shareholders, suppliers, business partners and customers for their continued support to the Group as well as our dedicated staff for their hard work and commitment.

Chung Yuk Sing
Chairman

Hong Kong, 23 June 2011

Financial and Operation Review

Review on Financial Performance and Dividend Policy

With the recovery of the economy since 2009, there has been a steady growth in the sportswear market. In addition to the success in expanding the market in the Europe and the US, the Group was able to capture the business opportunity to expand its market share. As a result, the revenue of the Group grew by 9.8% to HK\$1,164.8 million (2010: HK\$1,061.2 million).

However, tough business environment inevitably eroded the profit of the Group during the year. Drastic rise in raw material costs, continuous appreciation in RMB and labour shortage coupled with the mandatory rise in minimum wages with effect from 1 May 2010 in the PRC gave rise to a substantial increase in the production costs. Besides, additional costs were incurred during the year following the commencement of trial operation in the two new production bases in the Jiangxi Province, the PRC (the "Jiangxi Project") and the Banten Province, Indonesia (the "Indonesia Project"). As a result, the gross profit decreased by 1.2% to HK\$275.8 million (2010: HK\$279.1 million) and the gross profit margin dropped by 2.6% from 26.3% to 23.7% during the year.

Among other income, an amount of HK\$18.7 million was derived from deregistration of two subsidiaries. The Group's selling and distribution costs increased by HK\$3.9 million (or 32.3%), which was mainly attributable to the rise in export freight costs in line with the growth in export sales. Increases in staff costs resulting from recruitment of additional staff and other related costs for the Group's new investment plans of the Jiangxi Project and the Indonesia Project explained the increase of HK\$30.1 million (or 32.6%) in administrative expenses during the year.

In respect of taxation, profit before tax declined by HK\$20.3 million (or 11.3%) and the Group's overall tax expenses decreased by HK\$1.8 million (or 6.0%). Under the PRC tax law which became effective in 2008, there was an annual increment of the preferential income tax rates for certain PRC subsidiaries up to the standard tax rate of 25% while the deregistration of a subsidiary resulted in a write-back of tax charges of HK\$3.6 million during the year. Excluding the effect of write-back of tax charges, effective tax rate rose by 3.2% from 16.4% to 19.6% during the year.

Profit attributable to owners of the Company was HK\$131.3 million for the year ended 31 March 2011, representing a decrease of 12.4% compared to HK\$149.9 million for the last year. The net profit margin decreased by 2.8% from 14.1% to 11.3% when compared with last year. Basic earnings per share amounted to HK26.3 cents for the year compared to HK30.0 cents for the last year. In view of the substantial funding requirements of the Group's investment plans of the Jiangxi Project and the Indonesia Project in the coming years and in order to facilitate a more effective application of resources, the Board recommended a final dividend of HK3 cents per share compared to HK7 cents for last year so that the dividend payout ratio for the whole year was 57% (2010: 67%).

Regarding our dividend policy in near future, given that substantial fund is required for the implementation of the Jiangxi Project and the Indonesia Project in the coming years, the Board considers lowering the dividend payout ratio or even suspending dividend payment for the coming years in order to optimise the use of financial resources for the benefit of business growth.

Liquidity and Financial Resources

During the year under review, the Group continued to maintain a healthy liquidity position. The Group generally finances its operations with internally generated resources and banking facilities provided by its bankers. As at 31 March 2011, the Group had cash and cash equivalents amounted to HK\$183.0 million (31 March 2010: HK\$328.1 million) mainly denominated in Hong Kong dollars, RMB, US dollars and Indonesian Rupiah. As at 31 March 2011, the Group had aggregate banking facilities of HK\$396 million (31 March 2010: HK\$46.0 million), out of which HK\$46 million were secured by (i) corporate guarantees executed by the Company; and (ii) unlimited corporate guarantees executed by certain subsidiaries of the Company. The banking facilities amounting to HK\$2.4 million were utilised by the Group as at 31 March 2011.

The management believes that the existing financial resources will be sufficient to meet existing operations as well as existing and future expansion plans and, if necessary, the Group will be able to obtain additional financing with favourable terms. There is no material effect of seasonality on the Group's borrowing requirements.

Financial and Operation Review (continued)

As at 31 March 2011, the Group's gearing ratios represented by total liabilities as a percentage of the Group's total assets amounted to 18.5% (31 March 2010: 16.4%).

Foreign Exchange Risk Management

The Group has transactional currency exposures. Such exposures arise from substantial portion of sales or purchases by operating units in US dollars and RMB. The Group is exposed to foreign exchange risk arising from the exposure of US dollars and RMB. As the foreign currency risks generated from the sales and purchases can be set off with each other, the Group believes its exposure to exchange rate risk is minimal. It is the policy of the Group to continue maintaining the balance of its sales and purchases in the same currency.

The Group currently does not have a foreign currency hedging policy. However, the management monitors the foreign exchange exposures and will consider hedging the significant foreign currency exposures should any need arises.

Significant Investments

As at 31 March 2011, there was no significant investment held by the Group (31 March 2010: Nil).

Material Acquisitions and Disposals

There was no material acquisition or disposal of subsidiaries and associated companies except deregistration of two subsidiaries during the year ended 31 March 2011 (2010: Nil).

Contingent Liabilities and Capital Commitments

As at 31 March 2011, the Group did not have any significant contingent liabilities (31 March 2010: Nil). The Group had the following capital commitments at the end of the reporting period:

	2011 HK\$'000	2010 HK\$'000
Contracted, but not provided for:		
Construction of factories and purchases of machinery and equipment for the Jiangxi Project	83,966	–
Renovation of factories for the Indonesia Project	33,757	–
Purchases of items of property, plant and equipment	563	2,009
Renovation of factories	1,354	1,956
	119,640	3,965
Authorised, but not contracted for:		
Investment in the Jiangxi Project	103,797	81,502
Investment in the Indonesia Project	–	65,951
	103,797	147,453

As at 31 March 2011, the banking facilities granted to certain subsidiaries of the Company subject to guarantees given to a bank by the Company to the extent of HK\$46.0 million (31 March 2010: HK\$46.0 million) of which an aggregate amount of HK\$2.4 million was utilised.

Employees and Remuneration Policies

As at 31 March 2011, the Group employed a total of approximately 9,000 employees including directors (31 March 2010: approximately 6,700). Total employee benefits expenses including directors' emoluments were HK\$247.5 million for the year under review (2010: HK\$197.1 million).

The employees including directors are remunerated based on their work performance, professional experiences and the prevailing industry practice. The Group also makes contributions to the statutory mandatory provident fund scheme and defined contribution retirement benefits scheme for the employees of the Group in Hong Kong and to the central pension scheme for the employees of the Group in the PRC.

Directors' and Senior Management's Biographies

Executive Directors

Chung Yuk Sing, aged 50, has been the Chairman and Executive Director of the Company since October 2002. He is also the co-founder of the Group and a director of other members of the Group. Mr. Chung is responsible for the overall strategic planning, marketing and management functions of the Group. Mr. Chung has over 20 years of manufacturing and management experience in the garment industry.

Chen Hsiao Ying, aged 47, has joined the Group as Executive Director and Chief Executive Officer of the Company since October 2007. He is also a director of other members of the Group. Mr. Chen had worked as Factory Manager in a sportswear manufacturing and trading company in Taiwan since 1981 prior to founding Actex Garment Co., Limited, a company specializing in the manufacturing and trading of sportswear, in 1997. Mr. Chen has over 20 years of manufacturing and management experience in the garment industry. He is a brother of Ms. Chen Li Ying, a member of senior management of the Group.

Kuo Tai Yu, aged 61, has joined the Group as Executive Director of the Company since April 2004. Mr. Kuo has over 30 years of experience in management of footwear business in Taiwan. He received a bachelor's degree from Chung Hsing University in Taiwan. Mr. Kuo has been the director of certain companies within the Group of Yue Yuen Industrial (Holdings) Limited (stock code: 00551) ("Yue Yuen"), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the director of Pou Chen Corporation ("Pou Chen"), a company listed on the Stock Exchange of Taiwan. He is currently the executive director of Yue Yuen and general manager in charge of one of Yue Yuen's three shoe manufacturing groups since 1996.

Chen Fang Mei, Christina, aged 48, has joined the Group as Executive Director of the Company since May 2009. She has been the Spokesperson and Vice President of Pou Chen since 2004. She graduated from Soochow University in Taiwan in 1986 and holds a Bachelor's Degree in International Business. Ms. Chen was Vice President and Head of Underwriting of Citibank Securities (Taiwan) Limited from 2001 to 2004. She has over 20 years of experience in the investment and securities industries in Taiwan. Ms. Chen is an executive director of Symphony Holdings Limited (stock code: 01223), a company listed on the Main Board of the Stock Exchange.

Independent Non-Executive Directors

Chan Cheuk Ho, aged 44, obtained a master's degree in Business Administration from the University of Manchester in 2003. He is a fellow member of the Hong Kong Institute of Certified Public Accountants. Mr. Chan has more than 20 years of experience in accounting and finance. He has been Independent Non-Executive Director of the Company since November 2002.

Li Chi Chung, aged 42, is currently a solicitor practising in Hong Kong. Mr. Li obtained a bachelor's degree in laws from The University of Sheffield in England in 1990. He was admitted as a solicitor of the High Court of Hong Kong in 1993 and his practice has been focused on commercial related matters. Mr. Li is a non-executive director of Richfield Group Holdings Limited (stock code: 00183), an independent non-executive director of Kenford Group Holdings Limited (stock code: 00464) and an independent non-executive director of PINE Technology Holdings Limited (stock code: 01079), which are companies listed on the Main Board of the Stock Exchange. He is the company secretary of China Financial International Investments Limited (stock code: 00721), Infinity Chemical Holdings Company Limited (stock code: 00640) and Sino Gas Group Limited (stock code: 00260) and China Water Property Group Limited (stock code: 02349), all of which are companies listed on the Main Board of the Stock Exchange, and China Nonferrous Metals Company Limited (stock code: 08306) which is a company listed on the GEM of the Stock Exchange. He has been Independent Non-Executive Director of the Company since November 2002.

Cheng Yung Hui, Tony, aged 69, is the chairman and chief executive officer of World Friendship Company Limited. During the period from October 2007 to November 2010, Mr. Cheng was also an independent non-executive director of Dejin Resources Group Company Limited (formerly known as Bright International Group Limited) (stock code: 01163), a company listed on the Main Board of the Stock Exchange. Mr. Cheng has over 30 years of experience in operating his own company. He has extensive experience in international business. He has been Independent Non-Executive Director of the Company since September 2004.

Directors' and Senior Management's Biographies (continued)

Senior Management

Chang Wen Hsiang, aged 60, has joined the Group as Chief Financial Officer in February 2008 and was appointed as Executive Director of the Company in April 2008. He resigned as Executive Director of the Company in May 2009 but remains as Chief Financial Officer of the Group. He is also a director of other members of the Group. He holds bachelor's and master's degrees in accounting from the National Chen Chi University in Taiwan and was accredited Certified Public Accountant from the United States of America ("US"). Mr. Chang was the financial controller and general manager of a US-based multinational corporation in US's headquarter and Taiwan's subsidiary before he joined Yue Yuen in 1993. Mr. Chang was responsible for certain PRC, Taiwan and Vietnam business development projects in Yue Yuen before he left as Senior Executive Manager after 10 years of service there. Mr. Chang has over 30 years of experience in the manufacturing of shoes, apparel, optical and luggage and was an independent financial and operational consultant to pre-listing companies before he joined the Group.

Tsang Sau Fan, aged 44, has joined the Group since March 1996 and was appointed as Executive Director of the Company in October 2002. She resigned as Executive Director of the Company in May 2009. Currently, she is General Manager of Division I of the Group. She has over 15 years of experience in sales of garment products. Prior to joining the Group, she worked as a merchandiser in a garment manufacturing company in Hong Kong.

Chen Li Ying, aged 56, has joined the Group since September 2007 and was appointed as Executive Director of the Company in October 2007. She resigned as Executive Director of the Company in May 2009. Currently, she is General Manager of Division II of the Group. She is also a director of other members of the Group. She graduated from Ming Chuan University in Taiwan and had worked as an auditor in an accounting firm in Taiwan for around 5 years after graduation. She worked in the sales and marketing department of a sportswear manufacturing and trading company in Taiwan from 1981 to 1996 before she joined Actex Garment Co., Limited, a company founded by Mr. Chen Hsiao Ying, in 2001. She has over 25 years of manufacturing and management experience in the garment industry. She is a sister of Mr. Chen Hsiao Ying, an Executive Director of the Company.

Chen Zhen Hao, aged 46, has joined the Group since March 1987 and was appointed as Executive Director of the Company in October 2005. He resigned as Executive Director of the Company in May 2009. Currently, he is the Factory General Manager of Division I of the Group. He is also a director of other members of the Group. He has over 20 years of experience in garment manufacturing industry.

Woo Man Chi, aged 39, has joined the Group as Financial Controller since May 2005 and was appointed as Company Secretary of the Group in September 2005. She is responsible for the accounting, finance and compliance related functions of the Group. She previously worked in a reputable international accounting firm, Deloitte Touche Tohmatsu, in Hong Kong for five years. Prior to joining the Group, she worked in a manufacturing company listed on the Main Board of the Stock Exchange as Assistant Financial Controller. She has more than 15 years of experience in accounting and financial management. Ms. Woo holds a bachelor's degree in accounting from the Hong Kong University of Science and Technology. She is a practising member of the Hong Kong Institute of Certified Public Accountants.

Report of the Directors

The directors of the Company (the "Directors") present their report and the audited financial statements of the Company and of the Group for the year ended 31 March 2011.

Principal activities

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries of the Company are set out in note 17 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

Results and dividends

The Group's profit for the year ended 31 March 2011 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 56 to 124.

An interim dividend of HK12 cents per ordinary share was paid on 16 December 2010. The Directors recommend the payment of a final dividend of HK3 cents per ordinary share in respect of the year to shareholders whose names appear on the register of members on 23 August 2011. Details are set out in note 11 to the financial statements.

Summary financial information

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out below. The amounts for each year in the five year financial summary have been adjusted for the effects of the retrospective changes in the accounting policy affecting leases, as detailed in note 2.2 to the financial statements.

Results

	Year ended 31 March				
	2011 HK\$'000	2010 HK\$'000 (restated)	2009 HK\$'000 (restated)	2008 HK\$'000 (restated)	2007 HK\$'000 (restated)
Revenue	1,164,762	1,061,179	1,070,975	860,487	519,103
Profit before tax	158,965	179,305	184,236	140,646	86,550
Income tax expense	(27,633)	(29,396)	(21,107)	(16,001)	(8,775)
Profit for the year	131,332	149,909	163,129	124,645	77,775

Report of the Directors (continued)

Summary financial information (continued)

Assets and liabilities

	2011 HK\$'000	2010 HK\$'000 (restated)	As at 31 March		2007 HK\$'000 (restated)
			2009 HK\$'000 (restated)	2008 HK\$'000 (restated)	
Non-current assets	693,476	432,617	396,104	375,430	270,353
Current assets	472,802	637,928	632,378	552,835	374,338
Current liabilities	(185,764)	(151,255)	(139,906)	(133,745)	(69,382)
Net current assets	287,038	486,673	492,472	419,090	304,956
Non-current liabilities	(30,205)	(24,124)	(16,798)	(13,144)	(1,292)
	950,309	895,166	871,778	781,376	574,017

The above summary does not form part of the audited financial statements.

Property, plant and equipment

Details of movements in the property, plant and equipment of the Group during the year are set out in note 13 to the financial statements.

Charitable contributions

During the year, the Group made charitable contributions totalling HK\$1,742,000.

Share capital

There was no movement in the share capital of the Company during the year.

Pre-emptive rights

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

Purchase, redemption or sale of listed securities of the Company

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

Reserves

Details of movements in the reserves of the Company and the Group during the year are set out in note 27 to the financial statements and in the consolidated statement of changes in equity, respectively.

Report of the Directors (continued)

Distributable reserves

At 31 March 2011, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Law of the Cayman Islands, amounted to HK\$471,015,000. The amount of HK\$471,015,000 includes the Company's share premium account and capital reserve of HK\$515,674,000 in aggregate at 31 March 2011, which may be distributed provided that immediately following the date on which a dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

Major customers and suppliers

In the year under review, sales to the Group's five largest customers accounted for approximately 94.0% of the Group's total sales for the year and sales to the largest customer included therein accounted for approximately 48.1%.

Purchases from the Group's five largest suppliers accounted for approximately 52.5% of the Group's total purchases for the year and purchases from the largest supplier included therein accounted for approximately 13.9%.

None of the Directors or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or suppliers.

Directors

The Directors during the year were:

Executive Directors:

Mr. Chung Yuk Sing (Chairman)
Mr. Chen Hsiao Ying (Chief Executive Officer)
Mr. Kuo Tai Yu
Ms. Chen Fang Mei, Christina

Independent Non-Executive Directors:

Mr. Chan Cheuk Ho
Mr. Li Chi Chung
Mr. Cheng Yung Hui, Tony

In accordance with article 87(1) of the Company's articles of association, Mr. Chen Hsiao Ying, Ms. Chen Fang Mei, Christina and Mr. Cheng Yung Hui, Tony will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmations of independence from Mr. Chan Cheuk Ho, Mr. Li Chi Chung and Mr. Cheng Yung Hui, Tony, and as at the date of this report still considers them to be independent.

Directors' and senior management's biographies

Biographical details of the Directors and senior management of the Group are set out on pages 13 to 14 of the annual report.

Report of the Directors (continued)

Directors' service contracts

No Director proposed for re-election at the forthcoming annual general meeting of the Company has a service contract with the Company or any of its subsidiaries, which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

The Independent Non-Executive Directors have no fixed terms of office, but are subject to the provisions governing the retirement and the rotation of Directors in the articles of association of the Company.

Directors' remuneration

The power of the Board of Directors (the "Board") to determine the Director's remuneration is subject to shareholders' approval at the annual general meeting of the Company, the amount which will be determined with reference to Director's duties, responsibilities and performance and the results of the Group.

Directors' interests in contracts

No Director had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

Directors' and chief executive's interests and short positions in shares, underlying shares and debentures

As at 31 March 2011, the interests and short positions of the Directors and chief executive in the share capital and underlying shares and debentures of the Company (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which have been notified to the Company pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Directors or chief executive were taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

The Company

Name of Director	Capacity	Number of shares held		Percentage of the Company's issued capital
		Long position	Short position	
Mr. Chung Yuk Sing	Interest of a controlled corporation	72,650,000 (Note)	–	14.54
	Beneficial owner	200,000	–	0.04
Mr. Chen Hsiao Ying	Beneficial owner	25,328,800	–	5.07
Mr. Kuo Tai Yu	Beneficial owner	1,680,000	–	0.34

Note: These shares are held by Time Easy Investment Holdings Limited ("Time Easy"). The entire issued share capital of Time Easy is held by Mr. Chung Yuk Sing.

Save as disclosed above, as at 31 March 2011, none of the Directors and chief executive had registered an interest or short position in the shares, underlying shares or debentures of the Company that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Report of the Directors (continued)

Directors' rights to acquire shares or debentures

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

Share option scheme

Since 6 August 2003, the Company has conditionally adopted a share option scheme whereby eligible participants of the share option scheme, including any employee (whether full-time or part-time) and any director of the Company and/or any of its subsidiaries whom the Board may think fit with reference to their respective contributions to the Group, may be granted options which entitle them to subscribe for the shares of the Company. Details of the share option scheme are set out in note 26 to the financial statements.

As at 31 March 2011, no share options have been granted under the share option scheme.

Substantial shareholders' interests and short positions in shares and underlying shares

As at 31 March 2011, the interests and short positions of the following persons, other than the Directors and the chief executive of the Company, in the shares and underlying shares of the Company which have been disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and which have been recorded in the register kept by the Company pursuant to Section 336 of the SFO:

Name	Capacity	Number of ordinary shares held		Percentage of the Company's issued capital
		Long position	Short position	
Time Easy	Beneficial owner	72,650,000 (Note 1)	–	14.54
Pou Chen Corporation ("PCC")	Interest in a controlled corporation	192,000,000 (Note 2)	–	38.42
Wealthplus Holdings Limited ("Wealthplus")	Interest in a controlled corporation	192,000,000 (Note 2)	–	38.42
Yue Yuen Industrial (Holdings) Limited ("Yue Yuen")	Interest in a controlled corporation	192,000,000 (Note 2)	–	38.42
Pou Hing Industrial Co. Ltd. ("Pou Hing")	Interest in a controlled corporation	192,000,000 (Note 2)	–	38.42
Great Pacific Investments Limited ("Great Pacific")	Beneficial owner	192,000,000 (Note 2)	–	38.42

Notes:

1. The entire issued share capital of Time Easy is held by Mr. Chung Yuk Sing.
2. The 192,000,000 shares were held by Great Pacific which was wholly-owned by Pou Hing. The entire issued share capital of Pou Hing was held by Yue Yuen in which Wealthplus and Win Fortune Investment Ltd. ("Win Fortune") held an interest of 46.89% and 3.09% respectively. Wealthplus and Win Fortune are in turn wholly-owned by PCC. Accordingly, Pou Hing, Yue Yuen, Wealthplus, Win Fortune and PCC are all deemed to be interested in the 192,000,000 shares held by Great Pacific.

Report of the Directors (continued)

Substantial shareholders' interests and short positions in shares and underlying shares

(continued)

Save as disclosed above, as at 31 March 2011, no person, other than the Directors and chief executive of the Company, whose interests are set out in the section "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

Sufficiency of public float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

Directors' interests in a competing business

Interest of the director of the Company in a competing business required to be disclosed pursuant to Rule 8.10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") is as follows:

Name of Director	Name of company	Nature of competing business	Nature of interest
Ms. Chen Fang Mei, Christina ("Ms. Chen")	Yuen Thai Industrial Company Limited ("Yuen Thai") (Note 1)	Garment manufacturing	As a director
	Din Tsun Holding Co., Ltd. ("Din Tsun") (Note 2)	Garment manufacturing	As a director
	Pro Kingtex Industrial Co., (HK) Ltd. ("Pro Kingtex") (Note 3)	Garment manufacturing	As a director

Note 1 : Yuen Thai is a company incorporated in Hong Kong on 24 September 2003 and is held as to 50% by Yue Yuen and its subsidiaries (the "Yue Yuen Group") and 50% by a subsidiary of Luen Thai Holdings Limited, a company listed on the Stock Exchange since 2004. Ms. Chen has been nominated to the board of directors of Yuen Thai to represent the interest of the Yue Yuen Group since July 2009.

Note 2 : Din Tsun is a company incorporated in the British Virgin Islands on 4 January 2005 and is held as to 50% by the Yue Yuen Group and 50% by two individuals. Ms. Chen has been nominated to the board of directors of Din Tsun to represent the interest of the Yue Yuen Group since April 2011.

Note 3 : Pro Kingtex is a company incorporated in Hong Kong on 3 December 2009 and is held as to 30% by the Yue Yuen Group and 70% by Din Tsun. Ms. Chen has been nominated to the board of directors of Pro Kingtex to represent the interest of the Yue Yuen Group since August 2010.

Having considered (i) the nature, geographical market, scope and size of Yuen Thai, Din Tsun and Pro Kingtex as compared to those of the Group; and (ii) the nature and extent of Ms. Chen's interest in Yuen Thai, Din Tsun and Pro Kingtex, the directors of the Company believe that there is unlikely to be any significant competition caused to the business of the Group.

Save as disclosed above, none of the directors of the Company or their respective associates was interested in, apart from the Group's business, any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

Report of the Directors (continued)

Continuing connected transactions

Related party transactions regarding the provision of subcontracting services to the Group by related parties as disclosed in note 32(a) to the financial statements constituted continuing connected transactions under the Listing Rules which are required to be disclosed in this report in accordance with Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.37 of the Listing Rules, the Independent Non-executive Directors have reviewed the continuing connected transactions and confirmed that the continuing connected transactions have been entered into:

- (1) in the ordinary course and usual course of business of the Group;
- (2) on normal commercial terms or terms no less favourable to the Group than terms available to or from independent third parties; and
- (3) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Ernst & Young, the Company's auditors, were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and with reference to Practice Note 740 *Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules* issued by the Hong Kong Institute of Certified Public Accountants. Ernst & Young have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.38 of the Listing Rules. A copy of the auditors' letter has been provided by the Company to the Stock Exchange.

Corporate governance

In the opinion of the Directors, the Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Listing Rules throughout the accounting period covered by the annual report, except for certain deviations. For further information on the Company's corporate governance practices and details of deviations, please refer to the Corporate Governance Report set out on pages 22 to 25 of the annual report.

Auditors

Ernst & Young retire and a resolution of their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Chung Yuk Sing
Chairman

Hong Kong
23 June 2011

Corporate Governance Report

The Group is committed to maintaining a high level of corporate governance with an emphasis on the principles of transparency, accountability and independence.

The Company had, throughout the year ended 31 March 2011, complied with the applicable code provisions and principles under the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") except for the deviation specified with considered reasons for such deviation as explained in this corporate governance report.

1. Directors

a. Composition & Board Meetings

The composition of the board of directors of the Company (the "Board") and the individual attendance of each director at board meetings during the year are set out as follows:

Name of Director	Number of meetings attended/held
Executive Directors	
Mr. Chung Yuk Sing (<i>Chairman</i>)	6/6
Mr. Chen Hsiao Ying (<i>Chief Executive Officer</i>)	6/6
Mr. Kuo Tai Yu	6/6
Ms. Chen Fang Mei, Christina	6/6
Independent Non-Executive Directors	
Mr. Chan Cheuk Ho	4/6
Mr. Li Chi Chung	4/6
Mr. Cheng Yung Hui, Tony	4/6

At least one of the independent non-executive directors of the Company ("INEDs") has appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules. The Group has received, from each of the INEDs, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Group considered all of the INEDs to be independent within the definition of the Listing Rules.

b. Delegation by the Board

The Board has the collective responsibility for leadership and control of, and for promoting the success of, the Group by directing and supervising the Group's affairs. The Board is responsible for determining the overall strategy and corporate development and ensuring the business operations are properly monitored. The Board reserves the right to decide all policy matters of the Group and material transactions.

The Board delegates the day-to-day operations to general managers and department heads who are responsible for different aspects of the operations of the Group.

1. Directors (Continued)

c. Chairman and Chief Executive Officer

The Group segregates the role of the Chairman from the Chief Executive Officer. Mr. Chung Yuk Sing is the Chairman of the Company and Mr. Chen Hsiao Ying is the Chief Executive Officer of the Company. There is no relationship other than business relationship between them. The Chairman provides leadership to the Board and is responsible for the overall strategic planning and corporate development, whereas the Chief Executive Officer is responsible for the day-to-day management, policy making and corporate management functions as well as formulating strategies for the Group.

d. Appointment, re-election and removal

The Board as a whole is responsible for the appointment of the directors of the Company. Pursuant to the articles of association of the Company, all directors are subject to retirement by rotation at least once every three years and any directors appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the existing Board) and shall then be eligible for re-election. The Chairman of the Board is mainly responsible for identifying appropriate candidates to fill the casual vacancy whenever it arises or to add additional members as and when required. The Chairman will propose the qualified candidate(s) to the Board for consideration. The Board will approve the appointment based on the suitability and qualification of the candidate.

The Company has complied with the CG Code except for A.4.1 of the CG Code which stipulates that non-executive directors should be appointed for a specific term and subject to re-election. All INEDs are not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting in accordance with the articles of association of the Company. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those set out in the CG Code.

e. Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors. Having made specific enquiry of all directors, all directors confirmed that they had complied with the Model Code throughout the year.

f. Supply of and access to information

In respect of regular board meetings, an agenda and accompanying board papers of the meeting are sent in full to all directors at least 14 days before the intended date of the meeting. For all other board meetings, at least 3 days' notice are given before the intended date of the meeting.

The management has an obligation to supply the Board and the various Committees with adequate information in a timely manner to enable the members to make informed decisions. Each director has separate and independent access to the Group's management to acquire more information and to make further enquiries if necessary.

2. Board committees

a. Remuneration Committee

The Remuneration Committee set up in October 2005 consists of one executive director, namely, Mr. Chung Yuk Sing and two INEDs, namely, Mr. Chan Cheuk Ho and Mr. Li Chi Chung. Mr. Chung Yuk Sing is the Chairman of the Remuneration Committee.

The terms of references of the Remuneration Committee follow with the CG Code. The Remuneration Committee is responsible for considering and approving the remuneration plans and policies for all the directors of the Company and the senior management of the Group by reference to the Company's operation results, individual performance and prevailing market rate. The committee meets at least once a year. During the year under review, one committee meeting was held with an attendance rate of 100% to review the remuneration packages of all directors of the Company and the senior management of the Group.

b. Audit Committee

The Audit Committee established in August 2003 currently comprises all three INEDs and is chaired by Mr. Chan Cheuk Ho who possesses recognised professional qualifications in accounting and has rich experience in audit and finance. The terms of reference of the Audit Committee follow with the CG Code.

The Audit Committee's principal duties include:

- (i) overseeing the relationship with the Company's external auditors;
- (ii) reviewing the nature and scope of the statutory audits, interim and annual accounts of the Group; and
- (iii) reviewing and monitoring the adequacy and effectiveness of the Group's financial reporting system and internal control procedures.

The committee meets at least twice every year and additional meetings may be convened by the chairman of the committee as and when necessary. During the year ended 31 March 2011, the Audit Committee met twice with an attendance rate of 100% to review the accounting principles and practices adopted by the Group and to discuss internal controls and financial reporting matters including the review of 2010 final results and 2011 interim results of the Group. Each member of the Audit Committee has unrestricted access to the Group's auditors and the management.

c. Nomination Committee

The Company has not established a nomination committee as the duties and functions of the Nomination Committee recommended in the CG Code are performed by the Board collectively with no director being involved in fixing his own terms of appointment and no INED being involved in assessing his own independence.

Corporate Governance Report (continued)

3. Accountability and audit

a. Financial Reporting

The directors acknowledge their responsibility to prepare the financial statements that give a true and fair view of the state of affairs of the Group. The Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern, so that the Board has prepared the accounts on a going concern basis.

The reporting responsibilities of the Company's auditors, Ernst & Young, are set out in the Independent Auditors' Report on pages 26 to 27 of the annual report.

b. Internal Controls

The Board is responsible for the Group's internal control system and for reviewing its effectiveness. Through the Audit Committee, the Board has reviewed the effectiveness of the system.

c. Auditors' Remuneration

For the year ended 31 March 2011, the fee payable to the Group's auditors, Ernst & Young, is set out as follows:

Services rendered	Amount of fee payable HK\$'000
Audit services	1,743
Non-audit services	263
	<hr/>
	2,006

On behalf of the Board

Chung Yuk Sing
Chairman

Hong Kong, 23 June 2011

Independent Auditors' Report



To the shareholders of Eagle Nice (International) Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Eagle Nice (International) Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 56 to 124, which comprise the consolidated and company statements of financial position as at 31 March 2011, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditors' Report (continued)

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2011, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young
Certified Public Accountants
18/F, Two International Finance Centre
8 Finance Street, Central
Hong Kong

23 June 2011

Consolidated Income Statement

綜合收益表

(Year ended 31 March 2011)
(截至二零一一年三月三十一日止年度)

		Notes 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (重列)
REVENUE	營業收入	5	1,164,762	1,061,179
Cost of sales	銷售成本		(889,006)	(782,118)
Gross profit	毛利		275,756	279,061
Other income and gains	其他收入及收益	5	21,390	4,460
Selling and distribution costs	銷售及分銷成本		(15,980)	(12,079)
Administrative expenses	行政開支		(122,201)	(92,137)
PROFIT BEFORE TAX	除稅前溢利	6	158,965	179,305
Income tax expense	所得稅開支	9	(27,633)	(29,396)
PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人應佔年度溢利	10	131,332	149,909
			HK cents	HK cents
			港仙	港仙
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人應佔每股盈利			
Basic	基本	12	26.3	30.0
Diluted	攤薄		26.3	30.0

Details of the dividends are disclosed in note 11 to the financial statements.

股息詳情載於財務報表附註11。

Consolidated Statement of Comprehensive Income

綜合全面收益表

(Year ended 31 March 2011)
(截至二零一一年三月三十一日止年度)

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (重列)
PROFIT FOR THE YEAR	年度溢利	131,332	149,909
OTHER COMPREHENSIVE INCOME/(EXPENSE)	其他全面收益/(支出)		
Revaluation surplus on leasehold land and buildings	租賃土地及樓宇之重估盈餘	9,224	6,355
Income tax effect	所得稅影響	(3,048)	(1,569)
		6,176	4,786
Exchange differences on translation of foreign operations	折算海外業務之匯兌差額	24,314	(6,387)
Realisation of exchange fluctuation reserve upon deregistration of subsidiaries	註銷附屬公司時匯率波動儲備之兌現	(11,739)	-
		12,575	(6,387)
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR, NET OF TAX	年度其他全面收益/(支出), 已扣除稅項	18,751	(1,601)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人應佔年度全面收益總額	150,083	148,308

Consolidated Statement of Financial Position

綜合財務狀況表

(31 March 2011)
(二零一一年三月三十一日)

		Notes	31 March 2011 二零一一年 三月三十一日 HK\$'000 千港元	31 March 2010 二零一零年 三月三十一日 HK\$'000 千港元 (restated) (重列)	1 April 2009 二零零九年 四月一日 HK\$'000 千港元 (restated) (重列)
		附註			
NON-CURRENT ASSETS	非流動資產				
Property, plant and equipment	物業、廠房及設備	13	577,372	301,749	304,468
Prepaid land lease payments	預付土地租賃款項	14	77,108	60,817	63,347
Deposits	按金	15	12,884	43,939	2,177
Goodwill	商譽	16	26,112	26,112	26,112
Total non-current assets	非流動資產總值		693,476	432,617	396,104
CURRENT ASSETS	流動資產				
Inventories	存貨	18	192,249	136,254	133,916
Accounts and bills receivables	應收賬款及票據	19	81,354	156,567	190,978
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	15	16,162	16,972	10,061
Cash and cash equivalents	現金及現金等值項目	20	183,037	328,135	297,423
Total current assets	流動資產總值		472,802	637,928	632,378
CURRENT LIABILITIES	流動負債				
Accounts and bills payables	應付賬款及票據	21	73,828	66,272	55,071
Accrued liabilities and other payables	應計負債及其他應付款項	23	94,164	58,435	59,667
Tax payable	應付稅項		17,772	26,548	25,168
Total current liabilities	流動負債總值		185,764	151,255	139,906
NET CURRENT ASSETS	流動資產淨值		287,038	486,673	492,472
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值扣除流動負債		980,514	919,290	888,576
NON-CURRENT LIABILITIES	非流動負債				
Deferred tax liabilities	遞延稅項負債	24	30,205	24,124	16,798
Net assets	資產淨值		950,309	895,166	871,778
EQUITY	資本				
Equity attributable to owners of the Company	本公司擁有人應佔權益				
Issued capital	已發行股本	25	4,997	4,997	4,997
Reserves	儲備	27	945,312	890,169	866,781
Total equity	資本總值		950,309	895,166	871,778

CHUNG YUK SING
鍾育升
Director
董事

CHEN HSIAO YING
陳小影
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

(Year ended 31 March 2011)

(截至二零一一年三月三十一日止年度)

	Notes	Issued capital	Share premium account	Capital reserve	Statutory surplus reserve	Exchange fluctuation reserve	Asset revaluation reserve	Retained profits	Total
	附註	已發行股本	股份溢價賬	資本儲備	法定盈餘儲備	匯率波動儲備	資產重估儲備	留存溢利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(Note 27)	(Note 27)				
				(附註27)	(附註27)				
At 1 April 2009 as previously reported	按之前匯報於二零零九年四月一日	4,997	472,586	(229)	13,821	73,219	20,107	287,989	872,490
Effect of changes in accounting policy	會計政策變動之影響	2.2	-	-	-	-	-	(712)	(712)
At 1 April 2009 (restated)	於二零零九年四月一日(重列)	4,997	472,586*	(229)*	13,821*	73,219*	20,107*	287,277*	871,778
Total comprehensive income for the year (restated)	年度全面收益總額(重列)	-	-	-	-	(6,387)	4,786	149,909	148,308
Transfer to reserve	轉撥至儲備	-	-	-	2,063	-	-	(2,063)	-
Final 2009 dividend declared	已宣派二零零九年末期股息	11	-	-	-	-	-	(59,962)	(59,962)
Interim 2010 dividend	二零一零年中期股息	11	-	-	-	-	-	(64,958)	(64,958)
At 31 March 2010 (restated)	於二零一零年三月三十一日(重列)	4,997	472,586*	(229)*	15,884*	66,832*	24,893*	310,203*	895,166
At 1 April 2010 as previously reported	按之前匯報於二零一零年四月一日	4,997	472,586	(229)	15,884	66,832	24,893	310,653	895,616
Effect of changes in accounting policy	會計政策變動之影響	2.2	-	-	-	-	-	(450)	(450)
At 1 April 2010 (restated)	於二零一零年四月一日(重列)	4,997	472,586	(229)	15,884	66,832	24,893	310,203	895,166
Total comprehensive income for the year	年度全面收益總額	-	-	-	-	12,575	6,176	131,332	150,083
Transfer to reserve	轉撥至儲備	-	-	-	3,976	-	-	(3,976)	-
Release upon deregistration of a subsidiary	註銷附屬公司時解除	-	-	-	(4,757)	-	-	4,757	-
Final 2010 dividend declared	已宣派二零一零年末期股息	11	-	-	-	-	-	(34,978)	(34,978)
Interim 2011 dividend	二零一一年中期股息	11	-	-	-	-	-	(59,962)	(59,962)
At 31 March 2011	於二零一一年三月三十一日	4,997	472,586*	(229)*	15,103*	79,407*	31,069*	347,376*	950,309

* These reserve accounts comprise the consolidated reserves of HK\$945,312,000 (31 March 2010: HK\$890,169,000 and 1 April 2009: HK\$866,781,000) in the consolidated statement of financial position.

* 該等儲備賬項包括載於綜合財務狀況表內綜合儲備945,312,000港元(二零一零年三月三十一日: 890,169,000港元及二零零九年四月一日: 866,781,000港元)。

Consolidated Statement of Cash Flows

綜合現金流量表

(Year ended 31 March 2011)
(截至二零一一年三月三十一日止年度)

	Notes 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (重列)
CASH FLOWS FROM OPERATING ACTIVITIES 經營業務產生之現金流量			
Profit before tax		158,965	179,305
Adjustments for:			
Bank interest income	5	(1,243)	(1,653)
Gain on disposal of items of property, plant and equipment	5	(78)	–
Gain on deregistration of subsidiaries	5	(18,663)	–
Reversal of revaluation deficit on leasehold land and buildings	5	(501)	(288)
Revaluation deficit on leasehold land and buildings	6	3,900	–
Depreciation	6	37,271	35,725
Amortisation of prepaid land lease payments	6	2,042	1,809
		181,693	214,898
Increase in inventories		(55,995)	(2,338)
Decrease in accounts and bills receivables		75,213	34,411
Decrease/(Increase) in prepayments, deposits and other receivables		1,013	(6,931)
Increase in accounts and bills payables		7,623	11,201
Increase/(Decrease) in accrued liabilities and other payables		37,725	(1,232)
Cash generated from operations		247,272	250,009
Dividends paid		(94,940)	(124,920)
Hong Kong profits tax paid		(16,181)	(11,175)
Overseas tax paid		(11,049)	(10,937)
Net cash flows from operating activities		125,102	102,977
CASH FLOWS FROM INVESTING ACTIVITIES 投資活動產生之現金流量			
Proceeds from disposal of items of property, plant and equipment, net		115	–
Purchases of items of property, plant and equipment		(267,956)	(27,385)
Increase in deposits	15	(12,884)	(43,939)
Increase in prepaid land lease payments		(4,282)	–
Decrease in non-pledged deposits with original maturity of over three months when acquired		3,443	8,754
Interest received	20	1,243	1,653
Net cash flows used in investing activities		(280,321)	(60,917)

Consolidated Statement of Cash Flows (continued)

綜合現金流量表(續)

(Year ended 31 March 2011)

(截至二零一一年三月三十一日止年度)

	Notes 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (重列)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等值項目增加/(減少)淨值	(155,219)	42,060
Cash and cash equivalents at beginning of year	年初之現金及現金等值項目	324,692	285,226
Effect of foreign exchange rate changes, net	匯率變動之影響淨值	13,564	(2,594)
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終之現金及現金等值項目	183,037	324,692
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值項目之結餘分析		
Cash and bank balances	現金及銀行結存	20 183,037	324,692
Non-pledged time deposits with original maturity of more than three months when acquired	購入原定到期日超過三個月之非質押定期存款	20 —	3,443
Cash and cash equivalents as stated in the consolidated statement of financial position	綜合財務狀況表所顯示的現金及現金等值項目	183,037	328,135
Less: non-pledged time deposits with original maturity of more than three months when acquired	減：購入原定到期日超過三個月之非質押定期存款	20 —	(3,443)
Cash and cash equivalents as stated in the consolidated statement of cash flows	綜合現金流量表所顯示的現金及現金等值項目	183,037	324,692

Statement of Financial Position

財務狀況表

(31 March 2011)
(二零一一年三月三十一日)

		Notes 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Investments in subsidiaries	於附屬公司之投資	17	43,368	43,368
CURRENT ASSETS	流動資產			
Due from subsidiaries	應收附屬公司款項	17	681,622	573,160
Prepayments	預付款項	15	138	134
Cash and cash equivalents	現金及現金等值項目	20	269	799
Total current assets	流動資產總值		682,029	574,093
CURRENT LIABILITIES	流動負債			
Accrued liabilities	應計負債	23	452	317
Due to subsidiaries	應付附屬公司款項	17	248,933	149,976
Total current liabilities	流動負債總值		249,385	150,293
NET CURRENT ASSETS	流動資產淨值		432,644	423,800
Net assets	資產淨值		476,012	467,168
EQUITY	資本			
Issued capital	已發行股本	25	4,997	4,997
Reserves	儲備	27	471,015	462,171
Total equity	資本總值		476,012	467,168

CHUNG YUK SING

鍾育升
Director
董事

CHEN HSIAO YING

陳小影
Director
董事

Notes to Financial Statements

財務報表附註

(31 March 2011)
(二零一一年三月三十一日)

1. Corporate Information

The Company is a limited liability company incorporated in the Cayman Islands. The principal place of business of the Company is located at Units 0902-0903 and 0905-0906, 9/F, Tower B, Regent Centre, 70 Ta Chuen Ping Street, Kwai Chung, New Territories, Hong Kong.

The Group's principal activities are manufacture and trading of sportswear and garments.

2.1 Basis of Preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for buildings, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2011. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

1. 公司資料

本公司為於開曼群島註冊成立之有限公司。本公司之主要營業地點位於香港新界葵涌打磚坪街70號麗晶中心B座九樓0902-0903室及0905-0906室。

本集團之主要業務為生產及買賣運動服及成衣。

2.1 編制基準

此等財務報表乃根據由香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)(其中包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計原則及香港公司條例之披露規定編制。除樓宇以公平值計量外,此等財務報表根據歷史成本常規編制。除另有註明外,財務報表均以港元(「港元」)呈列,而所有價值均四捨五入至最接近之千位。

綜合基準

綜合財務報表包括本公司及其附屬公司(統稱「本集團」)截至二零一一年三月三十一日止年度之財務報表。附屬公司編製相同報告期間的財務報表,所用的會計政策與本公司所用的相符。附屬公司之業績以自收購日期,即本集團取得控制權之日起綜合計算,並在有關控制權終止前繼續綜合計入。集團內公司間的所有結餘、交易、集團內公司間的交易所產生之所有未變現收益及虧損及股息於綜合賬目時悉數對銷。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

2.1 Basis of Preparation (Continued)

Basis of consolidation (Continued)

Basis of consolidation from 1 April 2010

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to the consolidated income statement or retained profits, as appropriate.

Basis of consolidation prior to 1 April 2010

All of the above-mentioned requirements for consolidation from 1 April 2010 have been applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

- Losses incurred by the Group were attributed to the non-controlling interest (formerly known as minority interest) until the balance was reduced to nil. Any further excess losses were attributable to the Company, unless the non-controlling interest had a binding obligation to cover these. Losses prior to 1 April 2010 were not reallocated between non-controlling interest and the Company's shareholders.
- Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost. The carrying amount of such investment at 1 April 2010 has not been restated.

2.1 編制基準(續)

綜合基準(續)

自二零一零年四月一日起之綜合基準

附屬公司之虧損乃歸屬於非控股權益，即使此舉引致虧絀結餘。

附屬公司擁有權之變動(並無失去控制權)乃按權益交易處理。

倘本集團失去對附屬公司之控制權，則註銷(i)該附屬公司之資產(包括商譽)及負債，(ii)任何非控股權益之賬面值及(iii)計入權益之累計換算差額；及確認(i)已收代價之公平值，(ii)任何保留投資之公平值及(iii)收益表中任何因此產生之盈餘或虧損。先前於其他全面收益內確認之本集團應佔部份重新分類至綜合收益表或留存溢利(如適用)。

於二零一零年四月一日以前之綜合基準

上述自二零一零年四月一日起綜合之所有規定已按無追溯基準應用。然而，以下差異於若干情況下乃自先前之綜合基準結轉：

- 本集團所產生之虧損歸屬於非控股權益(前稱少數股東權益)，直至結餘被削減至零。任何進一步額外虧損歸屬於本公司，除非是非控股權益擁有彌補該等虧損之約束性責任。於二零一零年四月一日前之虧損並未於非控股權益與本公司股東之間重新分配。
- 於失去控制權時，本集團按於失去控制權當日應佔資產淨值比例入賬處理保留投資。並無重列有關投資於二零一零年四月一日之賬面值。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

2.2 Changes in Accounting Policy and Disclosures

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 (Revised)	<i>First-time Adoption of Hong Kong Financial Reporting Standards</i>
HKFRS 1 Amendments	<i>Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters</i>
HKFRS 2 Amendments	<i>Amendments to HKFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions</i>
HKFRS 3 (Revised)	<i>Business Combinations</i>
HKAS 27 (Revised)	<i>Consolidated and Separate Financial Statements</i>
HKAS 39 Amendment	<i>Amendment to HKAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items</i>
HK(IFRIC)-Int 17	<i>Distributions of Non-cash Assets to Owners</i>
HKFRS 5 Amendments included in <i>Improvements to HKFRSs issued in October 2008</i>	<i>Amendments to HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a subsidiary</i>
<i>Improvements to HKFRSs 2009</i>	Amendments to a number of HKFRSs issued in May 2009
HK Interpretation 4 Amendment	<i>Amendment to HK Interpretation 4 Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases</i>
HK Interpretation 5	<i>Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause</i>

Other than as further explained below regarding the impact of HKFRS 3 (Revised), HKAS 27 (Revised), amendments to HKAS 7 and HKAS 17 included in *Improvements to HKFRSs 2009* and HK Interpretation 4 (Revised in December 2009), the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

2.2 會計政策及披露變動

本集團就本年度財務報表首次採納以下新訂及經修訂香港財務報告準則。

香港財務報告準則第1號(經修訂)	首次採納香港財務報告準則第1號(經修訂)
香港財務報告準則第1號修訂	香港財務報告準則第1號首次採納香港財務報告準則—首次採用者之額外豁免之修訂
香港財務報告準則第2號修訂	香港財務報告準則第2號—股份支付的支出—集團以現金結算以股份為基礎的付款交易之修訂
香港財務報告準則第3號(經修訂)	企業合併
香港會計準則第27號(經修訂)	綜合及獨立財務報表
香港會計準則第39號修訂	香港會計準則第39號金融工具：確認及計量—合資格對沖項目之修訂
香港(國際財務報告詮釋委員會)—詮釋第17號	向擁有人分派非現金資產
香港財務報告準則第5號修訂(包括於二零零八年十月頒佈之香港財務報告準則之改進)	香港財務報告準則第5號持有作出售及已停止營運之非流動資產—計劃出售附屬公司控股權益之修訂
二零零九年香港財務報告準則之改進	修訂多項於二零零九年五月頒佈之香港財務報告準則
香港詮釋第4號修訂	香港詮釋第4號租賃—確定香港土地租賃之租賃年期之修訂
香港詮釋第5號	財務報表之列報—借款人對包含可隨時要求償還條款之定期貸款之分類

除如下文所進一步闡釋有關香港財務報告準則第3號(經修訂)、香港會計準則第27號(經修訂)、香港會計準則第7號及香港會計準則第17號之修訂(包含於二零零九年香港財務報告準則之改進內)、香港詮釋第4號(於二零零九年十二月經修訂)外,採納該等新訂及經修訂香港財務報告準則並無對該等財務報表產生重大財務影響。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

2.2 Changes in Accounting Policy and Disclosures (Continued)

The principal effects of adopting these new and revised HKFRSs are as follows:

- (a) HKFRS 3 (Revised) *Business Combinations* and HKAS 27 (Revised) *Consolidated and Separate Financial Statements*

HKFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that affect the initial measurement of non-controlling interests, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

HKAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Consequential amendments were made to various standards, including, but not limited to HKAS 7 *Statement of Cash Flows*, HKAS 12 *Income Taxes*, HKAS 21 *The Effects of Changes in Foreign Exchange Rates*, HKAS 28 *Investments in Associates* and HKAS 31 *Interests in Joint Ventures*.

The changes introduced by these revised standards are applied prospectively and affect the accounting of acquisitions, loss of control and transactions with non-controlling interests after 1 April 2010.

2.2 會計政策及披露變動(續)

採用此等新訂及經修訂香港財務報告準則主要影響如下:

- (a) 香港財務報告準則第3號(經修訂) *企業合併*及香港會計準則第27號(經修訂) *綜合及獨立財務報表*

香港財務報告準則第3號(經修訂)對企業合併的會計處理引入若干變動,該等變動將影響非控股權益的初步計量、交易成本的會計處理、初步確認及其後計量或然代價及分階段達成的企業合併。該等變動將影響已確認商譽之金額、收購發生期間之業績申報及未來業績申報。

香港會計準則第27號(經修訂)規定不喪失控制權之附屬公司之擁有權權益變動被列為權益交易。因此,該等變化對商譽並無影響,亦不會產生收益或虧損。除此以外,該經修訂準則亦改變了附屬公司產生之虧損及對附屬公司喪失控制權之會計處理方法。隨後相應修訂涉及多項準則,包括但不限於香港會計準則第7號 *現金流量表*、香港會計準則第12號 *所得稅*、香港會計準則第21號 *外匯匯率變動之影響*、香港會計準則第28號 *於聯營公司之投資*以及香港會計準則第31號 *於合營企業之權益*。

該等經修訂準則造成的變動需按未來適用法處理,並影響於二零一零年四月一日後之收購、喪失控制權及與非控股權益的交易的會計處理。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

2.2 Changes in Accounting Policy and Disclosures (Continued)

(b) *Improvements to HKFRSs 2009* issued in May 2009 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments results in changes in accounting policies, none of these amendments has had a significant financial impact on the Group. Details of the key amendments most applicable to the Group are as follows:

- HKAS 7 *Statement of Cash Flows*: Requires that only expenditures that result in a recognised asset in the statement of financial position can be classified as a cash flow from investing activities.
- HKAS 17 *Leases*: Removes the specific guidance on classifying land as a lease. As a result, leases of land should be classified as either operating or finance leases in accordance with the general guidance in HKAS 17.

Amendment to HK Interpretation 4 *Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases* is revised as a consequence of the amendment to HKAS 17 *Leases* included in *Improvements to HKFRSs 2009*. Following this amendment, the scope of HK Interpretation 4 has been expanded to cover all land leases, including those classified as finance leases. As a result, this interpretation is applicable to all leases of property accounted for in accordance with HKAS 16, HKAS 17 and HKAS 40.

2.2 會計政策及披露變動(續)

(b) 於二零零九年五月頒佈之二零零九年香港財務報告準則之改進制定對多項香港財務報告準則之修訂。各項準則均各自設有過渡條文。採納部份修訂會導致會計政策變動，惟此等修訂對本集團並無任何重大財務影響。最適用於本集團之主要修訂之詳情如下：

- 香港會計準則第7號*現金流量表*：規定只有財務狀況表內已確認資產所產生的支出，方可分類為投資活動之現金流量。
- 香港會計準則第17號*租賃*：刪去有關土地租賃分類的特定指引。因此，土地租賃應按香港會計準則第17號的一般指引釐定為經營租賃或融資租賃。

香港詮釋第4號*租賃 – 確定香港土地租賃之租賃年期*之修訂乃根據包含於二零零九年香港財務報告準則改進中之香港會計準則第17號*租賃*的修訂而修改。按照此項修訂，香港詮釋第4號之範圍已擴大至涵蓋所有土地租賃，其中包括被分類為融資租賃之土地租賃。因此，該詮釋適用於按照香港會計準則第16號，香港會計準則第17號以及香港會計準則第40號列賬之所有物業租賃。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

2.2 Changes in Accounting Policy and Disclosures

(Continued)

(b) (Continued)

The Group has reassessed its leases in Hong Kong, previously classified as operating leases, upon the adoption of the amendments. As substantially all the risks and rewards associated with the leases in Hong Kong have been transferred to the Group, the leases in Hong Kong have been reclassified from operating leases under "prepaid land lease payments" to finance leases under "property, plant and equipment". The corresponding amortisation has also been reclassified to depreciation. The effects of the above changes are summarised below:

2.2 會計政策及披露變動(續)

(b) (續)

於採用該等修訂時，本集團重新評估其之前被分類為經營租賃的香港租賃。由於香港租賃所涉及之絕大部份風險及回報已轉移給本集團，故香港租賃從「預付土地租賃款項」的經營租賃重列為「物業、廠房及設備」的融資租賃。另外，相應的攤銷亦重列為折舊。上述變動的影響概述如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
<i>Consolidated income statement for the year ended 31 March</i>			
綜合收益表 截至三月三十一日止年度			
Decrease in amortisation of prepaid land lease payments	預付土地租賃款項攤銷減少	309	309
Increase in depreciation of property, plant and equipment	物業、廠房及設備折舊增加	(296)	(288)
Reversal of revaluation deficit on leasehold land and buildings	回撥租賃土地及樓宇重估虧損	501	288
Income tax effect	所得稅影響	(83)	(47)
		431	262

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
<i>Consolidated statement of comprehensive income for the year ended 31 March</i>			
綜合全面收益表 截至三月三十一日止年度			
Increase in revaluation surplus on leasehold land and buildings	租賃土地及樓宇重估盈餘增加	5,295	-
Income tax effect	所得稅影響	(874)	-
		4,421	-

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

2.2 Changes in Accounting Policy and Disclosures

(Continued)

(b) (Continued)

2.2 會計政策及披露變動(續)

(b) (續)

		31 March 2011	31 March 2010	1 April 2009
		二零一一年 三月三十一日	二零一零年 三月三十一日	二零零九年 四月一日
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
<i>Consolidated statement of financial position</i>	<i>綜合財務狀況表</i>			
Increase in property, plant and equipment	物業、廠房及設備增加	16,700	11,200	11,200
Decrease in non-current portion of prepaid land lease payments	非即期部分之 預付土地租賃款項減少	(11,115)	(11,424)	(11,733)
Decrease in current portion of prepaid land lease payments included in prepayments, deposits and other receivables	計入預付款項、按金及 其他應收款項的即期部份 之預付土地租賃款項減少	(309)	(309)	(309)
Decrease/(increase) in deferred tax liabilities	遞延稅項負債 減少/(增加)	(874)	83	130
		4,402	(450)	(712)
Increase in asset revaluation reserve	資產重估儲備增加	4,421	-	-
Decrease in retained profits	留存溢利減少	(19)	(450)	(712)
		4,402	(450)	(712)

Due to the retrospective application of the amendments which has resulted in the restatement of items in the consolidated statement of financial position, a consolidated statement of financial position as at 1 April 2009, and the related notes affected by the amendments have been presented in these financial statements.

由於追溯應用該等修訂，導致綜合財務狀況表中項目須重列，因此於二零零九年四月一日之綜合財務狀況表以及受修訂影響之相關附註均呈列於該等財務報表。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 1 Amendment	Amendment to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters</i> ¹
HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i> ³
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Transfers of Financial Assets</i> ³
HKFRS 9	<i>Financial Instruments</i> ⁵
HKFRS 12 Amendments	Amendments to HKAS 12 <i>Income taxes – Deferred Tax: Recovery of Underlying Assets</i> ⁴
HKAS 24 (Revised)	<i>Related Party Disclosures</i> ²
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 <i>Prepayments of a Minimum Funding Requirement</i> ²
HK(IFRIC)-Int 19	<i>Extinguishing Financial Liabilities with Equity Instruments</i> ¹

Apart from the above, the HKICPA has issued *Improvements to HKFRSs 2010* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to HKFRS 3 and HKAS 27 are effective for annual periods beginning on or after 1 July 2010, whereas the amendments to HKFRS 1, HKFRS 7, HKAS 1, HKAS 34 and HK(IFRIC)-Int 13 are effective for annual periods beginning on or after 1 January 2011 although there are separate transitional provisions for each standard.

2.3 已頒佈但未生效之香港財務報告準則

本集團並無於此財務報表採用下述已頒佈但仍未生效的新訂及經修訂香港財務報告準則。

香港財務報告準則第1號修訂	香港財務報告準則第1號首次採納香港財務報告準則—香港財務報告準則第7號首次採納者對披露比較數字之有限豁免之修訂 ¹
香港財務報告準則第1號修訂	香港財務報告準則第1號首次採納香港財務報告準則—嚴重高通貨及剔除首次採納者之固定日期 ³
香港財務報告準則第7號修訂	香港財務報告準則第7號金融工具：披露—轉讓金融資產之修訂 ³
香港財務報告準則第9號	金融工具 ⁵
香港財務報告準則第12號修訂	香港會計準則第12號修訂所得稅—遞延稅項：收回相關資產 ⁴
香港會計準則第24號(經修訂)	關連人士之披露 ²
香港(國際財務報告詮釋委員會)—詮釋第14號修訂	香港(國際財務報告詮釋委員會)—詮釋第14號預付最低資金要求之修訂 ²
香港(國際財務報告詮釋委員會)—詮釋第19號	以股本工具抵銷金融負債 ¹

除上述者外，香港會計師公會亦頒佈對二零一零年香港財務報告準則之改進，當中載列對多項香港財務報告準則作出的修訂，主要目的為刪除不一致條文及釐清措辭。香港財務報告準則第3號修訂及香港會計準則第27號修訂於二零一零年七月一日或之後開始的年度期間生效，而香港財務報告準則第1號修訂、香港財務報告準則第7號修訂、香港會計準則第1號修訂、香港會計準則第34號修訂及香港(國際財務報告詮釋委員會)—詮釋第13號修訂則於二零一一年一月一日或之後開始的年度期間生效，惟各項準則或詮釋均各自設有過渡條文。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards (Continued)

- 1 Effective for annual periods beginning on or after 1 July 2010
- 2 Effective for annual periods beginning on or after 1 January 2011
- 3 Effective for annual periods beginning on or after 1 July 2011
- 4 Effective for annual periods beginning on or after 1 January 2012
- 5 Effective for annual periods beginning on or after 1 January 2013

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

2.4 Summary of Significant Accounting Policies

Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in subsidiaries that are not classified as held for sale in accordance with HKFRS 5 are stated at cost less any impairment losses.

Business combinations and goodwill

Business combinations from 1 April 2010

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

2.3 已頒佈但未生效之香港財務報告準則(續)

- 1 於二零一零年七月一日或之後開始的年度期間生效
- 2 於二零一一年一月一日或之後開始的年度期間生效
- 3 於二零一一年七月一日或之後開始的年度期間生效
- 4 於二零一二年一月一日或之後開始的年度期間生效
- 5 於二零一三年一月一日或之後開始的年度期間生效

本集團現正評估初次應用此等新訂及經修訂香港財務報告準則之影響。截至目前為止，本集團認為，此等新訂及經修訂香港財務報告準則不大可能對本集團經營業績及財務狀況造成重大影響。

2.4 主要會計政策概要

附屬公司

附屬公司指本公司直接或間接控制其財務及經營政策而從其業務獲益之公司。

附屬公司業績按已收及應收股息計入本公司收益表，本公司於附屬公司之投資且並非根據香港財務報告準則第5號分類為持作銷售的按成本值減任何減值虧損列賬。

業務合併及商譽

二零一零年四月一日以後之業務合併

業務合併乃以購買法入賬。轉讓代價乃以收購日期之公平值計量，該公平值為本集團轉讓之資產、本集團對收購對象前擁有人承擔之負債及本集團為換取收購對象控制權所發行股本權益於收購日期之公平值之總和。於各業務合併中，收購方以公平值或應佔收購對象可識別資產淨值之比例，計量於收購對象之非控股權益。收購成本於產生時列為開支。

當本集團收購一項業務時，會根據合約條款、於收購日期之經濟環境及相關狀況，評估將承接之金融資產及負債，以作出適當分類及標示，包括分開收購對象所訂主合約中的嵌入式衍生工具。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

2.4 Summary of Significant Accounting Policies

(Continued)

Business combinations and goodwill (Continued)

Business combinations from 1 April 2010 (Continued)

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the net identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets of the subsidiary acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 March. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

2.4 主要會計政策概要(續)

業務合併及商譽(續)

二零一零年四月一日以後之業務合併(續)

倘業務合併分階段進行，收購方先前持有之收購對象股本權益於收購日期之公平值應透過損益賬按收購日期之公平值重新計量。

將由收購方轉讓之任何或然代價按收購日期之公平值確認。或然代價(被視為一項資產或負債)公平值之其後變動，按香港會計準則第39號之規定確認為損益或其他全面收益之變動。倘或然代價分類為權益，則其最終於權益結算前毋須重新計量。

商譽初步按成本計量，即已轉讓代價、已確認為非控股權益之金額及本集團過往持有收購對象股本權益之公平值總額，超出所收購可識別資產淨值及所承擔負債之差額。如該代價及其他項目之總和低於所收購附屬公司資產淨值之公平值，則差額經重新評估後於損益賬確認為議價收購收益。

於初步確認後，商譽按成本減任何累計減值虧損計量。商譽須每年進行減值測試，或當有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行檢測。本集團於三月三十一日為商譽進行年度減值測試。為進行減值測試，於業務合併中購入之商譽自收購當日被分配至預期可從合併產生之協同效益中獲益之本集團各現金產生單位或現金產生單位組別，而不論本集團其他資產或負債是否已分配至該等單位或單位組別。

減值乃透過評估與商譽有關之現金產生單位(或現金產生單位組別)之可收回金額釐定。當現金產生單位(或現金產生單位組別)之可收回金額低於賬面值時，將確認減值虧損。已就商譽確認之減值虧損不得於未來期間撥回。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

2.4 Summary of Significant Accounting Policies

(Continued)

Business combinations and goodwill (Continued)

Business combinations from 1 April 2010 (Continued)

Where goodwill forms part of a cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Business combinations prior to 1 April 2010 but after 1 April 2005

In comparison to the above-mentioned requirements which were applied on a prospective basis, the following differences applied to business combinations prior to 1 April 2010:

Business combinations were accounted for using the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Any additional acquired share of interest did not affect previously recognised goodwill.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree were not reassessed on acquisition unless the business combination resulted in a change in the terms of the contract that significantly modified the cash flows that otherwise would have been required under the contract.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent adjustments to the contingent consideration were recognised as part of goodwill.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2.4 主要會計政策概要(續)

業務合併及商譽(續)

二零一零年四月一日以後之業務合併(續)

倘商譽構成現金產生單位(或現金產生單位組別)之部分而隸屬該單位之部分業務已被出售,則在釐定出售有關業務所得盈虧時,與所出售業務相關之商譽會計入該業務之賬面值。在該情況下出售之商譽,乃根據所出售業務及所保留現金產生單位部分之相對價值進行計量。

二零一零年四月一日以前但二零零五年四月一日後之業務合併

與上述以預期基準應用之規定相比,於二零一零年四月一日前進行之業務合併有以下分別:

業務合併採用購買法入賬。直接歸屬於收購的交易成本,構成收購成本之一部分。非控股權益乃根據應佔收購對象之可識別資產淨值按比例計量。

分階段進行之業務合併乃分階段入賬。任何新增之所收購應佔權益並不影響先前已確認之商譽。

當本集團收購一項業務時,自收購對象所訂主合約分離之嵌入式衍生工具不會於收購時重新評核,除非業務合併導致合約條款出現足以大幅修訂該合約原本規定之現金流量之變動則作別論。

只在本集團目前負有責任、經濟利益較可能流出,並且能夠確定可靠之估計等情況下,方會確認或然代價。其後對或然代價作出之調整確認為商譽一部分。

非金融資產減值

倘出現減值跡象或有需要就資產進行年度減值測試(存貨及金融資產除外),則會估計該資產的可收回金額。資產的可收回金額乃資產或現金產生單位的使用價值及其公平值減出售成本之較高者,並釐定為個別資產,除非該項資產所產生現金流入不能大致獨立於其他資產或資產組別的現金流入,於此情況下,可收回金額則按資產所屬現金產生單位釐定。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

2.4 Summary of Significant Accounting Policies

(Continued)

Impairment of non-financial assets (Continued)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such impairment loss is credited to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2.4 主要會計政策概要(續)

非金融資產減值(續)

減值虧損只會於資產賬面值超出其可收回金額時確認。於評估使用價值時，會使用可反映目前市場對貨幣時間價值及特定資產風險的評估之稅前貼現率，將估計其日後現金流量貼現至現值。減值虧損於產生期間在收益表扣除，除非該資產按重估價值列賬，於此情況下，減值虧損將按該項重估資產之有關會計政策列賬。

於各報告期末評估有否跡象顯示以往確認減值虧損不再存在或可能已減少。倘出現上述跡象，則會估計可收回金額。當用以釐定資產可收回金額的估計有變動時，先前確認的資產減值虧損(商譽除外)方可回撥，惟回撥後的金額不可超過過往年度並無就該項資產確認減值虧損而釐定的賬面值(扣除任何折舊/攤銷後)。回撥的減值虧損於產生期間計入收益表，除非該資產按重估價值列賬，於此情況下，減值虧損回撥將按該項重估資產之有關會計政策列賬。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

2.4 Summary of Significant Accounting Policies

(Continued)

Related parties

A party is considered to be related to the Group if:

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is an associate;
- (c) the party is a jointly-controlled entity;
- (d) the party is a member of the key management personnel of the Group;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost or valuation less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation.

2.4 主要會計政策概要(續)

關連人士

在下列情況下，有關人士將視為與本集團有關連：

- (a) 有關人士直接或透過一名或多名中介人間接：(i)控制本集團，或被本集團控制或受到與本集團共同控制；(ii)擁有本集團權益，並可對本集團發揮重大影響力；或(iii)與他人共同擁有本集團控制權；
- (b) 有關人士為聯繫人士；
- (c) 有關人士為共同控制實體；
- (d) 有關人士為本集團主要管理人員；
- (e) 有關人士為(a)或(d)項所述人士的直系親屬；
- (f) 有關人士受直接或間接歸屬於(d)或(e)項所述人士的實體所控制，與他人共同控制或對其發揮重大影響力，或擁有重大投票權；或
- (g) 有關人士為本集團或屬其有關連人士任何實體的僱員利益而設立之終止受僱後福利計劃的受益人。

物業、廠房及設備及折舊

除在建工程外，物業、廠房及設備乃按成本值或估值減累積折舊及任何減值虧損列賬。物業、廠房及設備成本包括其購入價及任何使其達到運作狀況及地點作擬定用途之直接相關成本。

物業、廠房及設備運作後所產生開支，例如維修及保養費用，一般於有關費用產生期間自收益表扣除。在符合確認條件的情況下，大規模檢驗的費用於資產的賬面值資本化為置換。倘物業、廠房及設備的主要部份須分段置換，本集團將該等部份確認為獨立資產，並設定特定的可使用年期及折舊。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

2.4 Summary of Significant Accounting Policies

(Continued)

Property, plant and equipment and depreciation

(Continued)

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of property, plant and equipment are dealt with as movements in the asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the income statement. Any subsequent revaluation surplus is credited to the income statement to the extent of the deficit previously charged. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

Depreciation is calculated on the straight-line basis to write off the cost or valuation of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold land under finance leases	Over the lease terms
Buildings	2% to 15%
Leasehold improvements	Over the lease terms or 20%, whichever is shorter
Plant and machinery	10% to 20%
Furniture, fixtures, equipment and motor vehicles	20%

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sale proceeds and the carrying amount of the relevant asset.

2.4 主要會計政策概要(續)

物業、廠房及設備及折舊(續)

估值會經常進行，以確保重估資產之公平值不會與其賬面值有任何重大差異。物業、廠房及設備價值變動於資產重估儲備內列作變動處理。倘儲備總額不足以抵償虧絀，超出之虧絀按個別資產基準於收益表扣除。倘其後出現重估盈餘，則以先前扣除之虧絀為上限計入收益表。出售重估資產時，因以往估值而變現之資產重估儲備有關部分，將視作儲備變動轉撥至留存溢利。

折舊按各項物業、廠房及設備之估計可使用年期以直線法撇銷其成本或估值，以估計其剩餘價值。就此目的所採用之主要年率如下：

融資租賃項下的租賃土地	按租賃期
樓宇	2%至15%
租賃物業裝修	按租賃期或20% (以較短者為準)
機器及設備	10%至20%
傢具、裝置、設備及汽車	20%

倘部份物業、廠房及設備之可使用年期不同，該項目之成本或估值於有關部分按合理基準分配，而各部分將分別折舊。

剩餘價值、可使用年期及折舊方法將最少於各財政年度末審閱及作出調整(如適用)。

物業、廠房及設備項目及初步獲確認的任何重要部份於出售或預期使用該項目不會產生未來經濟利益時剔除確認。於剔除確認資產年度在收益表確認之出售或報廢資產之損益，按有關資產出售所得款項淨額與賬面值兩者間之差額於年內收益表確認。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

2.4 Summary of Significant Accounting Policies (Continued)

Property, plant and equipment and depreciation (Continued)

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the income statement so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the income statement on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the income statement on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

2.4 主要會計政策概要(續)

物業、廠房及設備及折舊(續)

在建工程指處於建造狀態下的樓宇，並以成本值扣減減值虧損列賬且不作折舊。成本值包括建造期間建造的直接成本以及相關借入資金經撥充資本的借貸成本。在建工程於完工並達到預計可使用狀態時，轉入物業、廠房及設備之相應類別。

租賃

凡將資產絕大部分回報及風險擁有權(法定業權除外)轉歸本集團之租賃，均列為融資租賃。於融資租賃生效時，租賃資產成本按最低租金付款現值撥充資本化，並連同有關承擔(不包括利息部分)入賬，以反映有關購買及融資。經撥充資本融資租賃持有之資產(包括融資租賃之預付土地租賃款項)計入物業、廠房及設備，按該項資產之租期與估計可使用年期之較短者折舊。此等租賃之財務開支自收益表扣除，以在租期內達致穩定的定期支銷率。

資產絕大部分回報及風險擁有權仍歸出租人所有之租賃列為經營租賃。倘本集團為出租人，本集團根據經營租賃出租的資產計入非流動資產，而根據經營租賃應收之租金乃按租期以直線法計入收益表。倘本集團為承租人，根據經營租賃應付之租金(扣除已收出租人的任何優惠)按租期以直線法自收益表扣除。

經營租賃之預付土地租賃款項初始按成本列賬，其後則按租期以直線法確認。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

2.4 Summary of Significant Accounting Policies

(Continued)

Investments and other financial assets

Initial recognition and measurement

Financial assets within the scope of HKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

The Group's financial assets include cash and cash equivalents, accounts and bills receivables and other receivables.

Subsequent measurement – Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance income in the income statement. The loss arising from impairment is recognised in the income statement in finance costs.

2.4 主要會計政策概要(續)

投資及其他金融資產

初始確認及計量

香港會計準則第39號所指範疇之金融資產分類為按公平值計入損益金融資產、貸款及應收款項、可供銷售金融投資或衍生工具分類為指定作有效對沖中的對沖工具(如適用)。本集團會於初始確認後將金融資產分類。金融資產初始確認時按公平值計量,而對於並非以公平值計入損益的投資,則按直接應佔交易成本計量。

正常情況下買入及出售之金融資產於交易日(即本集團承諾購買或出售資產之日)確認。正常情況下買入或出售指於規例或市場慣例一般設定之期間內交付之買入或出售之金融資產。

本集團的金融資產包括現金及現金等值項目、應收賬款及票據以及其他應收款項。

後續計量 – 貸款及應收款項

貸款及應收款項為非衍生工具而設有固定或可確定付款金額之金融資產,以及並不在活躍市場報價。初始計量後,該等資產採用實際利率法按攤銷成本減任何減值撥備計量。攤銷成本計及任何收購貼現或溢價,且包括為實際利率的組成部分的費用或成本。實際利率攤銷計入收益表內的融資收入。減值產生的虧損在收益表內確認為財務開支。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

2.4 Summary of Significant Accounting Policies

(Continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group’s continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4 主要會計政策概要(續)

剔除確認金融資產

金融資產(或(如適用)一項金融資產的一部分或一組相若金融資產的一部分)在下列情況將被剔除確認:

- 收取該項資產所得現金流量的權利經已屆滿;或
- 本集團已轉讓其收取該項資產所得現金流量的權利,或根據一項「轉付」安排,在沒有重大延誤的情況下,已承擔全數支付已收現金流量的義務;且(a)本集團已轉讓該項資產的絕大部分風險及回報;或(b)本集團並未轉讓或保留該項資產絕大部分風險及回報,但已轉讓該項資產的控制權。

當本集團已轉讓其收取該項資產所得現金流量的權利或訂立轉付安排,但並未轉讓或保留該項資產的絕大部分風險及回報,且並未轉讓該項資產的控制權,該項資產將按本集團於資產的持續參與程度而確認入賬。在該情況下,本集團亦確認相關負債。已轉讓資產及相關負債按可反映本集團所保留權利及責任的基準計量。

通過對已轉讓資產作出擔保的形式持續參與的計量,按該項資產的原賬面值及本集團或須償還的最高代價金額的較低者計算。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

2.4 Summary of Significant Accounting Policies

(Continued)

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

2.4 主要會計政策概要(續)

金融資產減值

本集團於各報告期末評估是否有客觀跡象表明一項金融資產或一組金融資產出現減值。一項金融資產或一組金融資產在初始確認後如果，且僅當出現一項或多項客觀減值跡象(已發生「虧損事項」)及該虧損事項對這項金融資產或這組金融資產的未來現金流量造成可靠地估計之影響，則這項金融資產或這組金融資產被視為減值。減值跡象包括債務人或一組債務人遇到重大財務困難、違約或拖欠利息或本金、可能宣佈破產或進行其他財務重組，及有可觀測數據顯示估計未來現金流量出現可計量減少，例如欠款數目變動或出現與違約相關的經濟狀況。

按攤銷成本入賬之金融資產

就按攤銷成本列賬之金融資產而言，本集團首先對具個別重要性之金融資產進行個別評估，評估個別資產是否存在客觀減值證據，或對非具個別重要性之金融資產進行共同評估。倘本集團認為經個別評估之金融資產(無論具有重要性與否)並無存在客觀減值證據，則會將該資產歸入一組具有相若信貸風險特性之金融資產內，作共同評估減值。個別評估減值及為其確認或繼續確認減值虧損之資產，不包括在共同評估減值之內。

倘客觀跡象顯示已出現減值虧損，則虧損金額會按該項資產的賬面值與估計未來現金流量現值(不包括未產生的未來信貸虧損)的差額計量。估計未來現金流量現值會按金融資產的原實際利率(即初始確認時的計算實際利率)折現。倘為浮動利率貸款，則計量任何減值虧損的貼現率均為當前實際利率。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

2.4 Summary of Significant Accounting Policies

(Continued)

Impairment of financial assets (Continued)

Financial assets carried at amortised cost (Continued)

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to other expenses in the income statement.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of HKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's financial liabilities include accounts and bills payables and other payables.

2.4 主要會計政策概要(續)

金融資產減值(續)

按攤銷成本入賬之金融資產(續)

資產的賬面值透過使用撥備賬戶扣減，而有關虧損金額則在收益表中確認。利息收入在減少的賬面值中按以計算有關減值損失時所採用以貼現未來現金流量的利率持續累計。當預期不可於日後收回並所有抵押品已經變現或已轉入本集團時，貸款及應收款項連同相關撥備予以撇銷。

於隨後期間，若在減值確認後發生一個事項令估計減值虧損金額增加或減少，則先前確認減值虧損可透過調整撥備賬戶予以增加或減少。若未來撇銷隨後收回，收回金額計入收益表之其他開支。

金融負債

初始確認及計量

香港會計準則第39號所指範疇之金融負債分類為以公平值計入損益的金融負債、貸款及借款，或衍生工具指定為有效對沖中的對沖工具(如適用)。本集團於初始確認時釐定其金融負債分類。

全部金融負債初始確認時按公平值計量，而如屬貸款及借款，則加上直接應佔交易成本。

本集團的金融負債包括應付賬款及票據以及其他應付款項。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

2.4 Summary of Significant Accounting Policies

(Continued)

Financial liabilities (Continued)

Subsequent measurement – Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the income statement.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments where there is no active market, the fair value is determined using appropriate valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; and a discounted cash flow analysis.

2.4 主要會計政策概要(續)

金融負債(續)

後續計量 – 貸款及借款

於初始確認後，計息貸款及借款其後使用實際利率法按攤銷成本計量，除非貼現影響並不重要，在該情況下，則按成本列賬。通過實際利率法攤銷過程剔除已確認的負債，損益在收益表內確認入賬。

攤銷成本包括收購時的任何貼現或溢價及屬於實際利率的組成部分的費用或成本計算。實際利率攤銷計入收益表的財務開支。

剔除確認金融負債

倘負債項下之責任已履行或取消或屆滿，將會剔除確認金融負債。

倘現有金融負債由同一貸款人以含有重大不同條款的一項金融負債取代，或現有負債條款經大幅修訂，則有關轉換或修訂視作剔除確認原有負債及確認新的負債，而有關賬面值間之差額則於收益表確認。

金融工具的抵銷

當且僅當目前有強制執行的法律權力要求抵銷已確認金額並有意以淨額結算或同時變現資產及償還負債時，金融資產和金融負債可抵銷並按淨值列報於財務狀況表內。

金融工具的公平價值

在活躍市場中買賣的金融工具，其公平值參考所報市價或交易商報價(長倉的買入價及空倉的賣出價)及在並無就交易成本作任何扣減下釐定。對於沒有活躍市場的金融工具，其公平值運用適當估值方法釐定。估值方法包括利用近期的公平市場交易、參照其他大致相同工具的現行市價、貼現現金流量分析。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

2.4 Summary of Significant Accounting Policies

(Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates (and tax laws) that have been enacted or substantively enacted by the end of reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

2.4 主要會計政策概要(續)

存貨

存貨乃按成本值及可變現淨值之較低者列賬。成本按先進先出基準釐定，在製品及製成品則包含直接材料、直接勞工及適當比例之間接成本。可變現淨值按估計售價減完工及出售時所產生任何估計成本計算。

現金及現金等值項目

就綜合現金流量表而言，現金及現金等值項目包括現存現金及活期存款以及可隨時轉換為已知數額現金的短期高度流通性投資，有關投資承受價值變動風險不大，及一般於購入後三個月內到期，另扣除須按要求償還及構成本集團現金管理其中部分之銀行透支。

就財務狀況表而言，現金及現金等值項目包括現存及銀行現金，當中包括無使用限制用途之定期存款。

撥備

因過往發生事項而產生現時承擔責任(法定或推定)及有機會造成未來資源的流出以履行責任，則於能夠可靠估計該承擔數額時確認撥備。

若貼現之影響重大，則撥備所確認的數額是為預期履行該責任所需未來開支於報告期末之現值。隨時間推移而產生之貼現值增加計入收益表的財務開支內。

所得稅

所得稅包括即期及遞延稅項。與於損益外確認項目有關的所得稅於其他全面收益或直接於權益確認。

本期及過去期間的即期稅項資產和負債是根據於報告期末前已實施或實質實施的稅率(及稅法)並考慮到本集團業務所在國家的現行詮釋及慣例後計算出預計向稅務機關支付或從其處退回的金額。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

2.4 Summary of Significant Accounting Policies

(Continued)

Income tax (Continued)

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項須按負債法，就資產及負債之計稅基準與財務申報賬面值於報告期末之所有暫時性差額作出撥備。

遞延稅項負債就所有應課稅暫時性差額確認，除下列情況外：

- 產生自首次確認的一項非商業合併交易中的資產或負債，以及於進行交易時並無影響會計溢利或應課稅溢利或虧損的遞延稅項負債；及
- 於附屬公司之投資相關之應課稅暫時性差額，倘可控制暫時差額之回撥時間，並有可能在可預見未來不會回撥暫時差額除外。

所有可予扣減暫時性差額、未動用稅項抵免結轉及未動用稅項虧損於可能獲得應課稅溢利作為抵銷，以動用該等可予扣減暫時性差額、未動用稅項抵免結轉及未動用稅項虧損之情況下，均確認為遞延稅項資產，除以下情況：

- 惟產生自首次確認的一項非商業合併交易中的資產或負債，以及於進行交易時並無影響會計溢利或應課稅溢利或虧損之可扣減暫時差額相關之遞延稅項資產；及
- 於附屬公司之投資相關之可扣減暫時性差額，遞延稅項資產僅會於暫時性差額可能在可預見未來回撥及有應課稅溢利以抵銷暫時差額情況下方予確認。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

2.4 Summary of Significant Accounting Policies

(Continued)

Income tax (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Government grants

Government grants, including a subsidy for the expenditure incurred in the construction cost of an infrastructure project, are recognised at their fair value when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is deducted from the carrying amount of the asset and released to the income statement by way of a reduced depreciation charge.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (i) from the sale of goods and samples, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold; and
- (ii) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項資產賬面值於各報告期末檢討，並於不再可能有足夠應課稅溢利抵銷所有或部分遞延稅項資產情況下調減。未確認之遞延稅項資產於各報告期末重估，並於有足夠應課稅溢利收回所有或部分遞延稅項資產情況下確認。

遞延稅項資產及負債乃根據於報告期末實施或實質實施之稅率(及稅法)，按預期於變現資產或清償債務期間適用之稅率計算。

倘存在容許將即期稅項資產抵銷即期稅項負債的合法可執行權利，且遞延稅項與同一應課稅實體及同一稅務機關有關，則遞延稅項資產可與遞延稅項負債抵銷。

政府補助

政府補助(包括基建項目建築成本產生的開支)在合理確保可收取及符合政府補助所附條件的情況下，按其公平值予以確認。當補助涉及開支項目，則以有系統方式，將補助在有關期內確認為收入，以抵銷擬作補償的成本。當補助涉及資產，有關公平值則從資產的賬面值扣減，並利用已扣減折舊開支方式在收益表內扣除。

收入確認

收入乃於本集團有可能獲得經濟利益及該收入能可靠計算時，按以下基準確認：

- (i) 貨物及樣辦之銷售：當擁有權的絕大部分風險及回報已轉讓予買方，本集團不再參與一般與擁有權有關之管理，亦不再對已售出貨物有實際控制權；及
- (ii) 利息收入按應計基準，採用實際利率法，將於金融工具預計年期，或適用的較短年期，所收取估計未來現金貼現至該金融資產賬面淨值的利率計算。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

2.4 Summary of Significant Accounting Policies

(Continued)

Employee benefits

Staff retirement schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

In addition, the Group operates a defined contribution retirement benefit scheme (the "Retirement Scheme") for those employees who are eligible to participate in the Retirement Scheme. Contributions to the Retirement Scheme are charged to the income statement as incurred. The Retirement Scheme operates in a similar way to the MPF Scheme, except that when an employee leaves the Retirement Scheme before his/her interest in the Group's employer contributions vests fully, the ongoing contributions payable by the Group are reduced by the relevant amount of the forfeited employer contributions.

The employees of the subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to make contributions for their employees who are registered as permanent residents in Mainland China. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. All differences are taken to the income statement.

2.4 主要會計政策概要(續)

僱員福利

退休福利計劃

本集團根據強制性公積金計劃條例，為合資格參加定額供款強制性公積金退休福利計劃(「強積金計劃」)之僱員推行強積金計劃。本集團須按僱員基本薪金的一定百分比作出供款，並在按照強積金計劃之規定應付供款時自收益表扣除。強積金計劃資產與本集團資產分開持有，並由獨立管理基金保管。本集團的僱主供款在向強積金計劃作出供款時全數撥歸僱員所有。

此外，本集團亦為合資格參加定額供款退休福利計劃(「退休計劃」)之僱員推行退休計劃。向退休計劃作出之供款在產生時自收益表扣除。退休計劃之運作方式與強積金計劃類似，惟當僱員在本集團僱主供款全數撥歸其所有前退出退休計劃，所沒收僱主供款可用作扣減本集團持續應付之供款。

本集團在中國大陸所經營附屬公司之僱員須參加由當地市政府推行的中央退休金計劃。有關附屬公司須為登記為中國大陸永久居民之僱員作出供款。有關供款在根據中央退休金計劃之規定應付供款時自收益表扣除。

外幣

此財務報表以港元呈報，港元乃本公司之功能及呈報貨幣。本集團各實體釐定其本身功能貨幣，而各實體於財務報表計入之項目乃按該功能貨幣計算。本集團旗下實體記錄的外幣交易初步按交易日期各自之功能貨幣匯率記錄。以外幣結算的貨幣資產及負債按報告期末的功能貨幣匯率重新換算。所有差額計入收益表。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

2.4 Summary of Significant Accounting Policies

(Continued)

Foreign currencies (Continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the end of the reporting period and their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. Significant Accounting Judgement and Estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

2.4 主要會計政策概要(續)

外幣(續)

按外幣過往成本計算的非貨幣項目乃按初步交易日期匯率換算。以外幣按公平值計算的非貨幣項目則按公平值釐定之日期匯率換算作計算。

若干海外附屬公司並非以港元為功能貨幣。於報告期末，該等實體之資產及負債按報告期末的匯率換算為本公司呈報貨幣，其收益表則按年內加權平均匯率換算為港元。最終匯兌差額於其他全面收益內確認並計入匯兌波動儲備。出售海外業務時，與該特定海外業務有關其他全面收益之組成項目在收益表內確認入賬。

就綜合現金流量表而言，海外附屬公司之現金流量按現金流量日期之適用匯率換算為港元。年內海外附屬公司之經常現金流量按年內加權平均匯率換算為港元。

3. 重要會計判斷及估計

編制本集團的財務報表時，管理層須於報告期末作出會影響報告當日所呈報收入、開支、資產及負債的報告金額及或然負債披露的判斷、估計及假設。然而，由於有關假設和估計的不確定因素，可導致須就未來受影響的資產或負債賬面值作出重大調整。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

3. Significant Accounting Judgement and Estimates (Continued)

Judgement

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Impairment of assets

In determining whether an asset is impaired or whether the event previously causing the impairment no longer exists, the Group has to exercise judgement in the area of asset impairment, particularly in assessing: (1) whether an event has occurred that may affect the asset value, or such an event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows, which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could have a material effect on the net present value used in the impairment test.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Estimation of fair value of leasehold land and buildings of the Group

As described in note 13, the leasehold land and buildings were revalued at the end of the reporting period on a market value existing state basis by independent professional valuers. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the judgements, the Group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at the end of the reporting period.

3. 重要會計判斷及估計(續)

判斷

於應用本集團會計政策時，除該等涉及估計外，管理層曾作出下列對財務報表已確認金額影響最重要判斷：

資產減值

釐定資產是否減值或過往導致減值事項是否不再存在時，本集團須就資產減值作出判斷，尤其需要評估：(1)有否發生可影響資產價值之事項，或影響資產價值之事項是否仍然存在；(2)資產之賬面值能否以根據持續使用資產估計之未來現金流量現值淨額支持；及(3)預測未來現金流量時所採用適合的重要假設，包括該等現金流量預測是否以適用比率貼現。倘改變管理層用以確定減值程度之假設(包括現金流量預測中採用之貼現率或增長率假設)，或會對減值測試中使用的淨現值產生重大影響。

估計之不確定性

下文討論於報告期末極可能導致本集團之資產與負債賬面值在下一財政年度需要作出重大調整之未來相關重要假設及導致估計不確定性之其他重要因素。

本集團租賃土地及樓宇公平值估計

如附註13所述，租賃土地及樓宇已由獨立專業估值師於報告期末按現況以市值基準重新估值。有關估值乃根據若干假設進行，故當中仍有不明確因素且或會與實際結果有重大差異。於作出判斷時，本集團已考慮活躍市場中類似物業之當前市價，並運用主要根據於報告期末之市況作出之假設。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

3. Significant Accounting Judgement and Estimates (Continued)

Estimation uncertainty (Continued)

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 March 2011 was HK\$26,112,000 (2010: HK\$26,112,000). More details are set out in note 16.

Impairment allowance for doubtful debts

The Group makes impairment allowance for doubtful debts based on an assessment of the recoverability of accounts and bills receivables. Allowances are applied to accounts and bills receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires the use of judgement and estimates. Where the actual outcome or expectation in future is different from the original estimate, such differences will have an impact on the carrying value of the receivables and doubtful debt expenses/write-back in the period in which such estimate has been changed.

4. Operating Segment Information

For management purposes, the Group determines that there are five reportable operating segments, based on location of customers (the destination of sales), including Mainland China, Europe, the United States of America (the "USA"), Japan and others. These segments are managed separately as each segment is subject to risks and returns that are different from each other.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest and other unallocated income, and unallocated expenses are excluded from such measurement.

Segment assets exclude unallocated assets as these assets are managed on a group basis.

3. 重要會計判斷及估計(續)

估計之不確定性(續)

商譽減值

本集團最少每年釐定商譽是否有所減值。釐定時須估計商譽所獲分配之現金產生單位之使用價值。估計使用價值時，本集團須估計現金產生單位所產生之預期日後現金流量，亦須選擇合適之貼現率，以計算該等現金流量之現值。商譽於二零一一年三月三十一日之賬面值為26,112,000港元(二零一零年：26,112,000港元)。更多資料載於附註16。

呆賬減值撥備

本集團根據對應收賬款及票據之可收回性評估就呆賬作出減值撥備。倘有事件或情況有變顯示結餘可能無法收回時，會對應收賬款及票據作出撥備。識別呆賬需要運用判斷及估計。倘實際結果或未來預期與原本估計有所出入，有關差異將對估計變動期內之應收款項及呆賬支銷/撥回之賬面值構成影響。

4. 經營分類資料

就管理而言，本集團以客戶所在地(銷售目的地)為基礎，確定五個可報告經營分類，包括中國大陸、歐洲、美利堅合眾國(「美國」)、日本及其他地區。該等分類因風險和回報有別於其他分類而獨立分開管理。

管理層獨立監察本集團經營分類，以便作出有關資源分配及表現評估的決策。分類表現乃根據可報告分類溢利評估，而可報告分類溢利則以經調整除稅前溢利計量。經調整除稅前溢利的計量方式與本集團除稅前溢利計量方式一致，惟有關計量並不計入利息、其他未分配收入及未編配支出。

分類資產不包括未分配資產，原因是該等資產是集體管理。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

4. Operating Segment Information (Continued)

Segment liabilities exclude unallocated liabilities as these liabilities are managed on a group basis.

Group – 2011

		Mainland China 中國大陸 HK\$'000 千港元	Europe 歐洲 HK\$'000 千港元	USA 美國 HK\$'000 千港元	Japan 日本 HK\$'000 千港元	Others 其他地區 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Segment revenue:	分類營業收入：						
Sales to external customers	銷售予外界客戶	391,304	312,857	167,195	94,133	199,273	1,164,762
Segment results	分類業績	59,114	70,473	29,216	16,288	36,668	211,759
Interest and other unallocated income	利息及其他未分配收入						21,390
Unallocated expenses	未編配支出						(74,184)
Profit before tax	除稅前溢利						158,965
Income tax expense	所得稅開支						(27,633)
Profit for the year attributable to owners of the Company	本公司擁有人應佔年度溢利						131,332
Segment assets	分類資產	204,223	191,159	143,603	33,184	129,400	701,569
Unallocated assets	未分配資產						464,709
							1,166,278
Segment liabilities	分類負債	75,811	27,776	21,050	3,995	22,286	150,918
Unallocated liabilities	未分配負債						65,051
							215,969
Other segment information:	其他分類資料：						
Depreciation and amortisation	折舊及攤銷	8,281	7,277	4,779	1,909	4,498	26,744
Unallocated amounts	未分配金額						12,569
							39,313
Capital expenditure *	資本開支*	6,760	7,552	6,650	1,468	4,965	27,395
Unallocated amounts	未分配金額						287,007
							314,402

* Capital expenditure represents additions to property, plant and equipment and prepaid land lease payments.

4. 經營分類資料(續)

分類負債不包括未分配負債，原因是該等負債是集體管理。

本集團—二零一一年

* 資本開支代表物業、廠房及設備的添置及預付土地租賃款項。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

4. Operating Segment Information (Continued)

Group – 2010 (restated)

		Mainland China 中國大陸 HK\$'000 千港元	Europe 歐洲 HK\$'000 千港元	USA 美國 HK\$'000 千港元	Japan 日本 HK\$'000 千港元	Others 其他地區 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Segment revenue:	分類營業收入：						
Sales to external customers	銷售予外界客戶	429,056	190,793	139,743	122,537	179,050	1,061,179
Segment results	分類業績	82,025	50,085	27,757	25,386	44,362	229,615
Interest and other unallocated income	利息及其他未分配收入						4,460
Unallocated expenses	未編配支出						(54,770)
Profit before tax	除稅前溢利						179,305
Income tax expense	所得稅開支						(29,396)
Profit for the year attributable to owners of the Company	本公司擁有人應佔年度溢利						149,909
Segment assets	分類資產	287,848	114,506	87,558	44,631	127,370	661,913
Unallocated assets	未分配資產						408,632
							1,070,545
Segment liabilities	分類負債	73,962	19,391	14,576	6,651	26,082	140,662
Unallocated liabilities	未分配負債						34,717
							175,379
Other segment information:	其他分類資料：						
Depreciation and amortisation	折舊及攤銷	12,512	4,433	2,980	3,574	4,777	28,276
Unallocated amounts	未分配金額						9,258
							37,534
Capital expenditure *	資本開支*	5,729	7,821	7,074	1,349	3,215	25,188
Unallocated amounts	未分配金額						4,374
							29,562

* Capital expenditure represents additions to property, plant and equipment.

* 資本開支代表物業、廠房及設備的添置。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

4. Operating Segment Information (Continued)

Geographical information – non-current assets

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (重列)
Hong Kong	香港	40,371	28,099
Mainland China	中國大陸	582,738	376,869
Indonesia	印尼	70,367	27,649
		693,476	432,617

The non-current asset information above is based on the location of assets.

Information about major customers

Revenue of HK\$559,874,000 (2010: HK\$533,946,000) and HK\$203,329,000 (2010: HK\$263,270,000) were derived from sales to the largest customer and the second largest customer of the Group respectively. The above amounts include sales to group of entities which are known to be under common control with these customers.

4. 經營分類資料(續)

地區資料 – 非流動資產

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (重列)
Hong Kong	香港	40,371	28,099
Mainland China	中國大陸	582,738	376,869
Indonesia	印尼	70,367	27,649
		693,476	432,617

上列非流動資產資料是按資產所在地區劃分呈列。

有關主要客戶的資料

本集團來自第一及第二大客戶的銷售所得營業收入分別為559,874,000港元(二零一零年: 533,946,000港元)及203,329,000港元(二零一零年: 263,270,000港元)。上述金額包括向一群已知受上述客戶共同控制的實體的銷售。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

5. Revenue, Other Income and Gains

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts. All significant intra-group transactions have been eliminated on consolidation.

An analysis of the Group's revenue, other income and gains is as follows:

5. 營業收入、其他收入及收益

營業收入即本集團之營業額，乃指扣除退貨及貿易折扣後已售貨品之發票淨值。本集團公司間所有重大交易已於綜合賬目時對銷。

本集團營業收入、其他收入及收益之分析如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (重列)
Revenue	營業收入		
Sale of goods	貨品銷售	1,164,762	1,061,179
Other income	其他收入		
Bank interest income	銀行利息收入	1,243	1,653
Others	其他	905	2,519
		2,148	4,172
Gains	收益		
Gain on deregistration of subsidiaries (note 28)	註銷附屬公司之收益(附註28)	18,663	-
Reversal of revaluation deficit on leasehold land and buildings	回撥租賃土地及樓宇重估虧損	501	288
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之收益	78	-
		19,242	288
Other income and gains	其他收入及收益	21,390	4,460

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

6. Profit Before Tax

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

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (重列)
Cost of inventories sold	已售存貨成本	889,006	782,118
Auditors' remuneration	核數師酬金	1,743	1,320
Depreciation (Note 13)*	折舊(附註13)*	37,271	35,725
Amortisation of prepaid land lease payments (Note 14)*	預付土地租賃款項攤銷(附註14)*	2,042	1,809
Employee benefits expenses (excluding directors' remuneration – Note 7):	僱員福利支出(不包括董事酬金 – 附註7):		
Wages and salaries	工資及薪金	218,953	173,649
Pension scheme contributions (defined contribution schemes)	退休金計劃供款 (定額供款計劃)	15,976	11,271
Less: Forfeited contributions	減: 已沒收供款	(105)	(102)
Net pension scheme contributions	退休金計劃供款淨額	15,871	11,169
Total employee benefits expenses*	總僱員福利支出*	234,824	184,818
Minimum lease payments under operating leases in respect of land and buildings*	土地及樓宇經營租賃之最低租金付款*	2,959	2,636
Foreign exchange differences, net	匯兌差額淨額	5,027	1,722
Revaluation deficit on leasehold land and buildings**	租賃土地及樓宇重估虧損**	3,900	–

* Included in the respective balances are the following amounts which are also included in the cost of inventories sold disclosed above:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Depreciation	折舊	24,709	24,320
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	1,608	1,384
Employee benefits expenses	僱員福利支出	186,325	143,615
Minimum lease payments under operating leases in respect of land and buildings	土地及樓宇經營租賃之最低租金付款	2,911	2,544

** Revaluation deficit on leasehold land and buildings is included under "administrative expenses" on the face of the income statement.

6. 除稅前溢利

本集團除稅前溢利扣除/(計入)下列各項:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (重列)
Cost of inventories sold	已售存貨成本	889,006	782,118
Auditors' remuneration	核數師酬金	1,743	1,320
Depreciation (Note 13)*	折舊(附註13)*	37,271	35,725
Amortisation of prepaid land lease payments (Note 14)*	預付土地租賃款項攤銷(附註14)*	2,042	1,809
Employee benefits expenses (excluding directors' remuneration – Note 7):	僱員福利支出(不包括董事酬金 – 附註7):		
Wages and salaries	工資及薪金	218,953	173,649
Pension scheme contributions (defined contribution schemes)	退休金計劃供款 (定額供款計劃)	15,976	11,271
Less: Forfeited contributions	減: 已沒收供款	(105)	(102)
Net pension scheme contributions	退休金計劃供款淨額	15,871	11,169
Total employee benefits expenses*	總僱員福利支出*	234,824	184,818
Minimum lease payments under operating leases in respect of land and buildings*	土地及樓宇經營租賃之最低租金付款*	2,959	2,636
Foreign exchange differences, net	匯兌差額淨額	5,027	1,722
Revaluation deficit on leasehold land and buildings**	租賃土地及樓宇重估虧損**	3,900	–

* 各項結餘中包括以下計入上文所披露已售存貨成本之金額:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Depreciation	折舊	24,709	24,320
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	1,608	1,384
Employee benefits expenses	僱員福利支出	186,325	143,615
Minimum lease payments under operating leases in respect of land and buildings	土地及樓宇經營租賃之最低租金付款	2,911	2,544

** 租賃土地及樓宇重估虧損計入收益表內「行政開支」。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

7. Directors' Remuneration

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Section 161 of the Hong Kong Companies Ordinance, is as follows:

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Fees	袍金	360	360
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	3,224	5,081
Discretionary bonuses	酌情花紅	8,829	6,619
Pension scheme contributions	退休金計劃供款	241	203
		12,294	11,903
		12,654	12,263

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Mr. Chan Cheuk Ho	陳卓豪先生	120	120
Mr. Li Chi Chung	李智聰先生	120	120
Mr. Cheng Yung Hui, Tony	鄭榮輝先生	120	120
		360	360

There were no other emoluments payable to the independent non-executive directors during the year (2010: Nil).

7. 董事酬金

本年度董事酬金根據香港聯合交易所有限公司證券上市規則(「上市規則」)及香港公司條例第161條披露如下：

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Fees	袍金	360	360
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	3,224	5,081
Discretionary bonuses	酌情花紅	8,829	6,619
Pension scheme contributions	退休金計劃供款	241	203
		12,294	11,903
		12,654	12,263

(a) 獨立非執行董事

年內付予獨立非執行董事之袍金如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Mr. Chan Cheuk Ho	陳卓豪先生	120	120
Mr. Li Chi Chung	李智聰先生	120	120
Mr. Cheng Yung Hui, Tony	鄭榮輝先生	120	120
		360	360

年內並無其他應付獨立非執行董事之酬金(二零一零年：無)。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

7. Directors' Remuneration (Continued)

(b) Executive directors

		Fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Pension scheme contributions	Total remuneration
		袍金	薪金、津貼及實物福利	酌情花紅	退休金計劃供款	酬金總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
2011	二零一一年					
Executive directors:	執行董事：					
Mr. Chung Yuk Sing	鍾育升先生	-	1,664	3,963	124	5,751
Mr. Chen Hsiao Ying	陳小影先生	-	1,560	3,530	117	5,207
Mr. Kuo Tai Yu	郭泰佑先生	-	-	668	-	668
Ms. Chen Fang Mei, Christina	陳芳美女士	-	-	668	-	668
		-	3,224	8,829	241	12,294
2010	二零一零年					
Executive directors:	執行董事：					
Mr. Chung Yuk Sing	鍾育升先生	-	1,664	4,558	89	6,311
Mr. Chen Hsiao Ying	陳小影先生	-	1,560	2,061	84	3,705
Ms. Chen Li Ying	陳麗影女士	-	182	-	10	192
Ms. Tsang Sau Fan	曾秀芬女士	-	182	-	10	192
Mr. Chen Zhen Hao	陳鎮豪先生	-	41	-	-	41
Mr. Chang Wen Hsiang	張文祥先生	-	182	-	10	192
Mr. Kuo Tai Yu	郭泰佑先生	-	635	-	-	635
Ms. Chen Fang Mei, Christina	陳芳美女士	-	635	-	-	635
		-	5,081	6,619	203	11,903

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

The directors' remuneration shown above does not include the estimated monetary value of the Group's owned premise provided rent-free to an executive director, Mr. Chung Yuk Sing, during the year. The estimated rental value of such accommodation was HK\$112,000 (2010: HK\$100,000) for the year ended 31 March 2011.

7. 董事酬金(續)

(b) 執行董事

本年度內並無任何董事放棄或同意放棄任何酬金之安排。

上述所示董事酬金並未包括於年內向執行董事鍾育升先生提供免租之本集團自置物業之估計幣值。截至二零一一年三月三十一日止年度，該住宿之估計租值為112,000港元(二零一零年：100,000港元)。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

8. Five Highest Paid Employees

The five highest paid employees during the year included two (2010: two) directors, details of whose remuneration are set out in note 7 above. Details of the remuneration of the remaining three (2010: three) non-director, highest paid employees for the year ended 31 March 2011 are set out below:

		Group 本集團	
		2011 二零一一年	2010 二零一零年
		HK\$'000 千港元	HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	3,900	3,355
Discretionary bonuses	酌情花紅	1,750	1,994
Pension scheme contributions	退休金計劃供款	297	185
		5,947	5,534

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

		Number of employees 僱員數目	
		2011 二零一一年	2010 二零一零年
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	–	1
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	2	1
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	1
		3	3

8. 五名最高薪酬僱員

年內，五名最高薪酬僱員包括兩名(二零一零年：兩名)董事，有關彼等薪酬的詳情已在上文附註7披露。於截至二零一一年三月三十一日止年度內，餘下三名(二零一零年：三名)最高酬金的非董事僱員的酬金詳情如下：

酬金介乎以下範圍的最高薪酬非董事僱員的數目如下：

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

9. Income Tax

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

裕美(汕頭)製衣有限公司("YM (Shantou)") and 裕鷹(汕頭)製衣有限公司("YY (Shantou)") are entitled to be exempted from corporate income tax in the People's Republic of China (the "PRC") for the first two profit-making years and a 50% reduction in corporate income tax for the succeeding three years. Moreover, under the relevant tax laws and regulations in Mainland China, these companies may set off losses incurred by them in a financial year against profits made by them in the succeeding financial year or years, subject to a maximum of five financial years.

According to the confirmation obtained by the Group from the PRC tax bureau, the first profit-making year of YY (Shantou) was the year ended 31 December 2005 and the first profit-making year of YM (Shantou) was the year ended 31 December 2007.

On 16 March 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the Corporate Income Tax Law of the PRC (the "PRC Tax Law") which took effect on 1 January 2008. The PRC income tax rate is unified to 25% for all enterprises. The State Council of the PRC passed an implementation guidance note (the "Implementation Guidance") on 26 December 2007, which sets out details of how the existing preferential income tax rates will be adjusted to the standard rate of 25%.

For enterprises which were established before the publication of the PRC Tax Law and were entitled to preferential treatments of a reduced corporate income tax rate ("CIT rate") granted by relevant tax authorities, the CIT rate might be gradually increased from the preferential rate to 25% within 5 years after the effective date of the PRC Tax Law on 1 January 2008. For the regions that enjoy a reduced CIT rate at 15%, the rate would gradually increase to 20% for 2009, 22% for 2010, 24% for 2011 and 25% for 2012 according to the grandfathering rules stipulated in the Implementation Guidance and related circular. Enterprises that are currently entitled to exemptions or reductions from the standard income tax rate for a fixed term may continue to enjoy such treatment until the fixed term expires.

9. 所得稅

香港利得稅以年內在香港產生的估計應課稅溢利按16.5%(二零一零年:16.5%)稅率撥備。其他地方應課稅溢利的稅項,則根據本集團業務所在國家的當地稅率計算。

裕美(汕頭)製衣有限公司(「裕美(汕頭)」)及裕鷹(汕頭)製衣有限公司(「裕鷹(汕頭)」)可獲豁免首兩個盈利年度的中華人民共和國(「中國」)企業所得稅,以及在其後三年獲豁免繳交百分之五十企業所得稅。此外,根據有關的中國大陸稅務法及規則,該等公司可將其於一個財政年度產生之虧損,抵銷其於其後一個或多個財政年度之溢利,但最多不得超過五個財政年度。

根據本集團獲中國稅務機關之確認,裕鷹(汕頭)的首個盈利年度為截至二零零五年十二月三十一日止年度,而裕美(汕頭)的首個盈利年度為截至二零零七年十二月三十一日止年度。

於二零零七年三月十六日,第十屆全國人民代表大會第五次全會通過中國企業所得稅法(「中國稅法」)於二零零八年一月一日生效。所有企業之中國所得稅率統一為25%。於二零零七年十二月二十六日,中國國務院通過一份實施指引(「實施指引」),詳細列出令現有的優惠所得稅率調整至標準稅率25%的方法。

就於中國稅法頒佈前成立,並享有相關稅務機關授予減免企業所得稅優惠稅率(「企業所得稅率」)的企業而言,企業所得稅率可能自中國稅法生效之日(即二零零八年一月一日)起計5年內由優惠稅率逐漸增至25%。就享有15%的減免企業所得稅率的地區而言,根據載於實施指引及相關通函的過渡守則,企業所得稅率將分別於二零零九年、二零一零年、二零一一年及二零一二年逐漸增加至20%、22%、24%及25%。目前享有於一段固定期間獲得標準所得稅率豁免或減免的企業,可繼續享有該項待遇,直至該段固定期限屆滿為止。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

9. Income Tax (Continued)

9. 所得稅(續)

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (重列)
Current tax charge for the year:	本年度即期稅項支出：		
Hong Kong	香港	17,711	14,545
Elsewhere	其他地方	7,926	8,556
Underprovision/(Overprovision) of current tax in respect of prior years	過往年度即期稅項撥備不足／(超額撥備)	(3,596)	391
Deferred (Note 24)	遞延(附註24)	5,592	5,904
Total tax charge for the year	本年度稅項支出總額	27,633	29,396

A reconciliation of the tax expense applicable to profit before tax using the statutory rates for the tax jurisdictions in which the Company and majority of its subsidiaries are domiciled to the tax charge at the effective tax rates is as follows:

適用於以本公司及其大部分附屬公司位處的稅務司法權區法定稅率計算之除稅前溢利之稅項支出與按實際稅率計算之稅項開支之調節如下：

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (重列)
Profit before tax	除稅前溢利	158,965	179,305
Tax at the applicable rates to profit in the tax jurisdictions concerned	按有關稅務司法權區對溢利適用之稅率計算之稅項	30,853	35,835
Lower tax rate due to tax holiday	稅務優惠期之較低稅率	(6,603)	(13,052)
Adjustments in respect of current tax of previous years	就過往年度即期稅項作出調整	(3,596)	391
Income not subject to tax	毋須課稅之收入	(6,131)	(1,389)
Expenses not deductible for tax	不可扣減稅之費用	2,565	688
Effect of withholding tax at 5% and 10% on the distributable profits of the Group's PRC subsidiaries	扣繳本集團之中國附屬公司可分派溢利5%及10%預扣稅之影響	5,185	5,384
Others	其他	5,360	1,539
Tax charge at the Group's effective rate	按本集團實際稅率計算之稅項支出	27,633	29,396

Notes to Financial Statements (continued)

財務報表附註(續)

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10. Profit for the Year Attributable to Owners of the Company

The consolidated profit attributable to owners of the Company for the year ended 31 March 2011 includes a profit of HK\$103,784,000 (2010: HK\$65,001,000) which has been dealt with in the financial statements of the Company (Note 27).

10. 本公司擁有人應佔年度溢利

截至二零一一年三月三十一日止年度本公司擁有人應佔綜合溢利包括溢利103,784,000港元(二零一零年: 65,001,000港元), 已於本公司財務報表內反映(附註27)。

11. Dividends

Dividends paid during the year
Final in respect of the financial year ended 31 March 2010 – HK7 cents per ordinary share (2010: final dividend of HK12 cents per ordinary share, in respect of the financial year ended 31 March 2009)
Interim – HK12 cents (2010: HK13 cents) per ordinary share

年內已付股息
截至二零一零年三月三十一日止
財政年度末期股息—每股普通股
7港仙(二零一零年: 截至二零零
九年三月三十一日止財政年度末
期股息每股普通股12港仙)
中期—每股普通股12港仙
(二零一零年: 13港仙)

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
----------------------------------	----------------------------------

34,978	59,962
59,962	64,958
94,940	124,920

Proposed final dividends
HK3 cents (2010: HK7 cents) per ordinary share

擬派末期股息—每股普通股3港仙
(二零一零年: 7港仙)

14,990	34,978
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The proposed final dividend for the year is based on the number of shares in issue as at the reporting date, and is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. These financial statements do not reflect the dividend payable.

本年度之擬派末期股息乃按於報告日已發行股份數目計算, 並須待本公司股東於應屆股東週年大會批准後, 方可作實。本財務報表並無反映應付股息。

12. Earnings Per Share Attributable to Owners of the Company

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company for the year of HK\$131,332,000 (2010: HK\$149,909,000), and 499,680,000 (2010: 499,680,000) ordinary shares in issue during the year.

In both 2011 and 2010, diluted earnings per share is the same as basic earnings per share due to the absence of dilutive potential ordinary shares during the two years.

12. 本公司擁有人應佔每股盈利

每股基本盈利乃根據年內本公司擁有人應佔年內溢利131,332,000港元(二零一零年: 149,909,000港元), 以及年內已發行普通股499,680,000股(二零一零年: 499,680,000股)計算。

於二零一一年及二零一零年度, 於兩年內因沒有具潛在攤薄普通股, 每股攤薄盈利與每股基本盈利相同。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

13. Property, Plant and Equipment

Group
31 March 2011

13. 物業、廠房及設備

本集團
二零一一年三月三十一日

		Leasehold land and buildings 租賃 土地及樓宇 HK\$'000 千港元 (restated) (重列)	Leasehold improvements 租賃 物業裝修 HK\$'000 千港元	Plant and machinery 機器及設備 HK\$'000 千港元	Furniture, fixtures, equipment and motor vehicles 傢具、裝置、 設備及汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元 (restated) (重列)
Cost or valuation:	成本或估值：						
At beginning of year	年初	212,574	69,106	132,770	45,849	-	460,299
Additions	添置	48,159	25,057	13,878	7,805	203,123	298,022
Disposals	出售	-	-	-	(1,120)	-	(1,120)
Written off	撇銷	-	(263)	(1,531)	(1,649)	-	(3,443)
Revaluation	重估	(219)	-	-	-	-	(219)
Exchange realignment	匯兌調整	6,790	2,161	3,276	928	-	13,155
At 31 March 2011	於二零一一年 三月三十一日	267,304	96,061	148,393	51,813	203,123	766,694
Accumulated depreciation:	累積折舊：						
At beginning of year	年初	-	43,009	83,261	32,280	-	158,550
Provided during the year	年內撥備	6,044	14,698	9,909	6,620	-	37,271
Disposals	出售	-	-	-	(1,083)	-	(1,083)
Written off	撇銷	-	(263)	(1,531)	(1,649)	-	(3,443)
Write-back on revaluation	重估回撥	(6,044)	-	-	-	-	(6,044)
Exchange realignment	匯兌調整	-	1,454	1,875	742	-	4,071
At 31 March 2011	於二零一一年 三月三十一日	-	58,898	93,514	36,910	-	189,322
Net book value:	賬面淨值：						
At 31 March 2011	於二零一一年 三月三十一日	267,304	37,163	54,879	14,903	203,123	577,372
Analysis of cost or valuation:	成本或估值分析：						
At cost	按成本值	-	96,061	148,393	51,813	203,123	499,390
At 31 March 2011 valuation	按於二零一一年 三月三十一日 之估值	267,304	-	-	-	-	267,304
		267,304	96,061	148,393	51,813	203,123	766,694

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

13. Property, Plant and Equipment (continued)

Group
31 March 2010

13. 物業、廠房及設備(續)

本集團
二零一零年三月三十一日

		Leasehold land and buildings 租賃 土地及樓宇 HK\$'000 千港元 (restated) (重列)	Leasehold improvements 租賃 物業裝修 HK\$'000 千港元	Plant and machinery 機器及設備 HK\$'000 千港元	Furniture, fixtures, equipment and motor vehicles 傢具、裝置、 設備及汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元 (restated) (重列)
Cost or valuation:	成本或估值：						
At beginning of year	年初	213,865	53,601	125,564	40,985	-	434,015
Additions	添置	-	16,031	8,383	5,148	-	29,562
Surplus on revaluation	重估盈餘	908	-	-	-	-	908
Exchange realignment	匯兌調整	(2,199)	(526)	(1,177)	(284)	-	(4,186)
At 31 March 2010	於二零一零年 三月三十一日	212,574	69,106	132,770	45,849	-	460,299
Accumulated depreciation:	累積折舊：						
At beginning of year	年初	-	31,975	72,471	25,101	-	129,547
Provided during the year	年內撥備	5,735	11,327	11,312	7,351	-	35,725
Write-back on revaluation	重估回撥	(5,735)	-	-	-	-	(5,735)
Exchange realignment	匯兌調整	-	(293)	(522)	(172)	-	(987)
At 31 March 2010	於二零一零年 三月三十一日	-	43,009	83,261	32,280	-	158,550
Net book value:	賬面淨值：						
At 31 March 2010	於二零一零年 三月三十一日	212,574	26,097	49,509	13,569	-	301,749
At 1 April 2009	於二零零九年 四月一日	213,865	21,626	53,093	15,884	-	304,468
Analysis of cost or valuation:	成本或估值分析：						
At cost	按成本值	-	69,106	132,770	45,849	-	247,725
At 31 March 2010 valuation	於二零一零年 三月三十一日 之估值	212,574	-	-	-	-	212,574
		212,574	69,106	132,770	45,849	-	460,299

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

13. Property, Plant and Equipment (continued)

The Group's leasehold land and buildings at net carrying amounts included above are held under the following lease terms:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (重列)
Medium term leases in Hong Kong	香港中期租約	26,000	20,000
Medium term leases outside Hong Kong	香港以外中期租約	238,551	190,029
Long term leases outside Hong Kong	香港以外長期租約	2,753	2,545
		267,304	212,574

The Group's leasehold land and buildings were revalued individually at 31 March 2011 by Greater China Appraisal Limited, independent professionally qualified valuers, at an aggregate open market value of HK\$267,304,000, based on their existing use. Revaluation surpluses of HK\$9,224,000 and HK\$501,000, resulting from the above revaluation, were credited to the statement of other comprehensive income and the income statement, respectively. Revaluation deficit of HK\$3,900,000 was charged to the income statement. The effect of the total net revaluation surplus of HK\$5,825,000 was reflected as decrease of valuation of property, plant and equipment of HK\$219,000 and write-back of accumulated depreciation of HK\$6,044,000.

Had these leasehold land and buildings been carried at historical cost less accumulated depreciation, their carrying amounts would have been HK\$232,170,000 (2010: HK\$183,223,000).

As at 31 March 2011, one of the Group's leasehold land and buildings with a net book value of HK\$847,000 (2010: HK\$818,000) has been provided as rent-free accommodation to an executive director of the Company during the year (Note 14).

13. 物業、廠房及設備(續)

上文包括的本集團租賃土地及樓宇賬面淨值按以下租約持有：

	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (重列)
Medium term leases in Hong Kong	26,000	20,000
Medium term leases outside Hong Kong	238,551	190,029
Long term leases outside Hong Kong	2,753	2,545
	267,304	212,574

本集團之租賃土地及樓宇由獨立專業合資格估值師漢華評值有限公司於二零一一年三月三十一日按其當時用途以公開市值作個別評估，合共值267,304,000港元。上述重估所產生重估盈餘9,224,000港元及501,000港元則分別計入其他全面收益表及收益表。重估虧損3,900,000港元計入收益表。重估盈餘總淨額5,825,000港元的影響反映於物業、廠房及設備的估值減少219,000港元及回撥累積折舊6,044,000港元。

倘有關租賃土地及樓宇按歷史成本減累積折舊列賬，其賬面值原應為232,170,000港元(二零一零年：183,223,000港元)。

於二零一一年三月三十一日，本集團其中一項賬面淨值847,000港元(二零一零年：818,000港元)之租賃土地及樓宇於年內提供予本公司一名執行董事作免租住宿(附註14)。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

14. Prepaid Land Lease Payments

14. 預付土地租賃款項

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (重列)
Carrying amount at beginning of year (restated)	年初賬面值(重列)	62,626	65,176
Additions	添置	16,380	-
Amortisation recognised during the year (restated) (Note 6)	於年內確認攤銷(重列)(附註6)	(2,042)	(1,809)
Exchange realignment	匯兌調整	2,186	(741)
Carrying amount at 31 March (restated)	於三月三十一日之賬面值(重列)	79,150	62,626
Current portion included in prepayments, deposits and other receivables (Note 15)	計入預付款項、按金及其他應收款項之即期部分(附註15)	(2,042)	(1,809)
Non-current portion	非即期部分	77,108	60,817

An analysis of the carrying amounts of prepaid land lease payments of the Group at the end of the reporting period is as follows:

於報告期末，本集團預付土地租賃款項之賬面值分析如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (重列)
Long term leases outside Hong Kong	香港境外之長期租約	3,343	3,330
Medium term leases outside Hong Kong	香港境外之中期租約	75,807	59,296
		79,150	62,626

One of the Group's prepaid land lease payments with a net book value of HK\$1,588,000 (2010: HK\$1,561,000) in aggregate have been provided as rent-free accommodation to an executive director of the Company during the year (Note 13).

本集團其中一項賬面淨值1,588,000港元(二零一零年：1,561,000港元)之預付土地租賃款項於年內提供作為本公司一名執行董事之免租住宿(附註13)。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

15. Prepayments, Deposits and Other Receivables

15. 預付款項、按金及其他應收款項

		Notes	Group	2010	Company	2010
		附註	本集團	二零一零年	本公司	二零一零年
			2011	二零一零年	2011	二零一零年
			二零一一年	二零一零年	二零一一年	二零一零年
			HK\$'000	HK\$'000	HK\$'000	HK\$'000
			千港元	千港元	千港元	千港元
				(restated)		
				(重列)		
Prepaid land lease payments	預付土地租賃款項	14	2,042	1,809	-	-
Deposit paid for the land use right in Indonesia (the "Indonesia Site")	支付印尼的土地使用權(「印尼用地」)按金	(i)	-	27,649	-	-
Deposit paid for the land use right in Jiangxi Province, the PRC (the "Jiangxi Site")	支付中國江西省的土地使用權(「江西用地」)按金	(ii)	-	12,098	-	-
Deposit paid for construction projects in the Jiangxi Site	支付江西用地建築工程按金		9,602	-	-	-
Deposits for property, plant and equipment	為物業、廠房及設備支付按金		3,282	4,192	-	-
Prepayments	預付款項		8,656	7,221	138	134
Deposits and other receivables	按金及其他應收款項		5,464	7,942	-	-
			29,046	60,911	138	134
Current portion included in prepayments, deposits and other receivables	包括在預付款項、按金及其他應收款項的即期部分		(16,162)	(16,972)	(138)	(134)
Non-current portion	非即期部分		12,884	43,939	-	-

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

上述資產並無逾期或減值。包括在以上應收款項結餘內的金融資產，近期並無欠款記錄。

Notes:

附註：

- (i) Pursuant to an agreement entered into between the Group and an independent third party on 10 February 2010, the Group has agreed to acquire two pieces of land with a total land area of approximately 125,400 square metres at Banten Province, Indonesia (the "Indonesia Project"), at a total consideration of Rp. 31.4 billion (approximately HK\$26,335,000). The consideration has been fully paid by the Group and the balance as at 31 March 2010 represented the consideration paid of HK\$26,335,000 and the related tax payment of HK\$1,314,000. During the year, the Group has obtained the respective land title certificates and the balance was transferred to leasehold land and buildings accordingly.
- (ii) Pursuant to an agreement entered into between the Group and the People's Government of Yifeng County, Jiangxi Province, the PRC (the "Yifeng Government") on 22 January 2010, the Group agreed to acquire a 50-year land use rights of a piece of land located in Yifeng County, Jiangxi Province, the PRC (the "Jiangxi Project"), at a consideration of RMB10.6 million (approximately HK\$12.1 million), which is for production use with a total land area of approximately 177,500 square meters and had been paid by the Group during the year ended 31 March 2010. The land title certificate was obtained during the year and the balance was transferred to prepaid land lease payments accordingly.

- (i) 根據本集團與一名獨立第三方於二零一零年二月十日訂立的一項協議，本集團同意按總代價314億印尼盾(約26,335,000港元)收購在印尼萬丹省(「印尼項目」)總土地面積約125,400平方米的兩幅地皮。本集團經已全數支付代價，該項於二零一零年三月三十一日的結餘為所付代價26,335,000港元及有關稅項付款1,314,000港元。本集團於年內取得各自土地所有權證，結餘轉移至相應的租賃土地及樓宇。
- (ii) 根據本集團與中國江西省宜豐縣人民政府(「宜豐政府」)於二零一零年一月二十二日訂立的一項協議，本集團同意按代價人民幣10,600,000元(約12,100,000港元)收購位於中國江西省宜豐縣(「江西項目」)一塊土地總面積約177,500平方米的一幅土地50年的土地使用權，以作生產之用。本集團已於截至二零一零年三月三十一日止年度悉數支付該款項，並於年內取得土地所有權證，而結餘轉移至相應的預付土地租賃款項。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

16. Goodwill

Cost and carrying amount:
At beginning and end of year

成本值及賬面值：
於年初及年終

26,112

26,112

The Group's goodwill was wholly allocated to a cash-generating unit engaged in the manufacture and trading of sportswear and garments (the "Unit"). The recoverable amount of the Unit has been determined from the value in use, which is calculated with reference to cash flow projections based on a five-year period financial budgets approved by senior management. The financial budgets are prepared reflecting actual and prior year performance and development expectations. The key assumptions for the cash flow projections are the budgeted gross margin which is the average gross profit margin achieved in the year immediately before budgeted years and the discount rate of 11.46%, which is before tax and reflects specific risks relating to the Unit. The cash flow projections are prepared based on the assumption that the cash-generating unit will have revenue based on the actual sales order amount and revenue forecast by the head of the sales department for the first year, then maintain a 30% growth rate in revenue for the second year, 20% for the third year and 5% for the succeeding two years. The directors believe that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the Unit to exceed the aggregate recoverable amount. Since the recoverable amount of the Unit is higher than its carrying amount, the directors consider there was no impairment of the goodwill at the end of the reporting period.

17. Investments in Subsidiaries

Unlisted investments, at cost

非上市投資，按成本值

43,368

43,368

The balances with subsidiaries are unsecured, interest-free and repayable on demand.

16. 商譽

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
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本集團之商譽全部撥歸從事運動服及成衣生產及買賣之現金產生單位(「該單位」)。該單位之可收回金額乃根據使用價值釐定，而使用價值則根據由高級管理人員審批之五年財政預算所預測之現金流量計算。財政預算之編算乃反映實際、過往表現及預期發展。現金流量預測之主要假設為所預算之毛利率(即緊接預算年度前該年度所達致之平均毛利率)及貼現率11.46%(乃除稅前及反映與該單位有關之特定風險)。預計現金流量根據現金產生單位將帶來收益的假設編製，該假設乃根據實際銷售訂單金額及銷售部主管於首年所作的收益預測，其後於第二年維持30%收益增長率，第三年20%及之後兩年5%。董事相信，任何該等假設可能合理地出現之變動，將不會導致該單位之總賬面值超出總可收回金額。由於該單位之可收回金額高於其賬面值，董事認為於報告期末商譽並無出現減值。

17. 於附屬公司之投資

Company 本公司	
2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元

與附屬公司之結餘為無抵押、免息及須應要求償還。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

17. Investments in Subsidiaries (continued)

The table below lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries, would, in the opinion of the directors, result in particulars of excessive length.

Particulars of the principal subsidiaries are as follows:

Name 公司名稱	Place of incorporation/ registration and operations 註冊成立/登記 及營業地點	Nominal value of issued share/paid-up registered capital 已發行股份面值/ 繳足註冊資本	Percentage of equity attributable to the Company 本公司所佔股權百分比		Principal activities 主要業務
			2011 二零一一年	2010 二零一零年	
Eagle Nice (EAG) Limited 鷹美(鷹美集團)有限公司	Hong Kong 香港	Ordinary HK\$2; Non-voting deferred HK\$10,000 (Note (a)) 普通股2港元: 無投票權遞延股 10,000港元(附註(a))	100	100	Investment holding 投資控股
裕美(汕頭)製衣有限公司 (「裕美(汕頭)」)(附註(b)) ("YM (Shantou)") (Note (b))	PRC/Mainland China 中國/中國大陸	US\$23,500,000 23,500,000美元	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服 及成衣
裕鷹(汕頭)製衣有限公司 (「裕鷹(汕頭)」)(附註(b)) ("YY (Shantou)") (Note (b))	PRC/Mainland China 中國/中國大陸	HK\$15,000,000 15,000,000港元	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服 及成衣
Eagle Nice Development Limited 鷹美發展有限公司	Hong Kong 香港	HK\$1 1港元	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服 及成衣
Yue Mei (HK) Garment Limited 裕美(香港)製衣有限公司	Hong Kong 香港	HK\$1 1港元	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服 及成衣
Maitex (EAG) Limited 源瀚(鷹美集團)有限公司	Hong Kong 香港	HK\$1,000 1,000港元	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服 及成衣

17. 於附屬公司之投資(續)

下表列出本公司附屬公司，按董事意見認為，該等公司對本集團年內業績有重大影響或構成本集團資產淨值之主要部分。按董事意見認為，詳列其他附屬公司資料將會使篇幅過於冗長。

主要附屬公司詳情如下：

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

17. Investments in Subsidiaries (continued)

17. 於附屬公司之投資(續)

Name 公司名稱	Place of incorporation/ registration and operations 註冊成立/登記 及營業地點	Nominal value of issued share/paid-up registered capital 已發行股份面值/ 繳足註冊資本	Percentage of equity attributable to the Company 本公司所佔股權百分比		Principal activities 主要業務
			2011 二零一一年	2010 二零一零年	
惠來縣源瀚製衣有限公司 (「惠來源瀚」)(附註(b)) ("Maitex PRC") (Note (b))	PRC/Mainland China 中國/中國大陸	HK\$40,000,000 40,000,000港元	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服 及成衣
King Eagle (EAG) Limited 金鷹(鷹美集團)有限公司	Hong Kong 香港	HK\$1 1港元	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服 及成衣
金鷹(汕頭)製衣有限公司 (「金鷹(汕頭)」)(附註(b)) ("KE (Shantou)") (Note (b))	PRC/Mainland China 中國/中國大陸	US\$2,680,000 2,680,000美元	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服 及成衣
惠來縣宏鷹製衣有限公司 (「惠來宏鷹」)(附註(b)) ("Hung Eagle Garment") (Note (b))	PRC/Mainland China 中國/中國大陸	US\$4,000,000 4,000,000美元	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服 及成衣
Eagle Nice (Indonesia) Holdings Ltd 鷹美(印尼)控股有限公司	Hong Kong 香港	HK\$1 1港元	100	100	Investment holding 投資控股
PT. Eagle Nice Indonesia (「EN Indonesia」) (「鷹美印尼」)	Indonesia 印尼	US\$6,000,000 6,000,000美元	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服 及成衣
Eagle Nice (Jiangxi) Garment Limited 鷹美(江西)製衣有限公司	Hong Kong 香港	HK\$10,000 10,000港元	100	100	Investment holding 投資控股
鷹美(宜豐)製衣有限公司 (「鷹美(宜豐)」)(附註(b)) ("EN (Yifeng)") (Notes (b))	PRC/Mainland China 中國/中國大陸	US\$21,490,000 21,490,000美元	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服 及成衣

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

17. Investments in Subsidiaries (continued)

Notes:

- (a) The non-voting deferred shares carry no rights to dividends, no rights to attend or vote at general meetings and no rights to receive any surplus assets in a return of capital in a winding-up (other than the nominal amount paid up or credited as paid-up on such shares, after the sum of HK\$100,000,000,000,000 per ordinary share has been distributed to the holders of the ordinary shares of the company in such winding-up).
- (b) YM (Shantou), YY (Shantou), Maitex PRC, KE (Shantou), Hung Eagle Garment and EN (Yifeng) are registered as wholly-foreign-owned enterprises under the PRC law.

All of the above subsidiaries are indirectly held by the Company.

17. 於附屬公司之投資(續)

附註：

- (a) 無投票權遞延股並無權利獲派股息、出席股東大會或在會上投票，以及在清盤退還資本時獲得任何剩餘資產(清盤時每股普通股總數100,000,000,000,000港元分派予公司普通股權益持有人後，有關股份之繳足或入賬列作繳足的面值除外)。
- (b) 裕美(汕頭)、裕鷹(汕頭)、惠來源瀚、金鷹(汕頭)、惠來宏鷹及鷹美(宜豐)為根據中國法例註冊之外商獨資企業。

上述所有附屬公司由本公司間接持有。

18. Inventories

18. 存貨

		Group 本集團	
		2011 二零一一年	2010 二零一零年
		HK\$'000 千港元	HK\$'000 千港元
Raw materials	原材料	79,010	75,143
Work in progress	在製品	62,410	36,412
Finished goods	製成品	50,829	24,699
		192,249	136,254

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

19. Accounts and Bills Receivables

The Group's accounts and bills receivables mainly relate to a few recognised and creditworthy customers. The credit period is generally for a period of 30 to 45 days. The Group seeks to maintain strict control over its outstanding receivables to minimise the credit risk. Overdue balances are regularly reviewed by the management of the Group. The accounts and bills receivables are non-interest-bearing.

An aged analysis of the accounts and bills receivables as at the end of the reporting period, based on the invoice date, is as follows:

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Within 30 days	30天內	67,091	109,414
31 to 60 days	31天至60天	12,877	40,101
61 to 90 days	61天至90天	659	6,480
Over 90 days	90天以上	727	572
		81,354	156,567

The above balances are neither past due nor impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

本集團之應收賬款及票據主要與若干認可及信譽良好的客戶相關。信貸期一般為30天至45天。本集團致力對未償還應收款項保持嚴密監控，將信貸風險控制至最低水平。逾期未付之結餘由本集團管理層定期審閱。應收賬款及票據為免息賬款。

截至報告期末之應收賬款及票據根據發票日期的賬齡分析如下：

以上結餘並無逾期及減值。包括在以上應收賬款結餘內的金融資產，近期並無欠款記錄。

20. Cash and Cash Equivalents

		Group 本集團		Company 本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Cash and bank balances	現金及銀行結存	183,037	324,692	269	799
Time deposits with original maturity of over three months	原定到期日超過三個月之定期存款	-	3,443	-	-
Cash and cash equivalents	現金及現金等值項目	183,037	328,135	269	799

20. 現金及現金等值項目

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

20. Cash and Cash Equivalents (continued)

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK\$86,606,000 (2010: HK\$192,461,000). RMB is not freely convertible into other currencies; however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

21. Accounts and Bills Payables

An aged analysis of the accounts and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

Within 90 days	90天內
91 to 180 days	91天至180天
181 to 365 days	181天至365天
Over 365 days	365天以上

The accounts and bills payables are non-interest-bearing and are normally settled on 45-day terms.

20. 現金及現金等值項目(續)

於報告期末，本集團以人民幣(「人民幣」)計值的現金及銀行結存為86,606,000港元(二零一零年：192,461,000港元)。人民幣不得自由兌換為其他貨幣，然而根據中國大陸的外匯管理條例以及結匯、售匯及付匯管理規定，本集團獲批准透過獲授權辦理外匯業務之銀行將人民幣兌換為其他貨幣。

存於銀行的現金按每日銀行存款利率之浮動息率賺取利息。本集團按即時現金需要作出一日至三個月之短期定期存款，並分別按短期定期存款利率賺取利息。銀行結餘乃存放於具信譽且近期沒欠款記錄之銀行。

21. 應付賬款及票據

於報告期末之應付賬款及票據根據發票日期的賬齡分析如下：

		Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Within 90 days	90天內	70,921	62,400
91 to 180 days	91天至180天	1,054	1,396
181 to 365 days	181天至365天	73	189
Over 365 days	365天以上	1,780	2,287
		73,828	66,272

應付賬款及票據為免息賬款，信貸期一般為45天。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

22. Banking Facilities

As at 31 March 2011, the Group's banking facilities were secured by the following:

- (i) corporate guarantees executed by the Company to the extent of HK\$46,000,000 (2010: HK\$46,000,000) of which an aggregate amount of HK\$2,410,000 was utilised; and
- (ii) unlimited corporate guarantees executed by four (2010: four) subsidiaries of the Company.

In addition, the Company was granted an unsecured banking facility from a bank to the extent of HK\$350,000,000. As at the end of the reporting period, this banking facility remained unutilised. Subsequent to the end of the reporting period, the Company had drawn down certain bank loans with aggregate amount of US\$26,900,000 (approximately HK\$209,820,000) which bears interest from 1.05% to 1.50% per annum.

23. Accrued Liabilities and Other Payables

Deferred income	遞延收入	1,875	1,763	-	-
Other payables	其他應付款項	56,602	32,925	-	-
Accruals	應計費用	35,687	23,747	452	317
		94,164	58,435	452	317

Other payables of the Group at 31 March 2011 included a subsidy of RMB7,811,000 (approximately HK\$9,189,000) (2010: RMB9,320,000 (approximately HK\$10,591,000)) received from the Yifeng Government for the construction cost of basic infrastructure to be incurred by the Group for the development of Jiangxi Site. During the year, an amount of RMB1,509,000 (approximately HK\$1,775,000) was utilised and has been offset against the construction cost.

22. 銀行備用信貸

於二零一一年三月三十一日，本集團之銀行備用信貸以下列各項作為抵押：

- (i) 本公司簽立以46,000,000港元為限之公司擔保(二零一零年：46,000,000港元)，其中已用合共2,410,000港元；及
- (ii) 本公司四家(二零一零年：四家)附屬公司簽立的無限額公司擔保。

此外，本公司從一所銀行取得一項無抵押貸款額350,000,000港元。於報告期末，該項貸款額仍未動用。於報告期後，本公司已取用若干貸款額，合共26,900,000美元(約209,820,000港元)，年息率介乎1.05%至1.50%。

23. 應計負債及其他應付款項

		Group 本集團		Company 本公司	
		2011 二零一一年	2010 二零一零年	2011 二零一一年	2010 二零一零年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Deferred income	遞延收入	1,875	1,763	-	-
Other payables	其他應付款項	56,602	32,925	-	-
Accruals	應計費用	35,687	23,747	452	317
		94,164	58,435	452	317

本集團於二零一一年三月三十一日的其他應付款項包括從宜豐政府所收取人民幣7,811,000元(約9,189,000港元)(二零一零年：人民幣9,320,000元(約10,591,000港元))的補助，作為本集團開發江西用地的基本建設建造成本。年內，已動用人民幣1,509,000元(約1,775,000港元)並被建築成本抵銷。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

24. Deferred Tax Liabilities

Group

24. 遞延稅項負債

本集團

		Accelerated tax depreciation	Asset revaluation	Withholding taxes on undistributed profits on PRC subsidiaries 中國附屬公司 未分派溢利 之預扣稅	Total
		加速 稅項折舊 HK\$'000 千港元	資產重估 HK\$'000 千港元 (restated) (重列)	中國附屬公司 未分派溢利 之預扣稅 HK\$'000 千港元	總計 HK\$'000 千港元 (restated) (重列)
At 1 April 2009	於二零零九年四月一日	20	13,423	3,355	16,798
Deferred tax debited to the consolidated income statement during the year (Note 9)	年內於綜合收益表扣除之遞延稅項(附註9)	473	47	5,384	5,904
Deferred tax debited to equity during the year	年內於資本扣除之遞延稅項	-	1,569	-	1,569
Exchange realignment	匯兌調整	-	(147)	-	(147)
At 31 March 2010 and 1 April 2010	於二零一零年三月三十一日及二零一零年四月一日	493	14,892	8,739	24,124
Deferred tax debited to the consolidated income statement during the year (Note 9)	年內於綜合收益表扣除之遞延稅項(附註9)	324	83	5,185	5,592
Deferred tax debited to equity during the year	年內於資本扣除之遞延稅項	-	3,048	-	3,048
Withholding tax on repatriation on earnings from subsidiaries in the PRC	中國附屬公司盈利匯出之預扣稅	-	-	(3,079)	(3,079)
Exchange realignment	匯兌調整	-	520	-	520
At 31 March 2011	於二零一一年三月三十一日	817	18,543	10,845	30,205

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

24. Deferred Tax Liabilities (continued)

Pursuant to the PRC Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rates are 5% and 10%. In estimating the withholding taxes on dividends expected to be distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008, the directors have made assessment based on the factors which included dividend policy and the level of capital and working capital required for the Group's operations in the foreseeable future.

At 31 March 2011, there were no significant unrecognised deferred tax liabilities (2010: Nil) for withholding taxes that would be payable on the unremitted earnings of the Company's subsidiaries expected to be distributed, after considering the above-mentioned factors, in the foreseeable future.

The Group has tax losses arising in Hong Kong of HK\$8,530,000 (2010: HK\$6,916,000) that are available indefinitely for offsetting against future taxable profits of the company in which the losses arose. Deferred tax assets have not been recognised in respect of those losses as the aforesaid company has had no taxable profits for some time.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

25. Issued Capital

Authorised:
10,000,000,000 ordinary shares of
HK\$0.01 each

Issued and fully paid:
499,680,000 ordinary shares of
HK\$0.01 each

法定股本：
10,000,000,000股每股面值
0.01港元之普通股

已發行及繳足：
499,680,000股每股面值
0.01港元之普通股

Company	
本公司	
2011	2010
二零一一年	二零一零年
HK\$'000	HK\$'000
千港元	千港元

100,000	100,000
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4,997	4,997
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24. 遞延稅項負債(續)

根據中國稅法，於中國大陸成立之外商投資企業向外商投資者宣派之股息將被徵收10%預扣稅。該規定於二零零八年一月一日生效，並適用於二零零七年十二月三十一日後之盈利。倘中國大陸與外商投資者之司法權區訂立稅務條約，則可降低其適用預扣稅稅率。本集團之適用稅率為5%及10%。在估計該等中國大陸成立附屬公司就二零零八年一月一日後產生的盈利預期派發股息所繳納的預扣稅時，董事已評估包括股息政策及本集團營運在可見未來所需資本及營運資金等因素。

於二零一一年三月三十一日，經考慮上述因素後，在可見未來，並無關於本公司附屬公司預期將分派的未匯款盈利應付預扣稅的重大未確認遞延稅項負債(二零一零年：無)。

本集團於香港產生之稅項虧損8,530,000港元(二零一零年：6,916,000港元)可無限期用作抵銷產生虧損的公司日後應課稅溢利。由於前述公司已有一段時間無應課稅溢利，因而並無就該等虧損確認遞延稅項資產。

本公司向其股東派發股息概無附帶所得稅後果。

25. 已發行股本

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

26. Share Option Scheme

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group and customers of the Group. The Scheme became effective on 6 August 2003 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to independent non-executive directors' approval in advance. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than five years from date of the offer of the share options or the expiry date of the Scheme, if earlier.

26. 購股權計劃

本公司設有一項購股權計劃(「該計劃」)，旨在向對本集團成功經營有所貢獻的合資格參與人士提供獎勵及獎賞。該計劃的合資格參與人士包括本公司董事(包括獨立非執行董事)、本集團其他僱員、本集團貨品或服務供應商及本集團客戶。該計劃自二零零三年八月六日起生效，除非經另行取消或修訂，否則，該計劃將自該日期起計10年內有效。

現時根據該計劃獲准授出的未行使購股權數目上限獲行使時，相當於本公司於任何時間已發行股份10%。於任何十二個月期間內，根據購股權可向該計劃每名合資格參與人士發行的股份數目，最多不得超過本公司於任何時候已發行股份1%。進一步授出任何超過該限額的購股權均須於股東大會取得股東批准。

向本公司董事、行政總裁或主要股東或彼等任何聯繫人士授出購股權，均須事先取得獨立非執行董事批准。此外，於任何十二個月期間內，倘向本公司主要股東或獨立非執行董事或彼等任何聯繫人士授出的購股權，超過本公司於任何時候已發行股份0.1%或按授出當日本公司股價計算總值超過5,000,000港元，則須事先於股東大會取得股東批准。

授出購股權之建議須於建議日期起計21日內，由承授人以支付共1港元象徵式代價之方式接納。授出之購股權之行使期限由董事釐定，於若干歸屬期後開始，並於自購股權建議日期起不多於五年之內或該計劃屆滿日期結束(以較早者為準)。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

26. Share Option Scheme (continued)

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the closing price of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of the offer of the share options; (ii) the average closing price of the Company's shares on the Stock Exchange for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares.

No share options have been granted under the Scheme as at 31 March 2011 or up to the date of approval of these financial statements.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

27. Reserves

Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

The capital reserve of the Group represents the difference between the aggregate of the nominal value of the share capitals of the subsidiaries acquired by the Company pursuant to a group reorganisation (the "Reorganisation") in August 2003, and the nominal value of the share capital of the Company issued in exchange therefor and the existing 1,000,000 shares of HK\$0.01 each credited as fully paid, at par.

In accordance with the relevant PRC regulations, subsidiaries registered in the PRC are required to transfer 10% of their profits after tax, as determined under the PRC accounting regulations, to the statutory surplus reserve, until the balance of the reserve reaches 50% of their respective registered capitals. Subject to certain restrictions as set out in the relevant PRC regulations, the statutory surplus reserve may be used to offset against accumulated losses.

26. 購股權計劃(續)

購股權的行使價由董事釐定，但不得低於以下三者之最高者：(i) 授出購股權當日本公司股份在香港聯合交易所有限公司(「聯交所」)的收市價；(ii) 授出日期前五個交易日本公司股份在聯交所平均收市價；及(iii)本公司股份面值。

於二零一一年三月三十一日或截至財務報表獲批准日期為止，概無根據該計劃授出任何購股權。

購股權並無賦予持有人獲取股息或於股東大會投票的權利。

27. 儲備

本集團

本集團於本年度及過往年度之儲備金額及其變動詳情於財務報表中之綜合權益變動表呈列。

本集團資本儲備指本公司根據二零零三年八月之集團重組(「重組」)所收購附屬公司的股本面值總額，與本公司就交換而發行之股本面值及現有1,000,000股每股面值0.01港元按面值入賬列作繳足股份間之差額。

根據有關中國規例，在中國註冊的附屬公司須將除稅後溢利10%(按中國會計規例釐定)轉撥至法定盈餘儲備，直至該儲備的結餘達到其各自註冊資本50%。在有關中國規例所載若干限制規限下，法定盈餘儲備可用作抵銷累積虧損。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

27. Reserves (continued)

Company

		Notes 附註	Share premium account 溢價賬 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元	Retained profits/ (accumulated losses) 留存溢利/ (累計虧損) HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2009	於二零零九年四月一日		472,586	43,088	6,416	522,090
Profit and total comprehensive income for the year	年內溢利及全面收益總額	10	-	-	65,001	65,001
Final 2009 dividend	二零零九年末期股息	11	-	-	(59,962)	(59,962)
Interim 2010 dividend	二零一零年中期股息	11	-	-	(64,958)	(64,958)
At 31 March 2010 and 1 April 2010	於二零一零年三月三十一日及二零一零年四月一日		472,586	43,088	(53,503)	462,171
Profit and total comprehensive income for the year	年內溢利及全面收益總額	10	-	-	103,784	103,784
Final 2010 dividend	二零一零年末期股息	11	-	-	(34,978)	(34,978)
Interim 2011 dividend	二零一一年中期股息	11	-	-	(59,962)	(59,962)
At 31 March 2011	於二零一一年三月三十一日		472,586	43,088	(44,659)	471,015

The capital reserve of the Company represents the excess of the then consolidated net assets of the subsidiaries acquired by the Company pursuant to the Reorganisation over the nominal value of the share capital of the Company issued in exchange thereof. Under the Companies Law of the Cayman Islands, the capital reserve may be distributed to the shareholders of the Company, provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

本公司資本儲備指本公司根據重組所收購附屬公司當時的綜合資產淨值，超出本公司就交換而發行之股本面值之差額。根據開曼群島公司法，資本儲備可分派予本公司股東，惟於緊隨建議派付股息日期後，本公司必須能償還其日常業務中到期債項。

27. 儲備(續)

本公司

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

28. Notes to the Consolidated Statement of Cash Flows

(i) Major non-cash transaction

Save as disclosed elsewhere in the financial statements, the Group has the following major non-cash transaction:

During the year, deposits for property, plant and equipment of HK\$4,192,000 (2010: HK\$2,177,000) were transferred to property, plant and equipment upon acceptance by and delivery to the Group (Note 15).

(ii) Deregistration of subsidiaries

		2011 二零一一年 HK\$'000 千港元
Net liabilities disposed of:	已出售下列各項的負債淨額：	
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	30
Accounts payable	應付賬項	(67)
Other payables and accruals	其他應付款項及應計款項	(221)
Tax payable	應付稅項	(6,666)
Realisation of exchange reserves	滙兌儲備之變現	(11,739)
		(18,663)
Gain on deregistration (note 5)	撤銷註冊收益(附註5)	18,663
		-

There was no net inflow/outflow of cash and cash equivalents in respect of the deregistration of subsidiaries during the current year.

本年度並未因附屬公司撤銷註冊而出現任何現金及現金等價物之淨流入／流出。

29. Contingent Liabilities

The Group did not have any significant contingent liabilities not provided for at the end of the reporting period (2010: Nil).

As at 31 March 2011, the Company has given corporate guarantees to banks to the extent of HK\$46,000,000 (2010: HK\$46,000,000) for banking facilities granted to certain subsidiaries of the Company.

29. 或然負債

於報告期末，本集團並無任何尚未撥備之重大或然負債(二零一零年：無)。

於二零一一年三月三十一日，本公司就其若干附屬公司獲授之銀行備用信貸額向銀行作出最多46,000,000港元(二零一零年：46,000,000港元)公司擔保。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

30. Operating Lease Arrangements

The Group leases certain of its office, factories and staff quarters under operating lease arrangements, with leases negotiated for terms ranging from one to two years.

At 31 March 2011, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Within one year	一年內	2,729	2,571
In the second to fifth years, inclusive	第二年至第五年(包括首尾兩年)	-	2,544
		2,729	5,115

31. Commitments

In addition to the operating lease commitments detailed in note 30 above, the Group had the following capital commitments at the end of the reporting period:

		Notes 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Contracted, but not provided for:	已訂約但未撥備:			
Construction of factories and purchases of machinery and equipment for the Jiangxi Project	建設江西項目之廠房及購買機器及設備	(i)	83,966	-
Renovation of factories for the Indonesia Project	裝修印尼項目之廠房	(ii)	33,757	-
Purchases of items of property, plant and equipment	購買機器、傢俱及設備		563	2,009
Renovation of factories	裝修廠房		1,354	1,956
			119,640	3,965
Authorised, but not contracted for:	已授權但未訂約:			
Investment in the Jiangxi Project	投資於江西項目	(i)	103,797	81,502
Investment in the Indonesia Project	投資於印尼項目	(ii)	-	65,951
			103,797	147,453

30. 經營租賃安排

本集團根據經營租賃安排租賃其若干辦公室、廠房及員工宿舍，議定之租期介乎一至二年不等。

於二零一一年三月三十一日，本集團於不可撤銷經營租賃項下之未來最低租金總額須於下列期限償付：

31. 承擔

除上文附註30詳列之經營租賃承擔外，本集團於報告期末之資本承擔如下：

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

31. Commitments (continued)

Notes:

- (i) Pursuant to an investment agreement dated 22 January 2010, (the "First Investment agreement") entered into between the Group and the Yifeng Government, the total investment cost for EN (Yifeng) was US\$12 million (approximately HK\$93,600,000) which has been approved by the directors on 15 January 2010.

During the year, on 26 May 2010, a new investment agreement (the "Revised Investment Agreement") was signed between the Group and the Yifeng Government, to increase the total investment from US\$12 million (approximately HK\$93,600,000) to US\$25,000,000 (approximately HK\$195,000,000).

On 21 March 2011, the directors further approved the amendment to the Memorandum of Association of EN (Yifeng) to extend the total investment to US\$50 million (approximately HK\$390,000,000).

As at 31 March 2010, an aggregate amount of HK\$12,098,000 had been incurred and the remaining balance of HK\$81,502,000 was recognised as a commitment.

As at 31 March 2011, an aggregate amount of HK\$202,237,000 had been incurred and the remaining balance of HK\$83,966,000 and HK\$103,797,000 were recognised as "Contracted, but not provided for" commitment and "Authorised, but not contracted for" commitment respectively.

Subsequent to the end of the reporting period, in June 2011, the directors estimated the investment cost for phase-one of the Jiangxi Project will increase to approximately HK\$400,000,000.

- (ii) The total investment cost for EN Indonesia was US\$12 million (approximately HK\$93,600,000) which has been approved by the directors on 12 January 2010. As at 31 March 2010, the Group had incurred HK\$27,649,000 and the remaining balance of HK\$65,951,000 was recognised as a commitment.

As at 31 March 2011, the commitment in relation to the Indonesia Project had been disclosed under "Contracted, but not provided for" commitment above.

Subsequent to the end of the reporting period, in June 2011, the directors estimated the investment cost for phase-one of the Indonesia Project to be approximately HK\$200,000,000.

The Company did not have any significant commitments at the end of the reporting period (2010: Nil).

31. 承擔(續)

附註：

- (i) 根據本集團與宜豐政府於二零一零年一月二十二日訂立的投資協議(「首項投資協議」)，鷹美(宜豐)的總投資成本為12,000,000美元(約93,600,000港元)，於二零一零年一月十五日已由董事批准。

年內，本集團與宜豐政府於二零一零年五月二十六日訂立新投資協議(「修訂投資協議」)，將投資總額由12,000,000美元(約93,600,000港元)提高至25,000,000美元(約195,000,000港元)。

於二零一一年三月三十一日，董事進一步批准修訂鷹美(宜豐)的組織章程大綱，將投資總額提高至50,000,000美元(約390,000,000港元)。

於二零一零年三月三十一日，合共動用12,098,000港元，餘額81,502,000港元確認為承擔。

於二零一一年三月三十一日，合共已動用202,237,000港元，餘額83,966,000港元及103,797,000港元被分別確認為「已訂約但未撥備」及「已授權但未訂約」的承擔。

報告期末後，於二零一一年六月，董事估計江西項目第一期的投資成本將增至約400,000,000港元。

- (ii) 鷹美印尼總投資成本為12,000,000美元(約93,600,000港元)，董事已於二零一零年一月十二日批准。於二零一零年三月三十一日，本集團已動用27,649,000港元，餘額65,951,000港元確認為承擔。

於二零一一年三月三十一日，印尼項目相關的承擔於上文「已訂約但未撥備」項下披露。

報告期末後，於二零一一年六月，董事估計印尼項目第一期的投資成本將增至約200,000,000港元。

於報告期末，本公司並無任何重大承擔(二零一零年：無)。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

32. Related Party Transactions

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

Subcontracting fees payable to related companies (note)

應支付關連公司之
承包費(附註)

2011

2010

二零一一年

二零一零年

HK\$'000

HK\$'000

千港元

千港元

6,291

20,357

Note:

The subcontracting fees paid to Pro Kingtex Vietnam Co. Limited and 中山寶吉製衣有限公司, both of which are the subsidiaries of Yue Yuen Industrial (Holdings) Limited (Stock code: 00551), were made according to the terms similar to those offered by the Group's non-related subcontractors.

The related party transactions constitute continuing connected transactions during the year as defined in Chapter 14A of the Listing Rules.

The directors are of the opinion that the above transactions were conducted in the ordinary course of business of the Group.

- (b) The directors are the key management personnel of the Group. Details of their remuneration are disclosed in note 7 to the financial statements.

32. 關連人士交易

- (a) 除本財務報表其他部分所詳列之交易外，本集團於年內與關連人士進行重大交易如下：

2011

2010

二零一一年

二零一零年

HK\$'000

HK\$'000

千港元

千港元

6,291

20,357

附註：

承包費乃支付予Pro Kingtex Vietnam Co. Limited及中山寶吉製衣有限公司(兩家均為裕元工業(集團)有限公司(股份代號：00551)之附屬公司)，並按照本集團非關連承包商所提供之類似條款進行。

年內，關連人士交易構成上市規則第14A章界定之持續關連交易。

董事認為，上述交易乃於本集團之一般日常業務過程中進行。

- (b) 各董事為本集團之主要管理人員。彼等薪酬之詳情於財務報表附註7披露。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

33. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash and short term deposits. The Group has various other financial assets and liabilities such as accounts and bills receivables and accounts and bills payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, liquidity risk and credit risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group has no interest-bearing borrowings, and believes its exposure to interest rate risk is minimal.

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from a substantial portion of sales or purchases by operating units in US\$ and RMB. The Group is exposed to foreign exchange risk arising from the exposure of US\$ and RMB. As the foreign currency risks generated from the sales and purchases can be set off with each other, the Group believes its exposure to exchange rate risk is minimal. It is the policy of the Group to continue maintaining the balance of its sales and purchases in the same currency. However, as the Group's financial statements are reported in Hong Kong dollars, there will be a translation credit to exchange revaluation reserve as a result of the RMB appreciation. The majority of the Group's operating assets are located in Mainland China and denominated in RMB.

The Group currently does not have a foreign currency hedging policy. However, management monitors the foreign exchange exposures and will consider hedging the significant foreign currency exposures should the need arise.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB exchange rate, with all other variables held constant, of the Group's net profit (due to changes in the fair value of monetary assets and liabilities).

33. 財務風險管理之目標及政策

本集團的主要金融工具包括現金及短期存款。本集團擁有應收賬款及票據、應付賬款及票據等各種其他金融資產及負債，乃於其營運時直接產生。

本集團金融工具之主要風險乃來自利率風險、外匯風險、流動資金風險及信貸風險。董事會審閱並協定管理各項有關風險之政策，並於下文概述。

利率風險

本集團並無計息借款，並相信所面對之利率風險屬輕微。

外匯風險

本集團承受交易貨幣風險。有關風險主要由業務單位以美元及人民幣進行買賣產生。本集團所承受的為美元及人民幣的外匯風險。由於買賣產生之外匯風險可以互相抵銷，本集團相信其面對之外匯風險輕微。本集團將繼續維持以相同貨幣進行買賣之平衡政策。然而，由於本集團之財務報表乃以港元呈報，人民幣升值將會產生計入匯率重估儲備的匯兌收益。本集團大部分營運資產均位於中國大陸，並以人民幣計值。

本集團目前並無採用任何外匯對沖政策。然而，管理層會監察外匯風險，並會於需要時考慮對沖重大的外匯風險。

下表列示人民幣匯率於報告期末可能出現之合理變動(其他變動維持不變)而對本集團純利之敏感度(由於貨幣資產及負債公平值變動)。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)
(二零一一年三月三十一日)

33. Financial Risk Management Objectives and Policies (continued)

33. 財務風險管理之目標及政策(續)

		Increase/ (decrease) in exchange rate 匯率上升/ (下降)	Increase/ (decrease) in net profit 純利增加/ (減少) HK\$'000 千港元
2011	二零一一年		
If HK\$ weakens against RMB	倘港元兌人民幣貶值	5%	237
If HK\$ strengthens against RMB	倘港元兌人民幣升值	(5%)	(237)
2010	二零一零年		
If HK\$ weakens against RMB	倘港元兌人民幣貶值	5%	80
If HK\$ strengthens against RMB	倘港元兌人民幣升值	(5%)	(80)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g. accounts and bills receivables) and the projected cash flows from operations.

The Group maintains a balance between continuity of funding and flexibility through maintaining sufficient cash and available banking facilities. The directors have reviewed the Group's working capital and capital expenditure requirements and determined that the Group has no significant liquidity risk. The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was less than one year.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

Since the Group trades only with recognised and creditworthy third parties, there is generally no requirement for collateral.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

流動資金風險

本集團使用經常性流動資金規劃工具監察資金短缺之風險。該項工具會考慮財務工具及財務資產(如應收賬款及票據)之到期情況,以及營運帶來之現金流量預測。

本集團透過維持足夠現金及銀行備用信貸,維持資金持續供應及靈活性之間的平衡。董事已檢討本集團的營運資金及資本支出需求,並認為本集團並無重大的流動資金風險。本集團財務負債於報告期末按合約非貼現付款作出之到期情況少於一年。

信貸風險

本集團僅與獲確認及信譽良好的第三方進行交易。本集團會對以賒賬方式交易的客戶進行信貸審查。此外,應收款項結餘亦會作定期監察。

由於本集團僅與獲確認及信譽良好的第三方進行交易,因此一般情況下無需要取得抵押品。

本集團其他財務資產(包括現金及現金等價物及其他應收款項)之信貸風險乃源自對方未能付款,所承受之最大風險相當於該等工具之賬面值。

Notes to Financial Statements (continued)

財務報表附註(續)

(31 March 2011)

(二零一一年三月三十一日)

33. Financial Risk Management Objectives and Policies (continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2011 and 2010.

The Group monitors capital using a current ratio, which is total current assets divided by total current liabilities. The Group's policy is to keep the current ratio above 1.

34. Comparative Amounts

As further explained in note 2.2 to the financial statements, due to the adoption of new and revised HKFRSs during the current year, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain prior year adjustments have been made, certain comparative amounts have been reclassified and restated to conform with the current year's presentation and accounting treatment, and a third statement of financial position as at 1 April 2009 has been presented.

35. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors of the Company on 23 June 2011.

33. 財務風險管理之目標及政策(續)

資本管理

本集團管理資本之主要目標為保障本集團繼續以持續基準經營之能力，以及將資本比率維持於健康水平，以為其業務提供支持。

本集團因應經濟狀況變動管理其資本架構及作出調整。為維持或調整資本架構，本集團可能須調整支付予股東之股息、向股東發還資本或發行新股。於截至二零一一年及二零一零年三月三十一日止年度內，有關管理資本之目標、政策或程序並無變動。

本集團以流動比率(以總流動資產除以總流動負債計算)監察其資本。本集團之政策為將流動比率維持於1以上之水平。

34. 比較金額

據財務報表附註2.2進一步說明，由於本年度採納新訂及經修訂香港財務報告準則，為遵守新規定，若干項目的會計處理及呈列以及財務報表結餘均作出修訂。因此，為符合本年度的呈列及會計處理，過往年度已作出若干調整，若干比較款項重新分類及重列，二零零九年四月一日的財務狀況第三報表亦已呈列。

35. 財務報表之批准

財務報表已於二零一一年六月二十三日獲本公司董事會批准並授權刊行。

Eagle Nice (International) Holdings Limited

鷹美(國際)控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Units 0902-0903 & 0905-0906

9th Floor, Tower B

Regent Centre

70 Ta Chuen Ping Street

Kwai Chung

New Territories

Hong Kong

香港

新界

葵涌

打磚坪街70號

麗晶中心

B座9樓

0902-0903室及0905-0906室