EAGLE NICE (INTERNATIONAL) HOLDINGS LIMITED
鷹美（國際）控股有限公司*

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 02368)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2012

FINANCIAL HIGHLIGHTS

- Revenue in 2012 increased by 24.1% to HK$1,446.0 million compared with HK$1,164.8 million in 2011.
- Gross profit margin in 2012 decreased from 23.7% to 20.5% and net profit margin decreased from 11.3% to 8.3% when compared with last year.
- Profit for the year attributable to owners of the Company was HK$120.3 million, representing 8.4% decrease compared to HK$131.3 million in previous year.
- The Board proposes to declare a final dividend of HK7 cents per share for the year ended 31 March 2012 so that total dividend per share for the whole year is HK14 cents (2011: HK15 cents).

* *For identification purposes only*

The board of directors (the "Board") of Eagle Nice (International) Holdings Limited (the "Company") is pleased to announce the consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 March 2012 together with the comparative figures for the corresponding year in 2011 and the relevant explanatory notes as set out below.

CONSOLIDATED INCOME STATEMENT

Year ended 31 March 2012

	Notes	**2012** **HK$'000**	2011 HK$'000
REVENUE	*3*	**1,445,968**	1,164,762
Cost of sales		**(1,148,891)**	(889,006)
Gross profit		**297,077**	275,756
Other income and gains	*4*	**8,853**	21,390
Selling and distribution costs		**(17,514)**	(15,980)
Administrative expenses		**(131,370)**	(122,201)
Finance costs	*5*	**(4,570)**	-
PROFIT BEFORE TAX	*6*	**152,476**	158,965
Income tax expense	*7*	**(32,148)**	(27,633)
PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		**120,328**	131,332
		HK cents	*HK cents*
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	*8*		
Basic		**24.1**	26.3
Diluted		**24.1**	26.3

Details of dividends are disclosed in note 9.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2012

	2012 HK$'000	2011 HK$'000
PROFIT FOR THE YEAR	**120,328**	131,332
OTHER COMPREHENSIVE INCOME/(EXPENSE)		
Revaluation surplus on leasehold land and buildings	**19,820**	9,224
Income tax effect	**(4,368)**	(3,048)
	15,452	6,176
Exchange differences on translation of foreign operations	**32,741**	24,314
Realisation of exchange fluctuation reserve upon deregistration of subsidiaries	**-**	(11,739)
	32,741	12,575
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**48,193**	18,751
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	**168,521**	150,083

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2012

	Notes	2012 HK$'000	2011 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**828,418**	577,372
Prepaid land lease payments		**78,470**	77,108
Deposits		**10,679**	12,884
Goodwill		**26,112**	26,112
Total non-current assets		**943,679**	693,476
CURRENT ASSETS			
Inventories		**244,961**	192,249
Accounts and bills receivables	*10*	**141,955**	81,354
Prepayments, deposits and other receivables		**34,131**	16,162
Cash and cash equivalents		**371,986**	183,037
Total current assets		**793,033**	472,802
CURRENT LIABILITIES			
Accounts and bills payables	*11*	**103,364**	73,828
Accrued liabilities and other payables		**80,845**	94,164
Interest-bearing bank borrowings		**418,896**	-
Tax payable		**29,626**	17,772
Total current liabilities		**632,731**	185,764
NET CURRENT ASSETS		**160,302**	287,038
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,103,981**	980,514
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**35,119**	30,205
Net assets		**1,068,862**	950,309
EQUITY			
Equity attributable to owners of the Company			
Issued capital		**4,997**	4,997
Reserves		**1,063,865**	945,312
Total equity		**1,068,862**	950,309

NOTES

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, 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 leasehold land and 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.

2. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(I) NEW AND REVISED STANDARDS ADOPTED BY THE GROUP

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

HKFRS 1 Amendment	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters*
HKAS 24 (Revised)	*Related Party Disclosures*
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement*
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments*
Improvements to HKFRSs 2010	Amendments to a number of HKFRSs issued in May 2010

The adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

(II) 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 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adpoters*
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
HKFRS 9	*Financial Instruments*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 13	*Fair Value Measurement*
HKAS 1 Amendments	Amendments to HKAS 1 – *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets*
HKAS 19 (2011)	*Employee Benefits*
HKAS 27 (2011)	*Separate Financial Statements*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements Project	Annual Improvements to HKFRSs 2009-2011 Cycle

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application and is not yet in a position to state whether they would have a significant impact on the Group's results of operations and financial position.

3. 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 income and other unallocated income, and unallocated expenses are excluded from such measurement.

An analysis of the Group’s revenue and results by reportable segment is as follows:

	Segment revenue		**Segment results**	
	2012	2011	**2012**	2011
	HK$’000	HK$’000	**HK$’000**	HK$’000
Mainland China	**468,696**	391,304	**62,576**	59,114
Europe	**437,192**	312,857	**71,674**	70,473
USA	**189,431**	167,195	**31,673**	29,216
Japan	**88,685**	94,133	**14,782**	16,288
Others	**261,964**	199,273	**46,469**	36,668
	1,445,968	1,164,762	**227,174**	211,759
Interest and other unallocated income			**8,853**	21,390
Unallocated expenses			**(83,551)**	(74,184)
Profit before tax			**152,476**	158,965
Income tax expense			**(32,148)**	(27,633)
Profit for the year attributable to owners of the Company			**120,328**	131,332

Geographical information – non-current assets

	2012	2011
	HK$’000	HK$’000
Hong Kong	**38,319**	40,371
Mainland China	**773,733**	582,738
Indonesia	**131,627**	70,367
	943,679	693,476

Information about major customers

Revenue of approximately HK$910,248,000 (2011: HK$559,874,000) and HK$245,002,000 (2011: HK$203,329,000) 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. OTHER INCOME AND GAINS

	2012 HK$'000	2011 HK$'000
Other income		
Bank interest income	**3,933**	1,243
Others	**853**	905
	4,786	2,148
Gains		
Gain on deregistration of subsidiaries	**-**	18,663
Gain on disposal of items of property, plant and equipment	**181**	78
Reversal of a revaluation deficit on leasehold land and buildings	**3,886**	501
	4,067	19,242
	8,853	21,390

5. FINANCE COSTS

	2012 HK$'000	2011 HK$'000
Interest on bank loans wholly repayable within five years	**4,570**	-

6. PROFIT BEFORE TAX

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

	2012 HK$'000	2011 HK$'000
Cost of inventories sold	**1,148,891**	889,006
Depreciation*	**41,800**	37,271
Amortisation of prepaid land lease payments*	**2,267**	2,042
Employee benefits expenses (including directors' remuneration):		
Wages and salaries	**299,793**	231,366
Pension scheme contributions (defined contribution schemes)	**26,525**	16,217
Less: Forfeited contributions	**(174)**	(105)
Net pension scheme contributions	**26,351**	16,112
Total employee benefits expenses*	**326,144**	247,478
Minimum lease payments under operating leases in respect of land and buildings*	**2,797**	2,959
Foreign exchange differences, net	**3,766**	5,027
Revaluation deficit on leasehold land and buildings**	**-**	3,900
Write-off of items of property, plant and equipment	**2**	-

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

	2012	2011
	HK$'000	HK$'000
Depreciation	**28,261**	24,709
Amortisation of prepaid land lease payments	**1,812**	1,608
Employee benefits expenses	**253,594**	186,325
Minimum lease payments under operating leases in respect of land and buildings	**2,790**	2,911

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

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 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.

	2012	2011
	HK$'000	HK$'000
Current tax charge for the year:		
Hong Kong	**21,888**	17,711
Elsewhere	**10,590**	7,926
Over provision of current tax in respect of prior years	**(23)**	(3,596)
Deferred	**(307)**	5,592
Total tax charge for the year	**32,148**	27,633

8. 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$120,328,000 (2011: HK$131,332,000), and 499,680,000 (2011: 499,680,000) ordinary shares in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 March 2012 and 2011 as the Group had no potentially dilutive ordinary shares in issue during those years.

9. DIVIDENDS

	2012	2011
	HK$'000	HK$'000
Dividends paid during the year		
Final in respect of the financial year ended 31 March 2011 – HK3 cents per ordinary share (2011: final dividend of HK7 cents per ordinary share, in respect of the financial year ended 31 March 2010)	**14,990**	34,978
Interim – HK7 cents (2011: HK12 cents) per ordinary share	**34,978**	59,962
	49,968	94,940
Proposed final dividends – HK7 cents (2011: HK3 cents) per ordinary share	**34,978**	14,990

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.

10. 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 receivable 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:

	2012	2011
	HK$'000	HK$'000
Within 30 days	**117,122**	67,091
31 to 60 days	**22,766**	12,877
61 to 90 days	**4**	659
Over 90 days	**2,063**	727
	141,955	81,354

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.

11. 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:

	2012	2011
	HK$'000	HK$'000
Within 90 days	**99,548**	70,921
91 to 180 days	**556**	1,054
181 to 365 days	**749**	73
Over 365 days	**2,511**	1,780
	103,364	73,828

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

MANAGEMENT DISCUSSION AND ANALYSIS

Review of financial results

With the support of the Group's longstanding customers and the ongoing improvements in the production technology and product quality enhanced by the Group's R&D centre, the Group was able to attract steadily increasing sales orders and raise the average selling price. As a result, turnover during the year increased by 24.1% to HK$1,446.0 million from HK$1,164.8 million during the last year.

However, the challenging business environment which negatively affected the performance of the Group during the year offset the positive impact from the increase in average selling price. Fluctuating raw material costs, appreciation in RMB, rising labour costs and continuous inflation greatly increased the Group's production costs. Moreover, 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") during the year, additional costs relating to recruitment and training of labour, and production overheads also attributed to the drop in gross profit margin. Consequently, despite a rise in gross profit of HK$21.3 million from HK$275.8 million to HK$297.1 million, gross profit margin dropped by 3.2% from 23.7% to 20.5% during the year.

The Group's selling and distribution costs increased by HK$1.5 million (or 9.6%), which is mainly attributable to the rise in transportation costs in tandem with the increase in sales. Inflationary adjustments to staff remuneration and benefits, and employment of additional management personnel for the Jiangxi Project and the Indonesia Project during the year mainly accounted for the rise in general and administrative expenses of HK$9.2 million (or 7.5%). Finance costs of HK$4.6 million (2011: Nil) were incurred during the year to finance the Jiangxi Project and the Indonesia Project.

In respect of taxation, profit before tax declined by HK$6.5 million (or 4.1%) while the Group's overall tax expenses increased by HK$4.5 million (or 16.3%). This is attributable to a higher tax rate applicable to the subsidiaries of the Group in the PRC during the year following the PRC tax reform effective from 2008. As a result, effective tax rate rose by 1.5% from 19.6% (excluding the effect of write-back of tax charges due to deregistration of a subsidiary) to 21.1% during the year.

Profit attributable to owners of the Company was HK$120.3 million for the year ended 31 March 2012, representing a decrease of 8.4% compared to HK$131.3 million for the last year. The net profit margin decreased by 3.0% from 11.3% to 8.3% when compared with last year. Basic earnings per share amounted to HK24.1 cents for the year compared to HK26.3 cents for the last year. The Board recommended a final dividend of HK7 cents per share compared to HK3 cents for last year, which would result in the dividend payout ratio for the whole year of 58% (2011: 57%).

Industry review and challenges

During the year under review, global economic growth was generally tilted towards a slowdown owing to the slackened pace of US economic recovery, the debt crisis of the Eurozone, and the ongoing tightening monetary policy of the PRC in response to unyielding inflation. While the sportswear industry sustained growth in overall sales due to the positive effect brought about by the 2012 Olympics, the industrial growth rate declined amid increasingly intense competition.

In addition to the great challenge faced by the PRC manufacturers resulting from continued appreciation of RMB, shortage of power supply and extremely volatile raw material prices, labour costs also continued to surge as labour supply in the Mainland China remained unstable during the year. With the promulgation of the "Summary of Development of the Human Resources and Social Security Sectors for the 12th Five Year Period" published by the PRC Ministry of Human Resources and Social Security in 2011 which called for an average annual growth of 13% in the national minimum wage level for the coming 5 years, the management expects that operating costs in Mainland China will continue to rise. Furthermore, tax expenses are expected to further increase following the PRC tax reform effective from 2008 that the PRC income tax rate is unified to 25% for all enterprises so that the Group no longer enjoys preferential income tax rates as before. While "Made in China" label still provides assurance for high technological standards and short production cycles, many seasoned manufacturers in the PRC are now looking to expand their production base to regions with more stable labour supply and relatively low labour costs.

Latest developments

Official commissioning of the Jiangxi and Indonesian plants

With plans to redirect national economic growth from an export-driven to a domestic demand-driven basis, the PRC government has continued to raise the minimum wage level and provide for statutory labour benefits in the PRC, including the Guangdong Province. The policy adopted by the PRC government coupled with surging labour costs as a result of the labour shortage in coastal regions has in recent years become the greatest challenge for the PRC manufacturers. In view of the situation, the Group started the construction of additional manufacturing plants in Jiangxi Province, the PRC and Banten Province, Indonesia, where labour supply was ample and wage levels were relatively stable, in 2010. Labour recruitment and trial production runs at these two locations started during the year, followed by official commissioning in the second quarter of 2012. By increasing the Group's production capacity, the new plants have not only alleviated the problem of labour shortage in the Guangdong Province, but have also strengthened the Group's production capabilities.

With the operation of production bases across different regions, the management expects the Group to exercise more effective control over its production cost and foster sustainable core competitive strengths in future, which would create benefits and add value for shareholders. We strive to maintain our dividend payout ratio, with a view to reaching balance between the Group's development and reward for shareholders.

Globalisation of sales

Europe and the US have remained the major markets for the global apparel industry despite their slackened economic growth in recent years, while the PRC have mainly represented the emerging markets. Therefore, it has been the Group's market strategy in recent years to actively explore the European and US markets while continuing to develop the PRC domestic market. During the year, the PRC, Europe, and the US, which are the top 3 geographical market segments of the Group, accounted for 32.4%, 30.2% and 13.1% respectively of the Group's total sales. The management has implemented market diversification strategy, with a view to countering market risks and mitigating the impact of inconsistent economic growth among different nations. For example, Japan, once the largest export destination of the Group during its early post-IPO years, accounting for over 30% of the Group's total sales, is now only the 4th largest market of the Group and has fallen behind since recent years. The 311 earthquake in 2011 has dealt a serious blow to Japan's economy and retail market, and also affected the Group's sales to Japan. However, since our sales to Japan as a percentage of our total sales have been reduced to around 10% in recent years, the weakening of the Japanese market has only minimal impact on the Group's overall results.

Research & development and innovation

Confronted with rising production costs and increasing competition, manufacturers are compelled to transform their quantity-driven model of operations to a quality-driven one. The key to success for the industry lies in the ability to target the high-end market segment, keep abreast of fashion trends and operate low-carbon production. In order to outperform other competitors, enterprises must study and familiarise themselves with patterns of consumer behavior and respond to market changes with innovative thinking and strategies. At the R&D centre of the Group, ongoing advances have been made in the innovation of product design and research & development. By enhancing and highlighting the functions and quality of our products, the Group was able to develop and optimize the production process of products that could better meet the needs of consumers. In a bid to fulfill the requirements of the customers and the market, we strived to increase our production efficiency, shorten our production cycle, improve product quality and reduce wasteful consumption.

Our focus on people

Human resources is the most treasured asset of the Group and the constant driving force behind the Group's continuous progress. While business competition in modern days takes on the shape of a battle in technology and product, it is the superiority in human resources that determines the final outcome. Therefore, the enhancement in quality applies not only to products but also to the staff which will assure the success of an enterprise in a highly competitive environment. In adherence to the principle of linking individual remuneration to his/her position, performance and ability and with a view to maintaining the competitiveness of remuneration for key staff, the Group has established competitive remuneration and incentive schemes. The Group also makes available to employees opportunities for new positions and promotion, so as to align the staff career development with the Group's business growth.

The Group is committed to fostering unity in order to achieve greater efficiency in its operations. While we appreciate the importance of staff training, we also put a lot of emphasis on communications across different plant locations, departments and staff grades. By sending employees to attend training at different plants, arranging staff transfers and organising visits, a greater sense of unity and solidarity is built up and communications among staff from different regions have been enhanced. During the year under review, we had started planning for the publication of Eagle Nice News, an internal communication publication that would provide our staff with a better understanding of the Group's latest developments to enable our staff to drive forward to achieve corporate goals in concerted efforts.

Social responsibility

The Group seeks to requite the community by undertaking social responsibility in various aspects. The Group has endeavoured to improve its neighbouring environment by promoting and encouraging sustainable development of its supply chain. Product-wise, we actively cooperate with our major fabric suppliers to conduct researches on the use of eco-friendly materials, such as recyclable and bio-degradable materials, in the manufacture of sportswear. In operation, we run our production processes in strict compliance with relevant standards stipulated by the PRC Ministry of Environmental Protection and all pollutants are properly handled. In terms of administration, the Group rigidly demands its employees to implement energy saving measures, such as use of recycled paper and compliance with rules for use of air-conditioners, etc.

Staff involvement in activities to aid the poor is strongly encouraged by the Group. Every year, visits to impoverished families to distribute daily necessity items before Chinese New Year are arranged for employees' voluntary participation. The Group also finances repairs of roads and sewages of nearby villages. The Group fulfills its corporate social responsibility by engaging in solid actions, embracing the community with a heartwarming and compassionate spirit and fostering long-term benefits for its employees, community and environment.

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 2012, the Group had cash and cash equivalents amounted to HK$372.0 million (31 March 2011: HK$183.0 million) mainly denominated in Hong Kong dollars, Renminbi ("RMB"), US dollars and Indonesian Rupiah.

As at 31 March 2012, the Group had aggregate banking facilities of HK$706.0 million (31 March 2011: HK$396.0 million), out of which HK$356.0 million (31 March 2011: HK$46.0 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$427.6 million were utilised by the Group as at 31 March 2012 (31 March 2011: HK$2.4 million). As at 31 March 2012, the Group's total banking borrowings was HK$418.9 million (31 March 2011: Nil). As at 31 March 2012, based on the scheduled repayments set out in the relevant loan agreements with banks, the maturity profile of the Group's bank borrowings spread over four years with HK$145.3 million repayable within one year, HK$31.2 million in the second year, HK$242.4 million in the third to fourth year.

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.

Gearing ratio of the Group is defined as the net debt (represented by bank borrowings net of cash and cash equivalents) divided by shareholders' equity. As at 31 March 2012, the Group's gearing ratios is 4.4% (31 March 2011: Nil).

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 2012, there was no significant investment held by the Group (31 March 2011: Nil).

Material Acquisitions and Disposals

There was no material acquisition or disposal of subsidiaries and associated companies during the year ended 31 March 2012. During the year ended 31 March 2011, there was no material acquisition or disposal of subsidiaries and associated companies except deregistration of two subsidiaries.

Contingent Liabilities

As at 31 March 2012, the Group did not have any significant contingent liabilities (31 March 2011: Nil).

Employees and Remuneration Policies

As at 31 March 2012, the Group employed a total of approximately 10,000 employees including directors (31 March 2011: approximately 9,000). Total employee benefits expenses including directors' emoluments were HK$326.1 million for the year under review (year ended 31 March 2011: HK$247.5 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.

PURCHASE, SALE OR REDEMPTION 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.

FINAL DIVIDEND

The Board has resolved to recommend a final dividend of HK7 cents per share (2011: HK3 cents) payable on Monday, 17 September 2012 to persons who are registered shareholders of the Company on Monday, 3 September 2012 subject to the approval of shareholders at the forthcoming annual general meeting. Together with the interim dividend of HK7 cents per share (2011: HK12 cents), the total dividend for the financial year is HK14 cents per share (2011: HK15 cents).

CLOSURE OF REGISTER OF MEMBERS

The Annual General Meeting of the Company (the "Annual General Meeting") will held on Monday, 27 August 2012. For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 21 August 2012 to Monday, 27 August 2012, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 20 August 2012.

The proposed final dividend is subject to the passing of an ordinary resolution by the shareholders at the Annual General Meeting. The record date for entitlement to the proposed final dividend is Monday, 3 September 2012. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Friday, 31 August 2012 to Monday, 3 September 2012, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrars in Hong Kong, Tricor Tengis Limited, for registration not later than 4:30 p.m. on Thursday, 30 August 2012. The payment of final dividend is expected to be made on Monday, 17 September 2012.

CODE ON CORPORATE GOVERNANCE PRACTICES

During the year ended 31 March 2012, the Company had complied with the code provisions of the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), 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. During the year up to 20 March 2012, all the independent non-executive directors of the Company were not appointed for a specific term but were 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 considered that sufficient measures had been taken to ensure that the Company's corporate governance practices were no less exacting than those set out in the CG Code. With effect from 21 March 2012, all the independent non-executive directors of the Company are appointed for a specific term and A.4.1 of the CG Code has been accordingly been complied with.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of the Company's directors, the directors confirmed that they had complied with the required standard set out in the Model Code during the year.

AUDIT COMMITTEE

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 March 2012, including the accounting principles adopted by the Group.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the websites of Hong Kong Exchanges and Clearing Limited (http://www.hkex.com.hk) and the Company (http://www.eaglenice.com.hk). The annual report for the year ended 31 March 2012 will be despatched to the shareholders and will be available on the aforesaid websites in due course.

By order of the Board
Chen Hsiao Ying
Executive Director and Chief Executive Officer

Hong Kong, 28 June 2012

As at the date of this announcement, the Board comprises four executive directors, namely, Mr. Chung Yuk Sing (Chairman), Mr. Chen Hsiao Ying (Chief Executive Officer), Mr. Kuo Tai Yu and Ms. Chen Fang Mei, Christina and three independent non-executive directors, namely, Mr. Chan Cheuk Ho, Mr. Li Chi Chung and Mr. Cheng Yung Hui, Tony.