



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)

ANNUAL REPORT 年報

2020

* For identification purposes only
僅供識別



CORPORATE VISION

**BE THE OPTIMAL
MANUFACTURING
PARTNER FOR
LEADING
SPORTSWEAR
BRANDS
WORLDWIDE**



EAGLE NICE RESEARCH AND DEVELOPMENT CENTRE (HK)

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Chung Yuk Sing (*Chairman and Chief Executive Officer*)
 Chen Hsiao Ying (*Vice Chairman*)
 Huang Yongbiao (*appointed with effect from 1 May 2019*)
 Chen Fang Mei, Christina
 Hu Dien Chien (*appointed with effect from 1 May 2019*)
 Shih Chih-Hung (*appointed with effect from 1 April 2020*)
 Lee Cheng Chuan (*resigned with effect from 1 April 2020*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Chan Cheuk Ho
 Lu Chi Chant
 Tham Kit Wan

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 ADVISER

Vincent T.K. Cheung, Yap & Co.
 23rd Floor, Office Tower
 Convention Plaza
 1 Harbour Road
 Wanchai
 Hong Kong

AUDITOR

Ernst & Young
 Certified Public Accountants
 22nd Floor, CITIC Tower
 1 Tim Mei Avenue
 Central, Hong Kong

AUDIT COMMITTEE MEMBERS

Chan Cheuk Ho (*Chairman*)
 Lu Chi Chant
 Tham Kit Wan

REMUNERATION COMMITTEE MEMBERS

Chan Cheuk Ho (*Chairman*)
 Chung Yuk Sing
 Lu Chi Chant

NOMINATION COMMITTEE MEMBERS

Chung Yuk Sing (*Chairman*)
 Chan Cheuk Ho
 Lu Chi Chant

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
 Taipei Fubon Commercial Bank Co., Ltd. Hong Kong Branch
 Bank of China, Guangdong Branch

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
 P.O. Box 1093, Boundary Hall
 Cricket Square, Grand Cayman KY1-1102
 Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

WEBSITE

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

STOCK CODE

02368

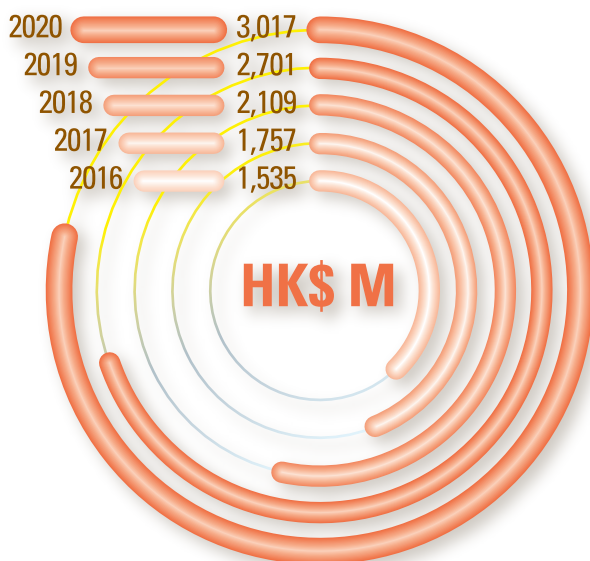


FINANCIAL HIGHLIGHTS

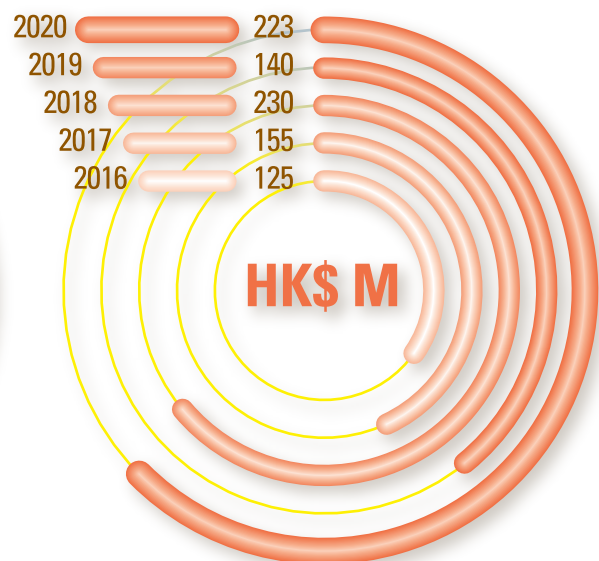
Results	2020	2019
	HK\$ Million	HK\$ Million
Revenue	3,017	2,701
Profit before depreciation, amortisation, interest and tax	417	273
Profit for the year attributable to owners of the Company	223	140
Basic earnings per share	HK42.0 cents	HK27.7 cents
Dividend per share		
— Interim	HK20 cents	HK14 cents
— Final	HK9 cents	HK6 cents

Financial Position	2020	2019
	HK\$ Million	HK\$ Million
Total assets	2,374	2,434
Interest-bearing bank borrowings	531	572
Shareholders' equity	1,300	1,304
Net assets per share attributable to owners of the Company	HK\$2.44	HK\$2.45

REVENUE
HK\$ MILLION



PROFIT ATTRIBUTABLE TO OWNERS
HK\$ MILLION





CHAIRMAN'S STATEMENT

For The Financial Year Ended
31 March 2020

On behalf of the board of directors (the "Board") of Eagle Nice (International) Holdings Limited (the "Company"), I am pleased to present to the shareholders of the Company (the "Shareholders") the annual results of the Company and its subsidiaries (collectively the "Group") for the financial year ended 31 March 2020.

Following the slowdown in global economic growth in 2019, the pace of global economic development was further slackened owing to the lockdown measures adopted by the nations in varying degrees to control the spread of COVID-19, after the virus had turned into a global pandemic since its outbreak in early 2020.

Over the past year, the management focused its effort on the systematisation of the Group's processes and mechanisation of its production operations, with a special emphasis on increasing the production efficiency of the recently acquired production bases in Vietnam and Hubei, the PRC. The Group also sought to further increase the proportion of its sales in Mainland China, as the Group adopted the policy of supplying domestically manufactured products to domestic markets to reduce cost while shortening production turnover periods, in an effort to achieve the Group's targets in profit growth in a highly competitive sportswear market.



In early 2020, the Chinese government implemented lockdown measures in a number of regions to contain the COVID-19 epidemic. As the Group's largest production base is in China, the Group's production bases in Shantou, Huilai, Jiangxi and Hubei were all duly affected. The resumption of production at the Group's plants was rescheduled to later dates in accordance with the national policy of stringent prevention and control, as a result, the Chinese New Year holidays for the Group's production bases in the PRC had been extended for half a month until mid-February to cope with the epidemic. Regarding the production bases in Hubei which is located in a key region subject to preventive and control measures, production was not resumed until mid-March after the epidemic situation had stabilised in China in order to lower the risk of staff infection. After resuming

production, the Group has implemented the following measures to enhance staff awareness of virus prevention and ensure staff health and workplace safety: (i) all staff of all plants of the Group were required to have their temperature taken each day and only those having a normal temperature would be allowed to enter into the plant areas; (ii) disinfection was carried out several times a day at the plants; and (iii) announcements were made at regular intervals as reminders for staff on personal hygiene and virus prevention matters. As at the date of this report, the Group has reported no cases of COVID-19 infection among its employees.



As a swift response to the epidemic, the Group's management has coordinated actions and reallocated orders among its production bases to facilitate the continuity of its production operations and the orderliness of sales to assure timely deliveries and product quality. The management's ability to deal with contingencies and to work in a cooperative effort to tackle any challenges is shown by the prompt action and measures adopted by the Group to address the unexpected events brought about by the epidemic.

OUTLOOK

Looking ahead, the retail and manufacturing sectors will be expecting even more challenging times. The Group will closely monitor the general market conditions and industry developments in China and elsewhere by responding and adapting to market conditions with an anticipatory approach. The Group will also seek further improvements in management and process optimisation in operations to ensure better efficiency and increase its risk control efforts, while working in close tandem with customers' requirements to procure stable development.



Face mask innovation project
Hong Kong - March 2020



Eagle Nice Research and Development Laboratory (HK)

APPRECIATION

On behalf of the Group, I would like to express heartfelt gratitude to my fellow members of the Board and the management for their hard work and dedication during the year, and to the Shareholders, suppliers, business partners and customers for their support. We are maintaining a high dividend payout ratio, as we stand by our promise to reward the Shareholders whilst focusing on business development. Meanwhile, sincere appreciation is also

due to all members of our staff for their diligent efforts during the past year.

Chung Yuk Sing

Chairman

Hong Kong, 30 June 2020



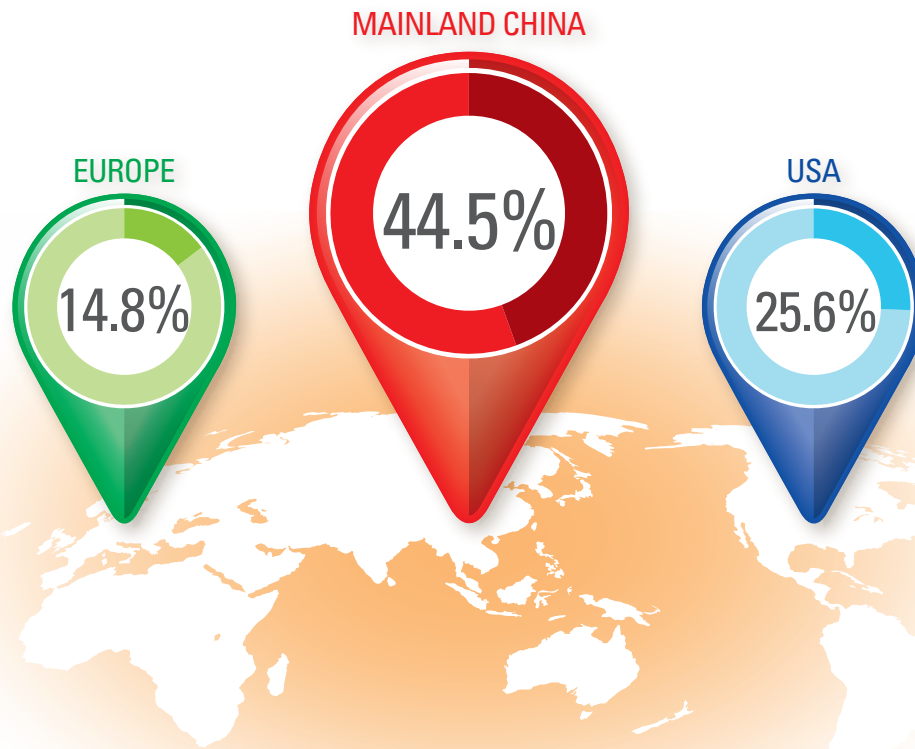
Employee blood-donation day in Eagle Nice Vietnam - January 2020





MANAGEMENT DISCUSSION AND ANALYSIS

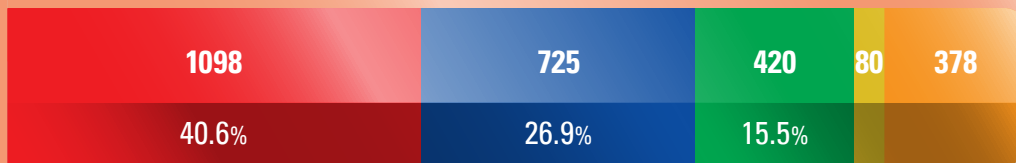
GEOGRAPHICAL REVENUE DISTRIBUTION



2019

HK\$ MILLION:

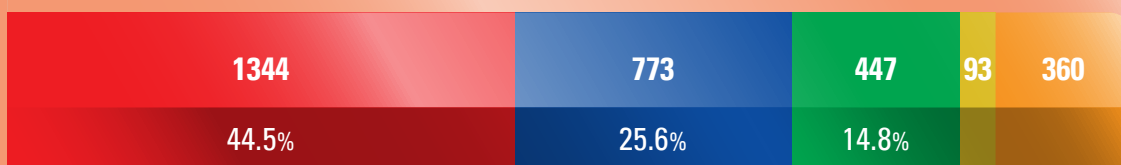
2701



2020

HK\$ MILLION:

3017



◆ MAINLAND CHINA ◆ USA ◆ EUROPE ◆ JAPAN ◆ OTHERS



FINANCIAL REVIEW

Financial Performance

During the year, the global economy experienced a difficult period with the ongoing China-U.S. trade war and the outbreak of COVID-19. The former has significantly affected manufacturers operating production bases in Mainland China; the latter has dealt a severe blow to the global economy with some serious impact on retail spending which has accelerated the consolidation of the sportswear manufacturing industry. In anticipation of fierce competition in the industry, the Group has planned ahead through acquisition of production facilities in order to expand its production scale and increase its productivity, while diversifying political and economic risks by branching out its production bases to different regions in Mainland China and different countries. The acquisition of production bases has also enabled the Group to secure new customers, hence broadening its customer base and further enhancing its ability to counter adverse conditions.

The Group's business has inevitably been hit as a result of the China-U.S. trade war and the COVID-19 pandemic. Nevertheless, despite the austere market conditions, the Group was able to report record-high sales and profit for the year attributable to the firm foundation laid by the management for the Group's business and production bases.

The Group's productivity has been significantly enhanced since the completion of the acquisition of the Vietnamese production facilities and the Hubei plant. During the year, the additional productivity generated sales of HK\$923.8 million contributing to a record-breaking sales of the Group of HK\$3,017.1 million and representing an increase by HK\$316.3 million or 11.7% as compared with the total sales of HK\$2,700.8 million for the previous year. The Group's production bases are located in Mainland China (Guangdong, Jiangxi and Hubei Provinces), Indonesia and Vietnam, each bringing unique advantages in terms of geographic location, government policy and production technology. As the China-U.S. trade war waged on, the Group was able to reduce the impact of punitive U.S. tariff on goods made in Mainland China by capitalising on its overseas production bases. The Group reallocated its manufacturing orders with flexibility according to the respective strengths of the various production bases, which reported higher production efficiency and lower production costs as each played to its own strength in synergy. As a result, the Group's gross profit for the year increased by 28.7% to HK\$537.9 million (2019: HK\$417.8 million). Gross profit margin improved 2.3% from 15.5% to 17.8%. The Group's profit before taxation increased by 61.6% to HK\$295.1 million (2019: HK\$182.7 million), while pre-tax profit margin rose by 3.0% from 6.8% to 9.8%.



Management Discussion and Analysis (continued)

The Group reported an increase in sales by HK\$316.3 million but a decrease in selling and distribution expenses by HK\$2.5 million, primarily attributable to additional domestic sales during the year, of which certain freight costs were borne by the customers, generated by its production bases in Hubei which was acquired in January 2019. Moreover, air freight costs for the year incurred to meet customers' delivery schedule as a result of the delay in the supply of materials by the Group's suppliers were lower compared to the previous year. Administrative expenses increased by HK\$48.9 million or 24.8%, reflecting mainly additional expenses relating to the Vietnam production facilities and the Hubei plant acquired during the previous year, coupled with the increase in staff salaries on annual reviews and the recruitment of additional staff to cope with business growth. In respect of finance cost, interest expenses for the year increased significantly by HK\$6.0 million or 49.6% as compared to the previous year in line with the drawdown of additional interest-bearing bank borrowings during the year so that the average utilized amount of interest-bearing bank borrowings during the year was higher than that during the year ended 31 March 2019. Such additional interest-bearing bank borrowings were utilized during the year to meet the Group's increasing capital requirements necessitated by its production capacity and business expansion through acquisitions since the previous year, as well as the need to commit resources to factory renovation and purchase of additional machineries at the newly acquired production facilities and plant during the initial post-acquisition stage to enhance production efficiency and comply with customers' requirements. As for taxation, the Group's overall tax expenses for the year increased by HK\$23.8 million or 53.4% in line with the increase in profit. The effective tax rate for the year decreased by 1.3% from 24.4% to 23.1%. During the year ended 31 March 2019, the newly acquired production bases in Vietnam and Hubei incurred losses for the Group. The adjusted effective tax rate excluding the aforesaid losses for previous year was 22.7%, which was similar to the effective tax rate of 23.1% for the year.

Other income and gains amounted to HK\$52.3 million (2019: HK\$7.6 million), comprising mainly government grants provided by the PRC Government in the amount of HK\$44.5 million (2019: HK\$4.0 million), of which (i) HK\$32.3 million (2019: nil) represented refund of contribution to the unemployment insurance fund from the PRC Government, and (ii) HK\$12.2 million (2019: HK\$4.0 million) represented government grants from the local authority of the PRC to enterprises engaged in local business development. In addition, other income and gains included bank interest income of HK\$1.9 million (2019: HK\$1.7 million).

Profit attributable to owners of the Company amounted to HK\$223.5 million for the year ended 31 March 2020, representing an increase of HK\$83.1 million or 59.2% compared to HK\$140.4 million for the previous year. Net profit margin attributable to owners of the Company increased by 2.2% from 5.2% to 7.4%. Excluding other income and gain of the year amounting to HK\$52.3 million (2019: HK\$7.6 million), net operating profit attributable to owners of the Company would increase by HK\$38.4 million or 28.9% to HK\$171.2 million (2019: HK\$132.8 million) and net operating profit margin attributable to owners of the Company would increase by 0.8% from 4.9% to 5.7%. Basic earnings per share attributable to owners of the Company for the year amounted to HK42.0 cents compared to HK27.7 cents for the previous year. The Board proposed to recommend payment of a final dividend of HK9 cents (2019: HK6 cents) per share. Together with the interim dividend of HK20 cents per share paid during the year, the dividend payout ratio for the year was 69.0% (2019: 72.6%).



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. As at 31 March 2020, the Group had cash and bank balances amounted to HK\$341.2 million (31 March 2019: HK\$193.8 million) mainly denominated in Hong Kong dollars, Renminbi ("RMB"), US dollars, Indonesian Rupiah and Vietnamese Dong.

As at 31 March 2020, the Group's banking facilities of HK\$873.3 million (2019: HK\$818.8 million) were supported by the corporate guarantees of HK\$741.5 million (2019: HK\$685.3 million) executed by the Company and certain subsidiaries of the Company. As at 31 March 2020, an aggregate amount of the Group's banking facilities of HK\$530.8 million (31 March 2019: HK\$572.2 million) was utilised.

The management believes that the Group's existing financial resources will be sufficient to meet its 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 bank balances) divided by the total equity. The Group's gearing ratio as at 31 March 2020 was 14.3% (31 March 2019: 28.6%).

Foreign Exchange Risk Management

The Group has transactional currency exposures as substantial portion of sales or purchases are denominated in US dollars and RMB. As such, the Group is exposed to foreign exchange risk arising from such exposure to US dollars and RMB. Although the Group has strived to maintain the balance of its sales and purchases in the same currency, as the foreign currency risks generated from the sales and purchases can only be partially set off with each other, financial instrument may be employed when necessary to manage the Group's exposure to the potential foreign exchange risk.

The Group will continue to monitor its foreign exchange exposures and use appropriate tools to manage and minimise its foreign exchange risk.

Material Acquisitions and Disposals

There was no acquisition or disposal of subsidiaries during the year ended 31 March 2020. During the year ended 31 March 2019, the Group completed the acquisition of the production bases in Vietnam and the Hubei Province, the PRC.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 31 March 2020 (31 March 2019: Nil).

Management Discussion and Analysis (continued)

Capital Commitments

The Group had the following capital commitments at the end of the year under review:

	As at 31 March 2020 HK\$'000	As at 31 March 2019 HK\$'000
Contracted, but not provided for:		
Renovation of factories and purchases of items of machinery and equipment for the production base in Hubei	154	12,208
Renovation of factories and purchases of items of machinery and equipment for the production base in Vietnam	468	4,743
Renovation of factories and purchases of items of machinery and equipment	3,864	9,352
	4,486	26,303

As at 31 March 2020, the Group's banking facilities of HK\$873.3 million (2019: HK\$818.8 million) were supported by the corporate guarantees of HK\$741.5 million (2019: HK\$685.3 million) executed by the Company and certain subsidiaries of the Company. As at 31 March 2020, an aggregate amount of the Group's banking facilities of HK\$530.8 million (31 March 2019: HK\$572.2 million) was utilised.

Employees and Remuneration Policies

As at 31 March 2020, the Group employed a total of approximately 13,000 employees including directors (31 March 2019: approximately 14,000). Total employee benefit expenses including directors' and chief executive's emoluments were HK\$836.0 million for the year under review (2019: HK\$705.6 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 pension scheme for the employees of the Group in the PRC, Vietnam and Indonesia.



DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

EXECUTIVE DIRECTORS

Chung Yuk Sing, aged 59, has been the Chairman of the Board and Executive Director of the Company since October 2002. He has been appointed as the Chief Executive Officer of the Company since June 2013. He is the founder of the Group and a director of other members of the Group. Mr. Chung provides leadership to the Board and is responsible for corporate development. He has been accredited as "Honorary Citizen of Shantou City" in the PRC. Mr. Chung holds several public positions, including the Honorary President of Shantou Overseas Sodality, Honorary President of Shantou Overseas Communication Association and Honorary President of Social Security and Welfare Association of Lunghu, Shantou City.

Chen Hsiao Ying, aged 56, has joined the Group as Executive Director of the Company since October 2007. He was Chief Executive Officer of the Company from October 2007 to June 2013. He has been appointed as the Vice Chairman of the Board since August 2013. 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 in charge of the corporate strategy, management, business development and manufacturing management of the Group. He is a brother of Ms. Chen Li Ying, a member of senior management of the Group.

Huang Yongbiao, aged 54, has joined the Group as Executive Director of the Company since May 2019. He is currently a director of certain subsidiaries of the Company. He is also a director of Guangdong Dalian Garment Co., Limited (廣東達聯製衣有限公司) and Foshan City Honglian Garment Co., Limited (佛山市宏聯製衣有限公司), all established in the PRC and principally engaged in garment manufacturing. Mr. Huang has over 30 years of experience of manufacturing and management experience in the garment industry.

Chen Fang Mei, Christina, aged 57, has joined the Group as Executive Director of the Company since May 2009. She is responsible for overseeing the financial matters of the Group. She had been the Spokesperson and Vice President of Pou Chen Corporation (stock code: 9904) ("Pou Chen"), a company listed on the Taiwan Stock Exchange Corporation, during 2004 to 2013. 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 had been an executive director of Symphony Holdings Limited (stock code: 01223), a company listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") from July 2009 to June 2015.



Directors' and Senior Management's Biographies (continued)

Hu Dien Chien, aged 41, has joined the Group as Executive Director of the Company since May 2019. He holds a Master of Business Administration Degree in Finance and Accounting from New York University Leonard N. Stern School of Business and Bachelor of Business Administration Degree in Finance from National Taiwan University. Mr. Hu worked as a Business Analyst in Deutsche Asset Management in Taiwan after graduating from the university and then Research Associate in CLSA Asia Pacific Markets covering the telecom and petrochemical sectors in Taiwan. After business school, Mr. Hu joined Goldman Sachs (Asia) L.L.C. ("Goldman Sachs") in Hong Kong from 2006 to 2014, where he was responsible for leading strategic/capital market services including business origination and execution for a variety of corporate clients in Greater China. Mr. Hu last held the position of executive director with Goldman Sachs. In 2014, Mr. Hu joined an electric vehicle company in Taiwan as chief financial officer. Mr. Hu was an independent director of Growww Media Co., Ltd (formerly known as United Advertising Co., Ltd.), a company listed on the Taiwan Stock Exchange Corporation, from June 2016 to December 2016. Mr. Hu joined Yue Yuen Industrial (Holdings) Limited ("Yue Yuen") (Hong Kong Main Board Stock Code: 00551) in November 2016 and is currently an executive director and chief financial officer of Yue Yuen.

Shih Chih-Hung, aged 54, has joined the Group as Executive Director of the Company since April 2020. He is one of the vice presidents of Yue Yuen. He joined Yue Yuen in 1991 and is currently responsible for the promulgation and implementation of administrative policies of Yue Yuen in Indonesia, Vietnam, Bangladesh, Cambodia and Myanmar. He is also a director of certain subsidiaries of Yue Yuen. He graduated from Chung-Yuan University with a bachelor degree in accounting.

Lee Cheng Chuan, aged 56, a former Executive Director of the Company until 1 April 2020 who joined the Group in September 2016. He was a Vice President of Yue Yuen Group from August 2016 to April 2020. He joined Pou Chen in 1989 and resigned in April 2020. He had been in charge of the integration of garment manufacturing business of Yue Yuen Group. Mr. Lee graduated from National Taipei Institute of Technology (now known as National Taipei University of Technology) in Taiwan in 1986. Mr. Lee has over 25 years of experience in the business development and production management of international branded footwear market.



INDEPENDENT NON-EXECUTIVE DIRECTORS

Chan Cheuk Ho, aged 53, 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 an executive director of Pine Technology Holdings Limited (stock code: 01079), a company listed on the main board of the Stock Exchange since June 2017. He has been Independent Non-Executive Director of the Company since November 2002.

Lu Chi Chant, aged 68, is currently an independent director of Lealea Enterprise Co., Ltd. (stock code: 1444), Hannstar Board Corp. (stock code: 5469) and Global Brands Manufacture Ltd. (stock code: 6191), all listed on the Taiwan Stock Exchange Corporation. He is also an independent director of Nyquest Technology Co., Ltd. (stock code: 6494), a company listed on the Taiwan GreTai Securities Market. Mr. Lu has been an independent non-executive director of Natural Beauty Bio-Technology Limited (stock code: 00157), a company listed on the main board of the Stock Exchange, since December 2015. He obtained a bachelor's degree in Mechanical Engineering from National Taiwan University in 1974 and passed the professional qualification examinations in Taiwan for certified public accountant in 1983 and for securities investment analyst in 1988. During the period from 1976 to 1984, Mr. Lu worked as a mechanical engineer in Formosa Plastics Corporation, a company established in Taiwan which is principally engaged in the manufacturing of plastic raw materials and products. He joined Deloitte & Touche Taiwan as an auditor in 1984 and became a partner there in 1986. Mr. Lu left Deloitte & Touche Taiwan in 2011. He has been appointed as Independent Non-Executive Director of the Company since February 2013.

Tham Kit Wan, aged 59, is a qualified lawyer of Hong Kong, England and Wales and Singapore. Ms. Tham obtained a degree of Bachelor of Laws from The National University of Singapore in June 1983 and a degree of Master of Laws (International Business Law) from The City University of Hong Kong in November 2006. She has more than 25 years of experience in corporate finance and the commercial and banking fields. She was a director of Union Bank of Hong Kong Limited (formerly traded under the stock code: 349 of the Stock Exchange) and Union Bank Finance Limited from 1989 to 1993. She was the Head of Legal Department of K.Wah Construction Materials Limited (now known as Galaxy Entertainment Group (stock code: 00027)), a company listed on the main board of the Stock Exchange, from 1998 to 2007. She served as Legal Counsel and Senior Vice President of Symphony Holdings Limited (stock code: 01223), a company listed on the main board of the Stock Exchange, from 2007 to 2015. From 2014 to 2015, she also served as Company Secretary of Pak Tak International Limited (stock code: 02668), a company listed on the main board of the Stock Exchange. Currently, she is in private legal practice as a consultant at Messrs. David Lo & Partners, a law firm in Hong Kong. Ms. Tham is a regular Lex Omnibus speaker on topics related to corporate and commercial law in Hong Kong. She has been appointed as Independent Non-Executive Director of the Company since September 2016.

SENIOR MANAGEMENT

Tsai Nai Chung, aged 64, has joined the Group as Deputy Chief Executive Officer of the Company since July 2013. Mr. Tsai has over 30 years of manufacturing and management experience in shoes and apparel manufacturing industry. Mr. Tsai had been President and Vice President of certain companies within the group of Yue Yuen. By managing the factories in USA, Mexico, the PRC and Vietnam of Yue Yuen, he has extensive and global experience in manufacturing industry.

Chung Chi Kit, aged 31, joined the Group as Special Assistant to Chairman in April 2015 and was promoted to Business Managing Director in March 2016. He is responsible for business planning and development of the Group. He was the Chief Executive Officer of a wine distribution company up to March 2015. He graduated from Nottingham Trent University in 2011 and holds a Bachelor's Degree in Accounting and Finance. He obtained a master's degree in Marketing and a master's degree in International Business from the Royal Holloway, University of London and Hult International Business School in 2012 and 2013 respectively. He is the son of Mr. Chung Yuk Sing, the Chairman of the Board and Executive Director of the Company.

Tsang Sau Fan, aged 53, 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 the Group and is responsible for sales and marketing and administration management of the Group. She has over 20 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 65, has joined the Group as Executive Director of the Company since October 2007 and resigned as Executive Director of the Company in May 2009. Currently, she is General Manager of the Group and is responsible for sales and marketing and manufacturing management 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 the sister of Mr. Chen Hsiao Ying, Executive Director of the Company.

Woo Man Chi, aged 48, has joined the Group as Financial Controller since May 2005 and has been appointed as Company Secretary of the Company since 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 2020.

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 1 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 2020 and the state of affairs of the Group’s financial position at that date are set out in the financial statements on pages 96 to 99 of this annual report.

An interim dividend of HK20 cents per ordinary share was paid on 17 December 2019. The Directors recommend the payment of a final dividend of HK9 cents per ordinary share in respect of the year to the Shareholders on the register of members on 4 September 2020. 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 is set out below.

Results

	Year ended 31 March				
	2020 HK\$'000	2019 HK\$'000	2018 HK\$'000	2017 HK\$'000	2016 HK\$'000
Revenue	3,017,120	2,700,780	2,109,422	1,757,316	1,534,592
Profit before tax	295,149	182,675	273,666	185,155	152,186
Income tax expense	(68,319)	(44,527)	(43,654)	(30,036)	(27,057)
Profit for the year	226,830	138,148	230,012	155,119	125,129
Attributable to:					
Owners of the Company	223,458	140,418	230,012	155,119	125,129
Non-controlling interests	3,372	(2,270)	—	—	—
	226,830	138,148	230,012	155,119	125,129

SUMMARY FINANCIAL INFORMATION (continued)

Assets and liabilities

	As at 31 March				
	2020 HK\$'000	2019 HK\$'000	2018 HK\$'000	2017 HK\$'000	2016 HK\$'000
Non-current assets	1,138,584	1,206,960	871,380	763,544	778,679
Current assets	1,235,763	1,226,784	899,443	765,170	779,840
Current liabilities	(989,271)	(1,055,221)	(470,249)	(395,347)	(439,152)
Net current assets	246,492	171,563	429,194	369,823	340,688
Non-current liabilities	(62,472)	(53,756)	(29,267)	(23,018)	(20,017)
	1,322,604	1,324,767	1,271,307	1,110,349	1,099,350

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

SHARE CAPITAL

There was no movement in either the authorised or issued 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.

DISTRIBUTABLE RESERVES

At 31 March 2020, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Law of the Cayman Islands, amounted to HK\$907,546,000. The amount of HK\$907,546,000 includes the Company's share premium account and capital reserve of HK\$609,402,000 in aggregate at 31 March 2020, 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

During the year under review, sales to the Group's five largest customers accounted for approximately 98.0% of the Group's total sales for the year and sales to the largest customer included therein accounted for approximately 63.4%.

Purchases from the Group's five largest suppliers accounted for approximately 26.7% of the Group's total purchases for the year and purchases from the largest supplier included therein accounted for approximately 6.3%.

None of the Directors or any of their close 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 as at the date of this report were:

Executive Directors:

Mr. Chung Yuk Sing	<i>(Chairman and Chief Executive Officer)</i>
Mr. Chen Hsiao Ying	<i>(Vice Chairman)</i>
Mr. Huang Yongbiao	<i>(appointed with effect from 1 May 2019)</i>
Ms. Chen Fang Mei, Christina	
Mr. Hu Dien Chien	<i>(appointed with effect from 1 May 2019)</i>
Mr. Shih Chih-Hung	<i>(appointed with effect from 1 April 2020)</i>
Mr. Lee Cheng Chuan	<i>(resigned with effect from 1 April 2020)</i>

Independent Non-Executive Directors:

Mr. Chan Cheuk Ho
Mr. Lu Chi Chant
Ms. Tham Kit Wan

In accordance with article 87(1) of the Company's articles of association, Mr. Chen Hsiao Ying, Mr. Chan Cheuk Ho and Mr. Lu Chi Chant will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting. In accordance with article 86(3) of the Company's articles of association, Mr. Shih Chih-Hung, who was appointed in April 2020, shall hold office until the forthcoming annual general meeting and, being eligible, will offer himself for re-election at the forthcoming annual general meeting.

The Company has received annual confirmations of independence from Mr. Chan Cheuk Ho, Mr. Lu Chi Chant and Ms. Tham Kit Wan, and as at the date of this annual 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 16 of this annual report.

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.

All the Independent Non-Executive Directors are appointed for a specific term and are subject to retirement by rotation and re-election at the annual general meeting in accordance with the articles of association of the Company.

EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

The Group's emolument policy is formulated based on the performance of individual employees and is reviewed regularly. Subject to the Group's profitability, the Group may also provide discretionary bonuses to its employees as an incentive for their contribution to the Group. The primary goal of the emolument policy with regard to the remuneration packages of the Group's executive directors is to enable the Group to retain and motivate executive directors by linking their compensation with performance as measured against corporate objectives achieved.

The principal elements of the Group's remuneration packages include basic salaries, discretionary bonuses and housing benefits.

The Directors' fees are subject to shareholders' approval and the Board was authorised to fix the Directors' fee at general meetings. Other emoluments are determined by the Board with reference to Directors' duties, responsibilities and performance and the results of the Group.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No Director nor a connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

PERMITTED INDEMNITY PROVISION

The articles of association of the Company provides that for the time being acting in relation to any of the affairs of the Company, every Director and other officers shall be entitled to be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, losses, damages and expenses which they may incur or sustain by or by reason of any act done about the execution of the duties of their respective office or otherwise in relation thereto. The Company had arranged appropriate directors' and officers' liability insurance coverage for the Directors and other officers of the Group for the year under review.



DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2020, the interests and short positions of the Directors and chief executive in the share capital and underlying shares of the Company or any of its associated corporations (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 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 in a controlled corporation	72,650,000 (Note 1)	—	13.66
	Beneficial owner	17,104,000	—	3.21
Mr. Chen Hsiao Ying	Beneficial owner	32,896,800	—	6.18
Mr. Huang Yongbiao	Interest in a controlled corporation	32,320,000 (Note 2)	—	6.08

Notes:

- These shares are held by Time Easy Investment Holdings Limited ("Time Easy"), the entire issued share capital of which is held by Mr. Chung Yuk Sing ("Mr. Chung"), Executive Director.
- These shares are held by Excel Skill International Limited ("Excel Skill"), the entire issued share capital of which is held by Mr. Huang Yongbiao ("Mr. Huang"), Executive Director.

Save as disclosed above, as at 31 March 2020, none of the Directors and chief executive had registered an interest or short position in the shares and underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section "Directors' and chief executive's interests and short positions in shares and underlying shares" above, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or any of its associated corporations granted to any of the Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

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

As at 31 March 2020, 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)	—	13.66
Excel Skill	Beneficial owner	32,320,000 (Note 2)	—	6.08
Pou Chen	Interest in a controlled corporation	192,000,000 (Note 3)	—	36.09
Wealthplus Holdings Limited ("Wealthplus")	Interest in a controlled corporation	192,000,000 (Note 3)	—	36.09
Yue Yuen	Interest in a controlled corporation	192,000,000 (Note 3)	—	36.09
Pou Hing Industrial Co. Ltd. ("Pou Hing")	Interest in a controlled corporation	192,000,000 (Note 3)	—	36.09
Great Pacific Investments Limited ("Great Pacific")	Beneficial owner	192,000,000 (Note 3)	—	36.09

Notes:

1. The entire issued share capital of Time Easy is held by Mr. Chung.
2. The entire issued share capital of Excel Skill is held by Mr. Huang.
3. 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 47.95% and 3.16% respectively. Wealthplus and Win Fortune are in turn wholly-owned by Pou Chen. Accordingly, Pou Hing, Yue Yuen, Wealthplus, Win Fortune and Pou Chen are all deemed to be interested in the 192,000,000 shares held by Great Pacific.

Save as disclosed above, as at 31 March 2020, 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 and underlying shares" 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 number of issued shares were held by the public as at the date of this annual report.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

Interest of the Directors in a competing business during the year under review 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	Appointment date
Mr. Huang Yongbiao ("Mr. Huang") <i>(appointed with effect from 1 May 2019)</i>	Guangdong Dalian Garment Co., Limited ("Dalian Garment") (Note 1)	Garment manufacturing	As a shareholder and a director	November 2013
	Foshan City Honglian Garment Co., Limited ("Honglian Garment") (Note 1)	Garment manufacturing	As a shareholder and a director	January 2019
Mr. Hu Dien Chien ("Mr. Hu") <i>(appointed with effect from 1 May 2019)</i>	Yue Yuen (Note 2)	Garment manufacturing	As a director	March 2017
Mr. Lee Cheng Chuan ("Mr. Lee") <i>(resigned with effect from 1 April 2020)</i>	Yue Yuen (Note 2)	Garment manufacturing	As a vice president	June 2014
	Tien Pou International Ltd ("Tien Pou") (Note 3)	Garment manufacturing	As a director	October 2016

Notes:

- Dalian Garment is a company incorporated in the PRC on 27 November 2013 and is indirectly held as to 70% by Mr. Huang. Honglian Garment is a company incorporated in the PRC on 22 March 2010 and is indirectly held as to 85% by Mr. Huang. The principal business activities of both Dalian Garment and Honglian Garment are manufacturing of sportswear and garments. Based on information provided by Dalian Garment and Honglian Garment, they recorded over RMB78 million and RMB43 million respectively in total revenue for the year ended 31 December 2019. As the Group is principally engaged in the manufacturing and trading of sportswear and garments, the business of Dalian Garment and Honglian Garment potentially compete with the Group.

Mr. Huang participates in the apparel manufacturing business of Dalian Garment and Honglian Garment. Mr. Huang has confirmed that he is mindful of his duty to avoid conflict of interest. In cases where conflict of interest situation arises, Mr. Huang will refrain from taking part in the decision making process and will abstain from voting on the relevant resolution in board meeting. On this basis and given that Dalian Garment and Honglian Garment have their own management personnel other than Mr. Huang, the Directors believe that the Company is capable of carrying on its business independently of, and at arm's length from Dalian Garment and Honglian Garment.

- Yue Yuen is a company listed on the Stock Exchange and is a substantial shareholder of the Company. The principal business activities of Yue Yuen Group are manufacturing and sales of footwear products, and retail and distribution of sportswear products. Based on the published annual report of Yue Yuen, Yue Yuen recorded total revenue of around US\$6.0 billion for its footwear manufacturing business for the year ended 31 December 2019. As the Group is principally engaged in the manufacturing and trading of sportswear and garments, the businesses of Yue Yuen Group and the Group potentially compete with each other. Mr. Lee resigned as vice president of Yue Yuen with effect from April 2020.

Given that Yue Yuen Group and the Group are operated by different and separate management team, the Directors consider that the Company is capable of carrying on its business independently of, and at arm's length with Yue Yuen Group. Having considered the nature and extent of Mr. Lee's and Mr. Hu's participation in business of Yue Yuen Group and the Group, the Directors believe that there is unlikely to be any significant competition caused to the business of the Group.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS (continued)

Notes: (continued)

3. Tien Pou is a company incorporated in the Cayman Islands on 3 June 2016 and is held as to 40% by Yue Yuen Group and 60% by an independent corporation. The principal business activities of Tien Pou are apparel manufacturing of sportswear, casual and outdoor clothes. Based on information provided by Tien Pou, it recorded over US\$62 million in revenue for the year ended 31 December 2019. Mr. Lee had been nominated to the board of directors of Tien Pou to represent the interest of the Yue Yuen Group as an investor. Mr. Lee resigned as director of Tien Pou with effect from February 2020.

Given that Mr. Lee was not involved in the operation of Tien Pou, the Directors believe that the Company is capable of carrying on its business independently of, and at arm's length from Tien Pou.

Save as disclosed above, none of the Directors 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.

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group for the year ended 31 March 2020 are set out in note 33 to the financial statements. Save as mentioned in the section headed "Continuing Connected Transactions" below, other related party transactions are fully exempted from the independent shareholders' approval, annual review and all disclosure requirements under Rule 14A.76 of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

The Group, through its wholly owned subsidiary, Pro Kingtex Vietnam Co., Limited ("Pro Kingtex Vietnam"), entered into the following transactions with Pouyuen Vietnam Company Limited ("Pouyuen Vietnam"), a company established in Vietnam and an indirect wholly-owned subsidiary of Yue Yuen who in turn is a connected person of the Company, which constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules during the year under review:

(a) Master Services Agreement

On 1 June 2018, Pouyuen Vietnam and Pro Kingtex Vietnam entered into the master services agreement (the "Master Services Agreement"), pursuant to which Pouyuen Vietnam has agreed to provide certain administration and staff messing services to Pro Kingtex Vietnam for a term of 3 years commencing from 1 June 2018 subject to a maximum service fees payable by Pro Kingtex Vietnam to Pouyuen Vietnam as follows:

	For the financial year ended/ending 31 March		
	2020	2021	2022
US\$ (exclusive of value-added tax)	1,800,000	1,800,000	300,000
Equivalent to approximately HK\$	14,040,000	14,040,000	2,340,000

For the year ended 31 March 2020, the actual amount paid by Pro Kingtex Vietnam to Pouyuen Vietnam under the Master Services Agreement amounted to US\$1,185,256 (equivalent to approximately HK\$9.3 million).

CONTINUING CONNECTED TRANSACTIONS (continued)

(b) Tenancy Agreement

On 1 June 2018, Pouyuen Vietnam as landlord and Pro Kingtex Vietnam as tenant entered into a tenancy agreement (the "Tenancy Agreement"), for 3 years commencing from 1 June 2018 to 31 May 2021 (both days inclusive) for a monthly rental of not more than US\$71,184 per month (inclusive of management fees and exclusive of value-added tax). Accordingly, the maximum rental payable by Pro Kingtex Vietnam to Pouyuen Vietnam during the term of the Tenancy Agreement would be as follows:

	For the financial year ended/ending 31 March		
	2020	2021	2022
US\$ (exclusive of value-added tax)	854,208	854,208	142,368
Equivalent to approximately HK\$	6,663,000	6,663,000	1,110,000

For the year ended 31 March 2020, the actual amount paid by Pro Kingtex Vietnam to Pouyuen Vietnam under the Tenancy Agreement amounted to US\$851,223 (equivalent to approximately HK\$6.7 million).

Further details of the Master Services Agreement and the Tenancy Agreement have been disclosed in the announcements of the Company dated 29 March 2018, 27 April 2018 and 1 June 2018, respectively, (collectively, the "CCT Announcements") and the circular of the Company dated 30 April 2018.

During the year under review, the actual amounts of all the continuing connected transactions paid under the agreements did not exceed the respective aggregate maximum amounts as previously disclosed in the CCT Announcements.

Confirmation of Independent Non-Executive Directors

The independent non-executive Directors have reviewed the transactions contemplated under the Master Services Agreement and the Tenancy Agreement (collectively, the "Transactions") and confirmed that the respective agreements and terms of the Transactions have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

Confirmation of the Company's Auditor

The Company's auditor was engaged to report on the Transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "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. The Company's auditor issued its unqualified letter containing its findings and conclusions in respect of the Transactions in accordance with Rule 14A.56 of the Listing Rules.



CONTINUING CONNECTED TRANSACTIONS (continued)

Events after the year under review

Subsequent to the year under review on 29 May 2020, Pouyuen Vietnam and Pro Kingtex Vietnam entered into the supplemental tenancy agreement in respect of the Tenancy Agreement (the “Supplemental Tenancy Agreement”) in relation to the leasing of the additional leased properties by Pouyuen Vietnam to Pro Kingtex Vietnam for a term of one year from 1 June 2020 to 31 May 2021 (both days inclusive) for US\$3,204 (equivalent to approximately HK\$25,000 per month. As the Supplemental Tenancy Agreement operates to increase the annual caps for, or otherwise effect a material change to, the Transactions, pursuant to Rule 14A.54 of the Listing Rules, the Company was required to re-comply with the requirements applicable to continuing connected transactions under Chapter 14A of the Listing Rules.

Further details of the Supplemental Tenancy Agreement have been disclosed in the announcement of the Company dated 29 May 2020.

CORPORATE GOVERNANCE

The Corporate Governance Report of the Company is set out in pages 28 to 42 of this annual report.

BUSINESS REVIEW

The review of the business of the Group for the year ended 31 March 2020 including the challenges/uncertainties and the ways to tackle them together with a discussion on the Group’s future development are set out in the sections headed “Financial Highlights”, “Chairman’s Statement” and “Management Discussion and Analysis” set out on page 3, pages 4 to 7 and pages 8 to 12 respectively of this annual report. Description of the risks faced by the Group is set out in note 36 to the financial statements.

Environmental policy and performance

The Group is committed to making contributions to sustainable development in different aspects, including environmental protection. To ensure compliance with applicable environmental laws, we have developed a comprehensive environmental policy for our operations. During the reporting period, the Group had been in compliance with applicable environmental laws and regulations of Hong Kong, Mainland China and Indonesia and Vietnam.

Detail information regarding the environmental, social and governance practices adopted by the Group is set out in the Environmental, Social and Governance Report which will be disclosed in a separate report and published on the websites of the Stock Exchange and the Company no later than three months after the publication of this annual report.



BUSINESS REVIEW (continued)

Compliance with relevant laws and regulations

During the reporting period, so far as the Company is aware, the Group had complied with all relevant laws and regulations material to the operations of the Group.

Relationships with employees, customers, shareholders, suppliers and other stakeholders

The ongoing success of the Group is dependent on its stakeholders, including its employees, customers, shareholders and suppliers. The Group regards its employees as important stakeholders and provides them with competitive remuneration packages and other labour benefits in line with industry practices, a workplace conducive to occupational health and safety, as well as in-service training on a continued basis.

The Group is committed to forging closer ties with its customers. We also consistently uphold and strengthen our cooperation with suppliers, while maintaining communications with the Shareholders through, among others, our corporate website (www.eaglenice.com.hk).

The Company communicates with the Shareholders and other stakeholders mainly through: (i) the convening of annual general meetings which provides an opportunity for direct communication between the Shareholders and the Board; (ii) the publication of announcements, annual and interim reports and/or circulars in accordance with the Listing Rules, as well as press releases providing the latest updates on the Group's development; and (iii) the website of the Company which provides the latest information on the Group.

AUDITORS

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

ON BEHALF OF THE BOARD

Chung Yuk Sing

Chairman

Hong Kong

30 June 2020

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 has adopted the Corporate Governance Code (the "CG Code") as contained in Appendix 14 to the Listing Rules as its own code of corporate governance practices. The Company had, throughout the year ended 31 March 2020, complied with the code provisions of the CG Code except for the deviations specified with considered reasons for such deviations as explained in this corporate governance report.

1. DIRECTORS

a. Board's Composition & Board Meetings

The composition of the Board and the individual attendance of each Director at board meetings and the annual general meeting ("AGM") during the year are set out as follows:

Name of Director	Number of board meetings attended/held	AGM
Executive Directors		
Mr. Chung Yuk Sing (<i>Chairman and Chief Executive Officer</i>)	5/5	1/1
Mr. Chen Hsiao Ying (<i>Vice Chairman</i>)	5/5	1/1
Mr. Huang Yongbiao (<i>appointed with effect from 1 May 2019</i>)	5/5	1/1
Ms. Chen Fang Mei, Christina	5/5	1/1
Mr. Hu Dien Chien (<i>appointed with effect from 1 May 2019</i>)	5/5	0/1
Mr. Lee Cheng Chuan (<i>resigned with effect from 1 April 2020</i>)	4/5	1/1
Independent Non-Executive Directors		
Mr. Chan Cheuk Ho	5/5	1/1
Mr. Lu Chi Chant	5/5	1/1
Ms. Tham Kit Wan	5/5	1/1

Biographical details of all Directors are disclosed in the section headed "Directors' and Senior Management's Biographies" in this annual report. To the best knowledge of the Company, there are no financial, business, family or other material or relevant relationships amongst members of the Board.

b. Independent Non-Executive Directors

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/her 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.

Each of the INEDs was appointed for a term of three years with a formal letter of appointment setting out the key terms and conditions of his/her appointment.



1. DIRECTORS (continued)

c. Chairman and Chief Executive Officer

Code Provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Chung Yuk Sing, who has been the Chairman of the Board since 2002, was appointed as the chief executive officer of the Company with effect from 30 June 2013. Notwithstanding the aforesaid deviation, the Board considers that the present structure will not impair the balance of power and authority between the Board and the management of the Group as the Board assumes collective responsibility on the decision-making process of the Company's business strategies and operation. The principal divisions of the Group's businesses are managed by different directors.

d. Distinctive Roles of the Board and the Management

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.

While at all times the Board retains full responsibility for guiding and monitoring the operations of the Group, in discharging its duties, certain responsibilities are delegated to:

- (i) the standing Board committees of the Company namely: the Audit Committee, the Nomination Committee and the Remuneration Committee. Each committee's constitution, powers and duties are clearly defined by its terms of reference, and the committees are accountable to the Board;
- (ii) the Chief Executive Officer, being delegated with the day-to-day management of the businesses of the Group, is accountable to the Board; and
- (iii) the senior management team of the Group, being delegated with the responsibilities to deal with daily operational functions, is answerable to the Board.

The Board regularly reviews its arrangement for delegation of authority to ensure that such delegation is appropriate in view of the Company's prevailing circumstances and that appropriate reporting systems are in place.

e. Appointment, re-election and removal

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 appointment of new Directors and nomination of Directors for re-election at annual general meetings are first considered by the Nomination Committee. The recommendations of the Nomination Committee will then be put to the Board for decision. In considering the appointment of new Directors, the Nomination Committee will assess the candidate according to the criteria set out in Rules 3.08 and 3.09 of the Listing Rules. In the case of a candidate for an INED, he/she should also meet the independence criteria set out in Rule 3.13 of the Listing Rules.

1. DIRECTORS (continued)

f. Directors' Securities Transactions

The Company has adopted 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.

g. Directors' and Officers' Insurance

The Company has arranged appropriate insurance cover in respect of potential legal actions against its Directors and officers.

h. Continuing professional development

Directors must keep abreast of their collective responsibilities. Each newly appointed Director would receive an induction package covering the Group's businesses and the statutory and regulatory obligations of a director of a listed company. The Group also provides briefings and other training to develop and refresh the Directors' knowledge and skills. The Group continuously updates Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices. Circulars or guidance notes are issued to Directors and senior management to ensure awareness of corporate governance practices.

During the year, the Directors participated in the following trainings:

	Type of Trainings
Executive Directors	
Mr. Chung Yuk Sing	A,C
Mr. Chen Hsiao Ying	A,C
Mr. Huang Yongbiao	A,C
Ms. Chen Fang Mei, Christina	A,B,C
Mr. Hu Dien Chien	A,B,C
Mr. Lee Cheng Chuan	A,C
Independent Non-Executive Directors	
Mr. Chan Cheuk Ho	A,B,C
Mr. Lu Chi Chant	A,C
Ms. Tham Kit Wan	A,B,C

A: having training provided by the Company

B: attending seminars/conferences/workshops/forums

C: reading newspapers/journals and updates relating to their profession and director's responsibilities

i. Company Secretary

The Company Secretary is a full time employee of the Company and has day-to-day knowledge of the Company's affairs. During the year under review, the Company Secretary has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.



2. BOARD COMMITTEES

a. Remuneration Committee

The Remuneration Committee consists of one executive Director, namely, Mr. Chung Yuk Sing and two INEDs, namely, Mr. Chan Cheuk Ho and Mr. Lu Chi Chant. Mr. Chan Cheuk Ho is the Chairman of the Remuneration Committee.

The main functions of the Remuneration Committee are to assist the Board in establishing a formal and transparent procedure for setting policy on Directors' and senior management's remuneration and to make recommendation to the Board on the remuneration packages of individual executive Director and senior management (i.e. the model described in code provision B.1.2(c)(ii) of the CG Code was adopted) as well as on the remuneration of INEDs 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, three committee meetings were held. The attendance of the individual member of the Remuneration Committee at the meeting is set out below:

Committee Members	Number of meetings attended/held
Mr. Chan Cheuk Ho (<i>Chairman</i>)	3/3
Mr. Chung Yuk Sing	3/3
Mr. Lu Chi Chant	3/3

The following is a summary of the work performed by the Remuneration Committee during the year:

- (i) review of the salary increment for the Directors and staff in Hong Kong, with a recommendation to the Board for approval; and
- (ii) recommendation to the Board on the payment of discretionary bonuses to the executive Directors and the senior management in respect of the interim results of the Company for the six months ended 30 September 2019.

2. BOARD COMMITTEES (continued)

a. Remuneration Committee (continued)

Pursuant to code provision B.1.5 of the CG Code, details of the annual remuneration of the members of the senior management (excluding Directors) by band for the year ended 31 March 2020 is as follows:

Emolument band	Number of employees
Nil to HK\$1,000,000	0
HK\$1,000,001 to HK\$1,500,000	1
HK\$1,500,001 to HK\$2,000,000	1
HK\$2,000,001 to HK\$2,500,000	0
HK\$2,500,001 to HK\$3,000,000	1
HK\$3,000,001 to HK\$3,500,000	1
HK\$3,500,001 to HK\$4,000,000	0
HK\$4,000,001 to HK\$4,500,000	1
	5

Details of the remuneration of each Director for the year ended 31 March 2020 are set out in note 8 to the financial statements.

b. Audit Committee

The Audit Committee comprises all three INEDs. Mr. Chan Cheuk Ho is the Chairman of the Audit Committee. The Board considers that each member of the Audit Committee has broad commercial experience and together form a suitable mix of expertise in the legal and accounting fields and that the composition and members of the Audit Committee comply with the requirements under Rule 3.21 of the Listing Rules.

The Audit Committee has the responsibilities and powers set forth in its terms of reference. To maintain its independence, the Audit Committee is required to have at least one meeting with the external auditor without the presence of executive Directors within a financial year. The function of the committee is to provide assistance to the Board in fulfilling its oversight responsibilities to the Shareholders, potential shareholders, the investment community and other stakeholders relating to:

- (i) the integrity of accounts and financial reporting process of the Company;
- (ii) the assessment of the external auditor's qualifications and independence;
- (iii) the performance of the Company's internal audit function and the external auditor; and
- (iv) the effectiveness of the risk management and internal control systems of the Company.



2. BOARD COMMITTEES (continued)

b. Audit Committee (continued)

During the year, the Audit Committee held three meetings including two meetings with the external auditor without the presence of the executive Directors and the management. The attendance of the individual member of the Audit Committee at the meetings is set out below:

Committee Members	Number of meetings attended/held
Mr. Chan Cheuk Ho (<i>Chairman</i>)	3/3
Mr. Lu Chi Chant	3/3
Ms. Tham Kit Wan	3/3

The following is a summary of the work performed by the Audit Committee during the year:

- (i) review of the annual report and results announcement of the Company for the year ended 31 March 2019, with a recommendation to the Board for approval;
- (ii) review of the external auditor's independence and their report, with a recommendation to the Board for the re-appointment of the external auditor by the Shareholders at its 2019 annual general meeting;
- (iii) review of the interim report and results announcement of the Company for the six months ended 30 September 2019, with a recommendation to the Board for approval;
- (iv) consideration of audit and non-audit services provided by the external auditors;
- (v) review of the effectiveness of the risk management and internal control systems of the Group through an independent internal audit service provider who was engaged to perform the aforesaid work on a half-yearly basis and no material findings had been identified;
- (vi) review of the adequacy of resources, qualifications and experience of staff of the Company's accounting, internal audit and financial reporting functions, and their training programmes and budget;
- (vii) review of the audit fees payable to the external auditor for the year ended 31 March 2020, with a recommendation to the Board for approval; and
- (viii) review of continuing connected transactions.

2. BOARD COMMITTEES (continued)

b. Audit Committee (continued)

Regarding the Group's corporate governance, the Board has delegated the responsibilities to the Audit Committee to perform the following corporate governance duties including:

- (i) to review and monitor the Company's policies and practices in compliance with legal and regulatory requirements;
- (ii) to develop and review the Company's policies and practices on corporate governance;
- (iii) to review and monitor the training and continuous professional development of the Directors and management;
- (iv) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance report; and
- (v) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and the Directors.

During the year, for the corporate governance functions, an external independent consultant with professional staff in possession of relevant expertise (the "Independent Professional Firm") was engaged to perform the aforesaid work and no material findings had been identified.

c. Nomination Committee

The Nomination Committee consists of one executive Director, namely, Mr. Chung Yuk Sing and two INEDs, namely, Mr. Chan Cheuk Ho and Mr. Lu Chi Chant. Mr. Chung Yuk Sing is the Chairman of the Nomination Committee.

The main functions of the Nomination Committee are to review the structure, size and composition of the Board, to identify individuals who are suitably qualified to become the Directors, and to assess the independence of the INEDs. After considering the independence and qualifications of nominees, the Nomination Committee makes recommendations to the Board so as to ensure that all nominations are fair and transparent. The Nomination Committee is also making recommendations on the appointment or reappointment of the Directors and succession planning of the Directors, in particular the Chairman and the Chief Executive Officer.





2. BOARD COMMITTEES (continued)

c. Nomination Committee (continued)

The committee meets at least once every year and additional meetings may be convened by the chairman of the committee as and when necessary. During the year ended 31 March 2020, the Nomination Committee met twice to recommend suitable candidates to be Board members, review the existing structure, size, diversity and composition of the Board, and to assess the independence of the INEDs. The attendance of individual member of the Nomination Committee at the meetings is set out below:

Committee Members	Number of meetings attended/held
Mr. Chung Yuk Sing (<i>Chairman</i>)	2/2
Mr. Chan Cheuk Ho	2/2
Mr. Lu Chi Chant	2/2

Board Diversity Policy

Pursuant to the CG Code, the Board has adopted a board diversity policy in December 2013 (the "Board Diversity Policy"). The Company recognizes and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other qualities of Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments are made on merit and candidates will be considered against objective criteria, having due regard for the benefits of diversity of the Board.

The Nomination Committee will discuss annually for achieving diversity from a number of aspects, including but not limited to gender, age, ethnicity, skills, cultural and educational background, professional experience and knowledge. The Nomination Committee will also conduct a review of the policy periodically which will include an assessment of the effectiveness of the policy and recommend any proposed changes to rectify identified deficiencies for the approval by the Board.

In May 2019, Mr. Huang Yongbiao and Mr. Hu Dien Chien were appointed as the executive Directors, adding business, garment manufacturing and management expertise to the Board.

In April 2020, Mr. Shih Chih-Hung was appointed as the executive Director, adding business, garment manufacturing and management expertise to the Board.

Nomination Policy

The Nomination Committee shall nominate suitable candidates to the Board for it to consider and make recommendations to the Shareholders for election as Directors at general meetings or appoint Directors to fill casual vacancies. When the Nomination Committee considers it appropriate, it invites Board members or any person to nominate candidates and makes final recommendations for the Board's consideration and approval.



2. BOARD COMMITTEES (continued)

c. Nomination Committee (continued)

Selection Criteria

When assessing and selecting candidates for directorships, the members of the Nomination Committee shall consider the following factors:

- (i) age, skills, knowledge, experience, expertise, professional and educational qualifications, background and other personal qualities of the candidate;
- (ii) effect on the Board's composition and diversity;
- (iii) commitment of the candidate to devote sufficient time to effectively carry out his/her duties. In this regard, the number and nature of offices held by the candidate in public companies or organizations, and other executive appointments or significant commitments will be considered;
- (iv) potential/actual conflicts of interest that may arise if the candidate is selected;
- (v) independence of the candidate;
- (vi) in the case of a proposed re-appointment of an independent non-executive director, the number of years he/she has already served the Company; and
- (vii) other factors considered to be relevant by the Nomination Committee on a case by case basis.

These factors are for reference only, and not meant to be decisive and exhaustive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.



2. BOARD COMMITTEES (continued)

c. Nomination Committee (continued)

Nomination Procedures

Appointment of Directors

- (i) The Nomination Committee identifies individual(s) suitably qualified to become Board members, having due regard to the Nomination Policy and the Board Diversity Policy, and assesses the independence of the proposed independent non-executive Director(s) as appropriate;
- (ii) The Nomination Committee may use any process it deems appropriate to evaluate the candidate(s), which may include personal interviews, background checks, presentations or written submissions by the candidate(s) and third party references;
- (iii) The Nomination Committee makes recommendation(s) to the Board;
- (iv) The Board considers the individual(s) recommended by the Nomination Committee, having due regard to the Nomination Policy and the Board Diversity Policy; and
- (v) The Board confirms the appointment of the individual(s) as Director(s) or recommends the individual(s) to stand for election at a general meeting. Individual(s) appointed by the Board to fill a casual vacancy shall hold office until the next general meeting of the Company and shall then be eligible for re-election by the Shareholders, whereby individual(s) appointed as an addition to the existing Board will hold office until the next annual general meeting of the Company and shall then be eligible for re-election by the Shareholders at the next annual general meeting in accordance with the Company's articles of association.

Re-appointment of Directors

- (i) The Nomination Committee considers each retiring Director, having due regard to the Nomination Policy and the Board Diversity Policy, and assesses the independence of each retiring independent non-executive Director;
- (ii) The Nomination Committee makes recommendation(s) to the Board;
- (iii) The Board considers each retiring Director recommended by the Nomination Committee, having due regard to the Nomination Policy and the Board Diversity Policy;
- (iv) The Board recommends the retiring Directors to stand for re-election at the annual general meeting in accordance with the Company's articles of association; and
- (v) The Shareholders approve the re-election of Directors at the annual general meeting.

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 auditor, Ernst & Young, are set out in the Independent Auditor's Report on pages 43 to 47 of the annual report.

b. Corporate Governance, Internal Control, Group Risk Management

The Board has the overall responsibilities for evaluating and determining the nature and extent of the risks (including environmental, social and governance-related risks ("ESG-Related Risks")). It is willing to take in achieving the Group's strategic objectives, maintaining appropriate and effective risk management and internal control systems (including those for ESG-Related Risks) and reviewing their effectiveness on an ongoing basis. Management is responsible for the design, implementation and monitoring of such systems, while the Board oversees management in performing its duties. The risk management and internal control systems are designed to provide reasonable, though not absolute, assurance against material misstatements or loss and to manage rather than eliminate risks of failure in operational systems and achievement of the Group's objectives.

The Group adopts a risk management system which manages the risk associated with its businesses and operations. The system comprises the following phases:

- (i) Identification: Identify ownership of risks, business objectives and risks that could affect the achievement of objectives.
- (ii) Evaluation: Analyse the likelihood and impact of risks and evaluate the risk portfolio accordingly.
- (iii) Management: Consider the risk responses, ensure effective communication to the Board and ongoing monitor the residual risks.





3. ACCOUNTABILITY AND AUDIT (continued)

b. Corporate Governance, Internal Control, Group Risk Management (continued)

A disclosure of inside information policy is in place to ensure potential inside information being captured and confidentiality of such information being maintained until consistent and timely disclosure are made in accordance with the Listing Rules. The policy regulates the handling and dissemination of inside information, which includes:

- (i) Designated reporting channels from different departments/operation units informing any potential inside information to the Company Secretary;
- (ii) The access of information is restricted to a limited number of employees on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality;
- (iii) Confidentiality agreements are in place when the Group enters into significant negotiations;
- (iv) The Senior Management to evaluate the potential inside information and to determine further escalation, and the executive Directors to determine disclosure as required; and
- (v) Investor Relations Director is the designated person who speaks on behalf of the Company when communicating with external parties, such as media, analysts or investors.

During the year, the Company engaged the Independent Professional Firm to perform internal audit function for the year, which comprised, inter alia, enterprise risk assessment and reviews on the internal control system of the Group, including financial, operational and compliance controls. The review plan was approved by the Audit Committee and the Board. Based on the risk assessments and the reviews of the internal control systems of the Group conducted by the Independent Professional Firm for the year, no significant risk and control deficiency was identified. The relevant assessment and review reports have been considered by the Audit Committee and the Board for assessing the effectiveness of the risk management and internal control systems. The Audit Committee has also reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions performed by the Independent Professional Firm. The Board, through the reviews made by the Independent Professional Firm and the Audit Committee, concluded that the risk management and internal control systems are effective and adequate for the Group as a whole.

3. ACCOUNTABILITY AND AUDIT (continued)

c. Auditors' Remuneration

For the year ended 31 March 2020, the fee payable to the Group's auditor, Ernst & Young, is set out as follows:

Services rendered	Amount of fee payable HK\$'000
Audit services	3,779
Non-audit services	94
	3,873

4. SHAREHOLDERS' RIGHTS

a. Procedures for the Shareholders to convene Extraordinary General Meeting ("EGM")

The Shareholder(s) holding not less than one-tenth of the paid up capital of the Company can make a written requisition to the Board or the Company Secretary to convene an EGM pursuant to article 58 of the Company's articles of association. The written requisition must state the objects of the meeting, and must be signed by the relevant Shareholder(s) and deposited at the Company's principal place of business in Hong Kong.

b. Procedures for directing Shareholders' enquiries to the Board

The Shareholders may send their enquiries and concerns to the Board by addressing them to the Investor Relations Director and deposit at the Company's principal place of business in Hong Kong or by e-mail to ir@eaglenice.com.hk.

c. Putting forward proposal at general meeting

There are no provisions under the Company's articles of association or the Companies Law of the Cayman Islands regarding procedures for the Shareholders to put forward proposals at general meetings other than a proposal of a person for election as Director. The Shareholders may follow the procedures set out above to convene an EGM for any business specified in such written requisition or the procedures for the Shareholders to propose a person for election as a Director which is available on the website of the Company.



5. DIVIDEND POLICY

The Company intends to maintain a balance between meeting the expectations of the Shareholders and retaining adequate capital for development and operation of the Company's business. According to the dividend policy of the Company (the "Dividend Policy"), in deciding whether to declare or recommend a dividend, the Board shall consider the following factors:

- (i) the Group's operating results, actual and expected financial performance;
- (ii) the financial position of the Group including debt-to-equity ratio, return on equity and related financial information;
- (iii) retained earnings and distributable reserves of the Group;
- (iv) the Group's expected working capital requirements and future expansion plans;
- (v) general economic and financial conditions, business cycle of the Group and other internal or external factors that may have an impact on the business or financial performance and position of the Company;
- (vi) any restrictions imposed by the contracting parties of the Group on the payment of dividends; and
- (vii) any other factors the Board may deem relevant and appropriate.

The recommendation of the payment of any dividend is subject to the absolute discretion of the Board, and any declaration of final dividend will be subject to the approval of the Shareholders. The Dividend Policy will be reviewed from time to time and there is no assurance that a dividend will be proposed or declared in any specific periods.



6. COMMUNICATION WITH SHAREHOLDERS

The Company has adopted a shareholders' communication policy since March 2012. The primary communication channel between the Company and the Shareholders is through the publication of announcements, circulars, interim and annual reports, which are available on the websites of the Company and the Stock Exchange.

The Company's annual general meeting acts as a useful platform for direct communication between the Shareholders and the Board. Separate resolutions are proposed on each substantially separate issue at the general meetings.

The Company has complied with the requirements of the Listing Rules and the memorandum and articles of association in respect of voting by poll and other related matters.

7. INVESTOR RELATIONS

During the year ended 31 March 2020, there was no change to the articles of association of the Company. The articles of association of the Company has been posted on the Company's website.

On behalf of the Board

Chung Yuk Sing

Chairman

Hong Kong, 30 June 2020



INDEPENDENT AUDITOR'S REPORT



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

OPINION

We have audited the consolidated financial statements of Eagle Nice (International) Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 96 to 208, which comprise the consolidated statement of financial position as at 31 March 2020, 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



Independent Auditor's Report (continued)

To the shareholders of Eagle Nice (International) Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

KEY AUDIT MATTERS (continued)

Key audit matter

How our audit addressed the key audit matter

Impairment of goodwill

The carrying amount of goodwill was HK\$100,334,000 as at 31 March 2020. The Group performs an impairment test for goodwill on an annual basis. The impairment test is based on the recoverable amount of the cash-generating units to which the goodwill is allocated. Management's assessment process involves significant judgements and assumptions, including those related to the expected future cash flow forecasts, associated growth rates and the discount rate applied, which are sensitive to expected future market conditions and the cash-generating units' actual performance.

Our audit procedures included, among others, involving our valuation specialists to assist us in evaluating the assumptions and methodologies used by the Group, in particular, the discount rate and terminal growth rate. We compared the forecasts prepared by management with the historical performance of the cash-generating units and the business development plan. We also assessed the Group's disclosures of goodwill in the consolidated financial statements.

The significant accounting judgements and estimates and disclosures of impairment testing of goodwill are included in notes 3 and 16 to the consolidated financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



To the shareholders of Eagle Nice (International) Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA 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.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Independent Auditor's Report (continued)

To the shareholders of Eagle Nice (International) Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



To the shareholders of Eagle Nice (International) Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Kwong Ka Yan.

Ernst & Young

Certified Public Accountants

22/F CITIC Tower

1 Tim Mei Avenue

Central

Hong Kong

30 June 2020

CONSOLIDATED INCOME STATEMENT

綜合收益表

Year ended 31 March 2020

截至二零二零年三月三十一日止年度

		Notes 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
REVENUE	營業收入	5	3,017,120	2,700,780
Cost of sales	銷售成本		(2,479,261)	(2,283,010)
Gross profit	毛利		537,859	417,770
Other income and gains, net	其他收入及收益，淨額	5	52,283	7,556
Selling and distribution expenses	銷售及分銷開支		(30,810)	(33,345)
Administrative expenses	行政開支		(246,057)	(197,186)
Finance costs	融資成本	6	(18,126)	(12,120)
PROFIT BEFORE TAX	除稅前溢利	7	295,149	182,675
Income tax expense	所得稅開支	10	(68,319)	(44,527)
PROFIT FOR THE YEAR	本年度溢利		226,830	138,148
Attributable to:	應佔：			
Owners of the Company	本公司擁有人		223,458	140,418
Non-controlling interests	非控股股東權益		3,372	(2,270)
			226,830	138,148
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	HK42.0 cents 42.0 港仙	HK27.7 cents 27.7 港仙
Diluted	攤薄		HK42.0 cents 42.0 港仙	HK27.7 cents 27.7 港仙



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

Year ended 31 March 2020
截至二零二零年三月三十一日止年度

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
PROFIT FOR THE YEAR	年度溢利	226,830	138,148
OTHER COMPREHENSIVE INCOME/ (EXPENSE)	其他全面收益/(支出)		
Other comprehensive income/(expense) that will not be reclassified to profit or loss in subsequent periods:	於其後期間不可重新分類至損益的其他全面收益/(支出)：		
Actuarial gain/(loss) on a defined benefit plan	定額福利計劃之精算收益/(虧損)	(114)	4,067
Other comprehensive expense that may be reclassified to profit or loss in subsequent periods:	於其後期間可重新分類至損益的其他全面支出：		
Exchange differences on translation of foreign operations	折算海外業務之匯兌差額	(90,559)	(75,642)
OTHER COMPREHENSIVE EXPENSE FOR THE YEAR, NET OF TAX	年度其他全面支出 (已扣除稅項)	(90,673)	(71,575)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	本年度全面收益總額	136,157	66,573
Attributable to:	應佔：		
Owners of the Company	本公司擁有人	134,078	68,639
Non-controlling interests	非控股股東權益	2,079	(2,066)
		136,157	66,573

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 March 2020
二零二零年三月三十一日

		Notes 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	840,563	924,268
Right-of-use assets	使用權資產	14(b)	170,519	—
Prepaid land lease payments	預付土地租賃款項	14(a)	—	130,270
Goodwill	商譽	16	100,334	100,334
Intangible assets	無形資產	17	13,400	16,817
Deposits	按金	15	13,768	35,271
Total non-current assets	非流動資產總值		1,138,584	1,206,960
CURRENT ASSETS	流動資產			
Inventories	存貨	18	570,113	501,901
Accounts and bills receivables	應收賬款及票據	19	243,944	411,242
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	15	77,528	96,515
Tax recoverable	可收回稅款		2,475	7,503
Pledged deposits	已抵押存款	20	—	15,204
Restricted bank balance	受限制銀行結餘	20	547	585
Cash and bank balances	現金及銀行結餘	20	341,156	193,834
Total current assets	流動資產總值		1,235,763	1,226,784
CURRENT LIABILITIES	流動負債			
Accounts and bills payables	應付賬款及票據	21	236,856	258,169
Accrued liabilities and other payables	應計負債及其他應付款項	23	167,011	187,589
Interest-bearing bank borrowings	計息銀行貸款	24	530,800	572,155
Lease liabilities	租賃負債	14(c)	7,605	—
Tax payable	應付稅項		46,999	37,308
Total current liabilities	流動負債總值		989,271	1,055,221
NET CURRENT ASSETS	流動資產淨值		246,492	171,563
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值扣除流動負債		1,385,076	1,378,523



Consolidated Statement of Financial Position (continued)

綜合財務狀況表(續)

31 March 2020

二零二零年三月三十一日

			2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
NON-CURRENT LIABILITIES	非流動負債			
Pension scheme obligation	退休金計劃承擔	25	16,868	14,321
Lease liabilities	租賃負債	14(c)	6,424	—
Deferred tax liabilities	遞延稅項負債	26	39,180	39,435
Total non-current liabilities	非流動負債總值		62,472	53,756
Net assets	資產淨值		1,322,604	1,324,767
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	27	5,320	5,320
Reserves	儲備	28	1,294,518	1,298,760
			1,299,838	1,304,080
Non-controlling interests	非控股股東權益		22,766	20,687
Total equity	資本總值		1,322,604	1,324,767

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 2020

截至二零二零年三月三十一日止年度

		Notes 附註	Attributable to owners of the Company 本公司擁有人應佔							Non-controlling interests 非控股股東權益	Total 總計
			Share Issued capital 已發行股本	Share premium account 股份溢價賬	Statutory Capital reserve 資本儲備	Statutory surplus reserve 法定盈餘儲備	Exchange fluctuation reserve 匯率波動儲備	Retained profits 留存溢利	Total		
			HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元 (Note 28) (附註28)	HK\$'000 千港元 (Note 28) (附註28)	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元		
At 1 April 2018	於二零一八年四月一日		4,997	472,586	(229)	56,547	98,004	639,402	1,271,307	—	1,271,307
Profit for the year	年度溢利		—	—	—	—	—	140,418	140,418	(2,270)	138,148
Other comprehensive income/(expense) for the year:	年度其他全面收益/(支出)：										
Actuarial gain on a defined benefit plan	定額福利計劃精算收益		—	—	—	—	—	4,067	4,067	—	4,067
Exchange differences on translation of foreign operations	折算海外業務之匯兌差額		—	—	—	—	(75,846)	—	(75,846)	204	(75,642)
Total comprehensive income/(expense) for the year	年度全面收益/(支出)總額		—	—	—	—	(75,846)	144,485	68,639	(2,066)	66,573
Acquisition of subsidiaries	收購附屬公司	29(b)	—	—	—	—	—	—	—	22,753	22,753
Transfer to reserve	轉撥至儲備		—	—	—	4,694	—	(4,694)	—	—	—
Issue of shares	發行股份	27	323	93,728	—	—	—	—	94,051	—	94,051
Final 2018 dividend	二零一八年末期股息	11	—	—	—	—	—	(59,962)	(59,962)	—	(59,962)
Interim 2019 dividend	二零一九年中期股息	11	—	—	—	—	—	(69,955)	(69,955)	—	(69,955)
At 31 March 2019	於二零一九年三月三十一日		5,320	566,314*	(229)*	61,241*	22,158*	649,276*	1,304,080	20,687	1,324,767
At 1 April 2019	於二零一九年四月一日		5,320	566,314	(229)	61,241	22,158	649,276	1,304,080	20,687	1,324,767
Profit for the year	年度溢利		—	—	—	—	—	223,458	223,458	3,372	226,830
Other comprehensive expense for the year:	年度其他全面支出：										
Actuarial loss on a defined benefit plan	定額福利計劃精算虧損		—	—	—	—	—	(114)	(114)	—	(114)
Exchange differences on translation of foreign operations	折算海外業務之匯兌差額		—	—	—	—	(89,266)	—	(89,266)	(1,293)	(90,559)
Total comprehensive income/(expense) for the year	年度全面收益/(支出)總額		—	—	—	—	(89,266)	223,344	134,078	2,079	136,157
Transfer to reserve	轉撥至儲備		—	—	—	10,101	—	(10,101)	—	—	—
Final 2019 dividend	二零一九年末期股息	11	—	—	—	—	—	(31,920)	(31,920)	—	(31,920)
Interim 2020 dividend	二零二零年中期股息	11	—	—	—	—	—	(106,400)	(106,400)	—	(106,400)
At 31 March 2020	於二零二零年三月三十一日		5,320	566,314*	(229)*	71,342*	(67,108)*	724,199*	1,299,838	22,766	1,322,604

* These reserve accounts comprise the consolidated reserves of HK\$1,294,518,000 (2019: HK\$1,298,760,000) 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1,294,518,000港元(二零一九年: 1,298,760,000港元)。



CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 March 2020
截至二零二零年三月三十一日止年度

	Notes 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	經營業務產生之現金流量		
Profit before tax	除稅前溢利	295,149	182,675
Adjustments for:	按以下項目調整：		
Finance costs	融資成本	18,126	12,120
Bank interest income	銀行利息收入	(1,930)	(1,695)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	85,777	72,621
Depreciation of right-of-use assets	使用權資產折舊	14,073	—
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	—	2,485
Amortisation of intangible assets	無形資產攤銷	3,417	2,947
Loss on disposal and write-off of items of property, plant and equipment	出售及撇銷物業、廠房及設備項目虧損	2,072	317
Write-off of other payables	其他應付款項註銷	(2,371)	—
Income derived from financial assets at fair value through profit or loss	按公平值計入損益的金融資產所得收益	(1,528)	(1,184)
		412,785	270,286
Decrease/(increase) in inventories	存貨減少/(增加)	(68,212)	37,070
Decrease/(increase) in accounts and bills receivables	應收賬款及票據減少/(增加)	167,298	(23,541)
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少/(增加)	15,040	(8,926)
Decrease in accounts and bills payables	應付賬款及票據減少	(21,313)	(57,097)
Decrease in accrued liabilities and other payables	應計負債及其他應付款項減少	(18,207)	(22,507)
Increase in pension scheme liabilities	退休金計劃負債增加	5,258	5,044
Settlement of pension scheme liabilities	結算退休金計劃負債	(176)	(156)
Decrease in a restricted bank balance	受限制銀行結餘減少	38	2,054
Exchange realignment	匯兌調整	(21,535)	(20,753)
Cash generated from operations	營運產生之現金	470,976	181,474
Interest paid	已付利息	(18,126)	(12,120)
Hong Kong profits tax paid	已付香港利得稅	(17,230)	(15,013)
Overseas tax paid	已付海外稅項	(34,714)	(24,166)
Net cash flows from operating activities	來自經營業務之現金流量淨值	400,906	130,175

Consolidated Statement of Cash Flows (continued)

綜合現金流量表(續)

Year ended 31 March 2020

截至二零二零年三月三十一日止年度

	Notes 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of items of property, plant and equipment, net		2,079	1,002
Purchases of items of property, plant and equipment		(92,089)	(96,348)
Acquisition of subsidiaries	29	—	(190,286)
Interest received		1,930	1,695
Income derived from financial assets at fair value through profit or loss		1,528	1,184
Decrease/(increase) in non-current portion of deposits		21,503	(21,334)
Decrease/(increase) in pledged deposits		15,204	(5,941)
Increase in time deposit with original maturity of more than three months when acquired		(43,778)	—
Net cash flows used in investing activities		(93,623)	(310,028)
CASH FLOWS FROM FINANCING ACTIVITIES			
New/(repayment of) bank loans, net		(41,355)	296,615
Dividends paid		(138,320)	(129,917)
Principal portion of lease payments		(7,425)	—
Net cash flows from/(used in) financing activities		(187,100)	166,698
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		120,183	(13,155)
Cash and cash equivalents at beginning of year		193,834	222,870
Effect of foreign exchange rate changes, net		(16,639)	(15,881)
CASH AND CASH EQUIVALENTS AT END OF YEAR		297,378	193,834



Consolidated Statement of Cash Flows (continued)
綜合現金流量表(續)

Year ended 31 March 2020
截至二零二零年三月三十一日止年度

	Notes 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
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	20	265,051	209,623
Non-pledged time deposit with original maturity of more than three months when acquired			
於取得時原到期日超過三個月的無抵押定期存款	20	43,778	—
Non-pledged time deposit with original maturity of less than three months when acquired			
於取得時原到期日不超過三個月的無抵押定期存款	20	32,874	—
Less: Restricted bank balance	20	(547)	(585)
Less: Pledged deposits	20	—	(15,204)
Cash and cash equivalents as stated in the consolidated statement of financial position		341,156	193,834
Less: Non-pledged time deposits with original maturity of more than three months when acquired	20	(43,778)	—
Cash and cash equivalents as stated in the consolidated statement of cash flows		297,378	193,834

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 March 2020
二零二零年三月三十一日

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, 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 the manufacture and trading of sportswear and garments.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name 公司名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Issued share/paid-up registered capital 已發行股份/ 繳足註冊資本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			2020 二零二零年	2019 二零一九年	
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)) (2019: Ordinary HK\$2; Non-voting deferred HK\$10,000) 普通股2港元; 無投票權遞延股 10,000港元(附註(a)) (二零一九年: 普通股2港元; 無投票權遞延股10,000港元)	100	100	Investment holding 投資控股
裕美(汕頭)製衣有限公司 ("YM (Shantou)") (Notes (b) and (d)) (「裕美(汕頭)」)(附註(b)及(d))	The People's Republic of China ("PRC")/ Mainland China 中華人民共和國 (「中國」)/中國大陸	US\$23,500,000 (2019: US\$23,500,000) 23,500,000美元 (二零一九年: 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
Eagle Nice Development Limited 鷹美發展有限公司	Hong Kong 香港	HK\$1 (2019: HK\$1) 1港元(二零一九年: 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 (2019: HK\$1,000) 1,000港元 (二零一九年: 1,000港元)	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服及成衣
惠來縣源瀚製衣有限公司 ("Maitex PRC") (Notes (b) and (d)) (「惠來源瀚」)(附註(b)及(d))	PRC/Mainland China 中國/中國大陸	HK\$40,000,000 (2019: HK\$40,000,000) 40,000,000港元 (二零一九年: 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
湖北動能體育用品有限公司 ("Hubei Dongneng") (Notes (c) and (d)) (「湖北動能」)(附註(c)及(d))	PRC/Mainland China 中國/中國大陸	RMB100,000,000 (2019: RMB100,000,000) 人民幣100,000,000元 (二零一九年: 人民幣100,000,000元)	80	80	Manufacture and trading of sportswear and garments 生產及買賣運動服及成衣
Pro Kingtex Vietnam Co., Limited (Note (d)) (附註(d))	Vietnam 越南	US\$7,800,000 (2019: US\$1,800,000) 7,800,000美元 (二零一九年: 1,800,000美元)	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服及成衣

1. 公司及集團資料

本公司為於開曼群島註冊成立之有限公司。本公司註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。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。

附屬公司之資料

本公司主要附屬公司詳情如下：



1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Name 公司名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Issued share/paid-up registered capital 已發行股份/ 繳足註冊資本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			2020 二零二零年	2019 二零一九年	
鷹美(荊門)製衣有限公司 ("EN (Jingmen)") (Notes (c) and (d)) (「鷹美(荊門)」)(附註(c)及(d))	PRC/Mainland China 中國/中國大陸	RMB5,000,000 (2019: RMB5,000,000) 人民幣5,000,000元 (二零一九年: 人民幣5,000,000元)	80	80	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 (2019: HK\$1) 1港元(二零一九年: 1港元)	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 ("Hung Eagle Garment") (Notes (b) and (d)) (「惠來宏鷹」)(附註(b)及(d))	PRC/Mainland China 中國/中國大陸	US\$4,000,000 (2019: US\$4,000,000) 4,000,000美元 (二零一九年: 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 Limited 鷹美(印尼)控股有限公司	Hong Kong 香港	HK\$1 (2019: HK\$1) 1港元(二零一九年: 1港元)	100	100	Investment holding 投資控股
P.T. Eagle Nice Indonesia ("EN Indonesia") (「鷹美印尼」)	Indonesia 印尼	US\$32,000,000 (2019: US\$32,000,000) 32,000,000美元 (二零一九年: 32,000,000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 (2019: HK\$10,000) 10,000港元 (二零一九年: 10,000港元)	100	100	Investment holding 投資控股
鷹美(宜豐)製衣有限公司 ("EN (Yifeng)") (Notes (b) and (d)) (「鷹美(宜豐)」)(附註(b)及(d))	PRC/Mainland China 中國/中國大陸	US\$25,000,000 (2019: US\$25,000,000) 25,000,000美元 (二零一九年: 25,000,000美元)	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服及成衣

Notes:

- 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).
- YM (Shantou), Maitex PRC, Hung Eagle Garment and EN (Yifeng) are registered as wholly-foreign-owned enterprises under PRC law.
- Hubei Dongneng and EN (Jingmen) are registered as limited liability companies under PRC law.
- The statutory financial statements of these entities are not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

1. 公司及集團資料(續)

附屬公司之資料(續)

Name 公司名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Issued share/paid-up registered capital 已發行股份/ 繳足註冊資本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			2020 二零二零年	2019 二零一九年	
鷹美(荊門)製衣有限公司 ("EN (Jingmen)") (Notes (c) and (d)) (「鷹美(荊門)」)(附註(c)及(d))	PRC/Mainland China 中國/中國大陸	RMB5,000,000 (2019: RMB5,000,000) 人民幣5,000,000元 (二零一九年: 人民幣5,000,000元)	80	80	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 (2019: HK\$1) 1港元(二零一九年: 1港元)	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 ("Hung Eagle Garment") (Notes (b) and (d)) (「惠來宏鷹」)(附註(b)及(d))	PRC/Mainland China 中國/中國大陸	US\$4,000,000 (2019: US\$4,000,000) 4,000,000美元 (二零一九年: 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 Limited 鷹美(印尼)控股有限公司	Hong Kong 香港	HK\$1 (2019: HK\$1) 1港元(二零一九年: 1港元)	100	100	Investment holding 投資控股
P.T. Eagle Nice Indonesia ("EN Indonesia") (「鷹美印尼」)	Indonesia 印尼	US\$32,000,000 (2019: US\$32,000,000) 32,000,000美元 (二零一九年: 32,000,000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 (2019: HK\$10,000) 10,000港元 (二零一九年: 10,000港元)	100	100	Investment holding 投資控股
鷹美(宜豐)製衣有限公司 ("EN (Yifeng)") (Notes (b) and (d)) (「鷹美(宜豐)」)(附註(b)及(d))	PRC/Mainland China 中國/中國大陸	US\$25,000,000 (2019: US\$25,000,000) 25,000,000美元 (二零一九年: 25,000,000美元)	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服及成衣

附註:

- 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，亦無權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持有人後，有關股份之繳足或入賬列作繳足的面值除外)。
- 裕美(汕頭)、惠來源瀚、惠來宏鷹及鷹美(宜豐)為根據中國法律註冊之外商獨資企業。
- 湖北動能及鷹美(荊門)為根據中國法律註冊之有限責任公司。
- 該等實體的法定財務報表未經香港安永會計師事務所或安永國際網絡其他成員公司審核。

1. CORPORATE AND GROUP INFORMATION *(continued)*

Information about subsidiaries *(continued)*

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

The above table 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.

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 ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss 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 2020. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

1. 公司及集團資料 *(續)*

附屬公司之資料 *(續)*

上述所有附屬公司由本公司間接持有。

上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。

2.1 編製基準

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製。此等財務報表根據歷史成本常規編製，惟按公平值計入損益的金融資產除外，此乃按公平值計量。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」)截至二零二零年三月三十一日止年度之財務報表。附屬公司指受本公司直接或間接控制的實體(包括結構性實體)。倘本集團透過參與被投資方業務而享有或有權取得被投資方的可變回報，且有能力行使在被投資方的權力影響有關回報，則本集團擁有該實體的控制權(即現時賦予本集團指導被投資方相關活動的能力的現有權利)。



2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

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 on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2.1 編製基準(續)

綜合基準(續)

倘本公司直接或間接擁有的被投資方投票權或類似權利不及半數，則評估本公司對被投資方是否擁有權力時，本集團會考慮所有相關事實及情況，包括：

- (a) 與該被投資方其他投票權擁有人的合約安排；
- (b) 根據其他合約安排所享有的權利；及
- (c) 本集團的投票權及潛在投票權。

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。

本公司擁有人及非控股股東權益應佔損益及其他全面收益各組成部分，即使由此引致非控股股東權益結餘為負數亦然。本集團成員公司之間交易所產生的集團內部資產及負債、權益、收入、支出及現金流量均在綜合賬目時全數對銷。

倘事實及情況顯示上文所述的三項控制因素之一項或多項出現變動，本集團會重新評估其是否控制被投資公司。附屬公司的所有權權益變動(沒有失去控制權)，按權益交易入賬。

Notes to Financial Statements (continued) 財務報表附註(續)

31 March 2020
二零二零年三月三十一日

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

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 the income statement. The Group's share of components previously recognised in other comprehensive income is reclassified to the income statement or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

2.1 編製基準(續)

綜合基準(續)

倘本集團失去對附屬公司之控制權，則剔除確認(i)該附屬公司之資產(包括商譽)及負債；(ii)任何非控股股東權益之賬面值；及(iii)計入權益之累計匯兌差額；並確認(i)收取代價之公平值；(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。早前於其他全面收益內確認之本集團應佔部份重新分類至收益表或留存溢利(如適用)，倘本集團已直接出售相關資產或負債則須以同一基準確認。

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準則：

香港財務報告準則第9號修訂	具有負補償之提前還款特性
香港財務報告準則第16號	租賃
香港會計準則第19號修訂	計劃修訂、縮減或結算
香港會計準則第28號修訂	於聯營公司及合資公司的長期權益
香港(國際財務報告詮釋委員會)詮釋第23號	所得稅處理的不確定性
香港財務報告準則二零一五年至二零一七年週期的年度改進	香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號修訂



2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Other than as explained below regarding the impact of HKFRS 16 *Leases* and Amendments to HKAS 19 *Plan Amendment, Curtailment or Settlement*, the adoption of the above new and revised standards has had no significant financial effect on these financial statements.

- (a) HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases — Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors continue to classify leases as either operating or finance leases using similar principles as in HKAS 17.

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

2.2 會計政策及披露變動(續)

除下文闡述有關香港財務報告準則第16號租賃及香港會計準則第19號修訂計劃修訂、縮減或結算的影響外，採用以上新訂及經修訂之準則對該等財務報表並無重大財務影響。

- (a) 香港財務報告準則第16號取代香港會計準則第17號租賃、香港(國際財務報告詮釋委員會)詮釋第4號釐定安排是否包括租約、香港(準則詮釋委員會)詮釋第15號經營租賃優惠及香港(準則詮釋委員會)詮釋第27號評估涉及租賃法律形式交易之內容。該準則已規定租賃確認、計量、呈列和披露原則，並要求承租人在單一資產負債表內模型中計算所有租賃，以確認及計量使用權資產及租賃負債，惟若干確認豁免除外。香港財務報告準則第16號大致沿用香港會計準則第17號內出租人的會計處理方式。出租人繼續使用與香港會計準則第17號類似的原則將租賃分類為經營租賃或融資租賃。

本集團已使用經修訂追溯採納法採納香港財務報告準則第16號，首次應用日期為二零一九年四月一日。根據此方法，該準則已被追溯應用，首次採納的累計影響將確認為對於二零一九年四月一日之保留溢利期初結餘的調整，且二零一九年的比較資料亦不會重列，而是繼續根據香港會計準則第17號及相關詮釋報告。

Notes to Financial Statements (continued)
財務報表附註(續)

31 March 2020
二零二零年三月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES
AND DISCLOSURES (continued)

(a) (continued)

New definition of a lease

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

2.2 會計政策及披露變動(續)

(a) (續)

租賃之新定義

根據香港財務報告準則第16號，倘合約賦予於一段時間內可控制已識別資產用途的權利以換取代價，則該合約是租賃或包含租賃。當客戶有權從使用已識別資產獲得絕大部分經濟利益以及擁有指示使用已識別資產的權利時，即有控制權。本集團選擇應用過渡性的實際權宜辦法以允許該準則僅適用於先前於首次應用日期已根據香港會計準則第17號及香港財務報告詮釋委員會詮釋第4號確定為租賃之合約。根據香港會計準則第17號及香港財務報告詮釋委員會詮釋第4號，未確定為租賃的合約不會重新評估。因此，香港財務報告準則第16號項下的租賃定義僅適用於在二零一九年四月一日或之後訂立或變更的合約。



2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

As a lessee – Leases previously classified as operating leases

Nature of the effect of adoption of HKFRS 16

The Group has lease contracts for various items of land and plant. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease-by-lease basis) and leases with a lease term of 12 months or less (“short-term leases”) (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 April 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

Impact on transition

Lease liabilities at 1 April 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 April 2019. The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 April 2019.

All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position.

2.2 會計政策及披露變動(續)

(a) (續)

作為承租人 – 先前分類為經營租賃的租賃

採納香港財務報告準則第16號的影響性質

本集團擁有租賃土地及工廠的租賃合約。作為承租人，本集團先前根據對租賃是否將資產所有權的絕大部分回報及風險轉移至本集團的評估，將租賃分類為融資租賃或經營租賃。根據香港財務報告準則第16號，本集團採用單一方法確認及計量所有租賃的使用權資產及租賃負債，惟低價值資產租賃（按個別租賃基準選擇）及租期為十二個月或以下的租賃（「短期租賃」）（按相關資產類別選擇）的兩項選擇性豁免除外。本集團確認使用權資產折舊（及減值，如有）及尚未償還租賃負債之應計利息（為融資成本），而非於自二零一九年四月一日開始之租期內按直線法於經營租賃項下確認租金開支。

過渡影響

於二零一九年四月一日之租賃負債按剩餘租賃付款的現值，經使用二零一九年四月一日的增量借款利率貼現後予以確認。使用權資產根據租賃負債金額計量，並按與緊接二零一九年四月一日前於綜合財務狀況表確認的租賃相關的任何預付或應計租賃付款金額作出調整。

所有該等資產於該日均根據香港會計準則第36號就任何減值作出評估。本集團選擇於綜合財務狀況表中單獨列示使用權資產。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

As a lessee – Leases previously classified as operating leases (continued)

Impact on transition (continued)

For the leasehold land previously included in property, plant and equipment and prepaid land lease payments, the Group has reclassified these lease payments as right-of-use assets.

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

- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application;
- Using hindsight in determining the lease term where the contract contains options to extend/terminate the lease;
- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics when measuring the lease liabilities at 1 April 2019;
- Excluding initial direct costs from the measurement of the right-of-use assets at the date of initial application; and
- Accounting for the lease component and the associated non-lease component (e.g., property management services for leases of properties) as a single lease component.

2.2 會計政策及披露變動(續)

(a) (續)

作為承租人 – 先前分類為經營租賃的租賃(續)

過渡影響(續)

就之前包含在物業、廠房及設備以及預付土地租賃款項中的租賃土地，本集團已重新分類該等租賃款項為使用權資產。

於二零一九年四月一日應用香港財務報告準則第16號時，本集團使用以下選擇性實際權宜辦法：

- 對租期於首次應用日期起計十二個月內結束的短期租賃豁免；
- 倘合約包含延長終止租賃的選擇權，則於事後釐定租賃期；
- 計量二零一九年四月一日的租賃負債時，對具有合理相似特徵的租賃組合使用單一貼現率；
- 於首次應用日期計量使用權資產時撇除初步直接成本；及
- 將租賃組成部分和相關非租賃組成部分(如物業租賃的物業管理服務)記為單一租賃組成部分。

**2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES** (continued)**2.2 會計政策及披露變動** (續)

(a) (continued)

Financial impact at 1 April 2019

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

		Increase/ (decrease) 增加/(減少) HK\$'000 千港元
Assets	資產	
Increase in right-of-use assets	使用權資產增加	194,079
Decrease in prepaid land lease payments	預付土地租賃款項減少	(130,270)
Decrease in property, plant and equipment	物業、廠房及設備減少	(37,797)
Decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少	(3,947)
Increase in total assets	資產總值增加	22,065
Liabilities	負債	
Increase in lease liabilities	租賃負債增加	22,065
Increase in total liabilities	負債總值增加	22,065

The lease liabilities as at 1 April 2019 reconciled to the operating lease commitments as at 31 March 2019 are as follows:

於二零一九年四月一日的租賃負債與於二零一九年三月三十一日的經營租賃承擔的對賬如下：

		HK\$'000 千港元
Operating lease commitments as at 31 March 2019	於二零一九年三月三十一日的經營租賃承擔	23,750
Less: Commitments relating to short-term leases and those leases with a remaining lease term ended on or before 31 March 2020	減：與短期租賃及剩餘租賃期在二零二零年三月三十一日或之前結束的租賃有關的承擔	(297)
		23,453
Weighted average incremental borrowing rate as at 1 April 2019	於二零一九年四月一日的加權平均增量借款利率	3.96%
Lease liabilities as at 1 April 2019	於二零一九年四月一日的租賃負債	22,065

Notes to Financial Statements (continued)
財務報表附註(續)

31 March 2020
二零二零年三月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (b) Amendments to HKAS 19 address the accounting for a defined benefit plan when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to (i) determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement using the actuarial assumptions used to remeasure the net defined benefit liability or asset reflecting the benefits offered under the plan and the plan assets after that event, and (ii) determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability or asset, reflecting the benefits offered under the plan and the plan assets after that event and the discount rate used to remeasure that net defined benefit liability or asset.

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in the income statement. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in net interest, is recognised in other comprehensive income. The amendments did not have any significant impact on the Group's financial statements.

2.2 會計政策及披露變動(續)

- (b) 香港會計準則第19號修訂處理涉及於報告期間定額福利計劃發生之計劃修訂、削減或結算。該等修訂具體說明當計劃修訂、削減或結算於年度報告期間發生，實體需要(i)釐定於計劃修訂、削減或結算後剩餘期間內的即期服務成本，採用精算假設重新計量定額福利負債或資產淨值以反映該事件後計劃所提供的福利及計劃資產，及(ii)釐定於計劃修訂、削減或結算後剩餘期間內的淨利息，採用定額福利負債或資產淨值，反映該事件後計劃所提供的福利及計劃資產及用於重新計量定額福利負債或資產淨值的貼現率。

該等修訂亦澄清了實體首先釐定任何過往服務成本或結算收益或虧損，而不考慮資產上限的影響。該款項於收益表確認。其後實體於計劃修訂、削減或結算後釐定資產上限的影響。倘該影響出現任何變動(不計淨利息內的款項)，於其他全面收益中確認。該等修訂對本集團的財務報表並無任何重大影響。



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.

Amendments to HKFRS 3	<i>Definition of a Business</i> ¹
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i> ¹
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
Amendment to HKFRS 16	<i>Covid-19-Related Rent Concessions</i> ²
HKFRS 17	<i>Insurance Contracts</i> ³
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i> ¹

- 1 Effective for annual periods beginning on or after 1 January 2020
- 2 Effective for annual periods beginning on or after 1 June 2020
- 3 Effective for annual periods beginning on or after 1 January 2021
- 4 No mandatory effective date yet determined but available for adoption

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

2.3 已頒佈但尚未生效的香港財務報告準則

本集團並未於此等財務報表中應用下列已頒佈但未生效之新訂及經修訂的香港財務報告準則。

香港財務報告準則第3號修訂	<i>業務之定義</i> ¹
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號修訂	<i>利率基準改革</i>
香港財務報告準則第10號及香港會計準則第28號(二零一一年)修訂	<i>投資者與其聯營公司或合營企業之間的資產出售或注資</i> ⁴
香港財務報告準則第16號修訂	<i>與新型冠狀病毒相關的租金寬減</i> ²
香港財務報告準則第17號	<i>保險合約</i> ³
香港會計準則第1號及香港會計準則第8號(修訂)	<i>重大之定義</i>

- 1 於二零二零年一月一日或之後開始之年度期間生效
- 2 於二零二零年六月一日或之後開始之年度期間生效
- 3 於二零二一年一月一日或之後開始之年度期間生效
- 4 尚未釐定強制生效日期，惟可供採納

預期適用於本集團的香港財務報告準則之進一步資料概述如下。

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 April 2020. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 April 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的香港財務報告準則(續)

香港財務報告準則第3號對業務的定義作出澄清並提供額外指引。有關修訂澄清，一組綜合活動及資產須包括至少一項投入及一項實質過程，乃一同對創造產出能力作出顯著貢獻，方可被視為一項業務。業務即使未包括創造產出的所有必要投入及過程仍可存續。有關修訂撤除有關市場參與者是否有能力收購有關業務並繼續生產產出的評核，而將焦點放於獲收購投入及獲收購實質過程是否一同對創造產出能力作出顯著貢獻。有關修訂亦已將產出的定義縮窄，以集中於向客戶提供的商品或服務、投資收入或一般活動之其他收入。此外，有關修訂提供有關評核獲收購過程是否具實質性的指引，並推出一項任選公平值集中度測試，以就獲收購活動及資產組別是否為業務進行簡化評核。本集團預期由二零二零年四月一日起於未來採用有關修訂。由於有關修訂於未來應用於在首次應用日期或其後所發生的交易或其他事件，本集團將不會於過渡日期受有關修訂影響。

香港會計準則第1號及香港會計準則第8號的修訂為重大提供新的定義。新定義指，如遺漏、失實陳述或隱藏資料可合理認為對一般用途財務報表主要使用者按該等財務報表作出的決定造成影響，則有關資料屬重大。有關修訂澄清，重大程度將視乎有關資料的性質或定量。失實陳述資料如可合理認為對主要使用者所作出的決定造成影響則屬重大。本集團預期由二零二零年四月一日起於未來採用有關修訂。預期有關修訂不會對本集團的財務報表造成任何重大影響。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business combinations and goodwill

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 Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related 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 of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in the income statement.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in the income statement. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

2.4 主要會計政策概要

業務合併及商譽

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，本集團選擇是否以公平值或收購對象可識別資產淨值之應佔比例，計量於收購對象之非控股股東權益，即於收購對象中賦予持有人在清盤時按比例分佔資產淨值之現有所有權權益。非控股股東權益之所有其他部分乃按公平值計量。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，包括分離收購對象所訂主合約中的嵌入式衍生工具。

倘業務合併分階段進行，先前持有的股本權益於收購日之公平值會重新計算，得出的任何損益於收益表內確認入賬。

由收購方轉讓之任何或然代價按收購日期之公平值確認。分類為資產或負債的或然代價以公平值計量，而公平值變動於收益表中確認。分類為權益的或然代價不會重新計量，其後結算於權益內入賬。

Notes to Financial Statements (continued)
財務報表附註(續)

31 March 2020
二零二零年三月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

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 identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in the income statement 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.

Where goodwill has been allocated to a cash-generating unit (or 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 the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 主要會計政策概要(續)

業務合併及商譽(續)

商譽初步按成本計量，即已轉讓代價、已確認為非控股股東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。

倘商譽被分配至現金產生單位(或現金產生單位組別)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。在該等情況下出售之商譽，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。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement

The Group measures its financial assets at fair value through profit or loss at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

2.4 主要會計政策概要(續)

公平值計量

本集團於各報告期末透過損益計量其金融工具。公平值為市場參與者於計量日期在有序交易中出售資產所收取的價格或轉讓負債所支付的價格。公平值計量乃根據假設出售資產或轉讓負債的交易於資產或負債主要市場或(在無主要市場情況下)最具優勢市場進行而作出。主要及最具優勢市場須為本集團可進入之市場。資產或負債的公平值乃按假設市場參與者於資產或負債定價時會以最佳經濟利益行事計量。

非金融資產的公平值計量須計及市場參與者能使用該資產達致最佳用途及最高增值，或將該資產出售予使用該資產達致最佳用途及最高增值的其他市場參與者，所產生的經濟效益。

本集團採納適用於不同情況且具備充分數據以供計量公平值的估值方法，以盡量使用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

所有於財務報表計量或披露公平值的資產及負債乃基於對公平值計量整體而言屬重大的最低級別輸入數據按以下公平值等級分類：

- | | | |
|-----|---|----------------------------------|
| 第一級 | — | 於活躍市場中相同資產或負債取得之報價(未經調整) |
| 第二級 | — | 以對公平值計量屬重大的最低級別輸入數據可直接或間接觀察的估值方法 |
| 第三級 | — | 以對公平值計量屬重大的最低級別輸入數據不可觀察的估值方法 |

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets and deferred tax 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 of disposal, 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.

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 in those expense categories consistent with the function of the impaired asset.

2.4 主要會計政策概要(續)

公平值計量(續)

就按經常性基準於財務報表確認的資產及負債而言，本集團透過於各報告期末重新評估分類(基於對公平值計量整體而言屬重大的最低級別輸入數據)確定是否發生不同等級轉移。

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、金融資產及遞延稅項資產除外)，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。

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折現率，將估計其日後現金流量折現至現值。減值虧損於產生期間自收益表中在與減值資產之功能一致的開支類別扣除。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets (continued)

An assessment is made at the end of each reporting period as to whether there is an 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 an impairment loss is credited to the income statement in the period in which it arises.

Related parties

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

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;

2.4 主要會計政策概要(續)

非金融資產減值(續)

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。

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) 有關人士或該人士之直系親屬，而該名人士
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司主要管理層成員；

或

- (b) 有關人士為符合任何下述條件的實體：
 - (i) 與本集團同屬一個集團成員公司的實體；
 - (ii) 一間實體為另一實體(或另一實體之母公司、附屬公司、同系附屬公司)之聯營公司或合營企業；
 - (iii) 與本集團同為相同第三方的合營企業的實體；



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

(b) (continued)

- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost 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.

2.4 主要會計政策概要(續)

關連人士(續)

(b) (續)

- (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；
- (v) 該實體為本集團或與本集團有關的實體的僱員利益而設立之離職後福利計劃；
- (vi) 該實體由(a)項所述人士控制或與他人共同控制；
- (vii) (a)(i)項所述人士對該實體有重大影響力或屬該實體(或該實體的母公司)主要管理人員；及
- (viii) 實體或實體所屬集團任何成員公司向本集團或本集團的母公司提供主要管理人員服務。

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。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

(continued)

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 depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost 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:

Buildings	30 to 50 years
Leasehold improvements	Over the shorter of the lease terms or 20%
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 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 including 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)

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且相應折舊。

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至其剩餘價值。就此目的所採用之主要年率如下：

樓宇	30至50年
租賃物業裝修	按租賃期或20% (以較短者為準)
廠房及機器	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、廠房及設備項目包括初步獲確認的任何重要部份，於出售或預期使用或出售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。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Customer relationship is stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the estimated useful life of 6 years.

Backlog is stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the estimated useful life of 1 year.

Leases (applicable from 1 April 2019)

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2.4 主要會計政策概要(續)

無形資產(商譽除外)

單獨取得的無形資產按成本進行初始計量。企業合併中取得的無形資產成本為購買日的公平值。無形資產的可使用年限分為有期限或無期限評估。有期限的無形資產其後按可使用經濟年限攤銷，並於有跡象顯示無形資產可能減值時評估是否減值。有期限的無形資產攤銷期及攤銷方法須至少於每個財政年度末進行檢討。

客戶關係乃按成本減累計攤銷及減值虧損列賬。攤銷乃以直線法按其估計可使用年期6年計算。

未完成合同乃按成本減累計攤銷及減值虧損列賬。攤銷乃以直線法按其估計可使用年期1年計算。

租賃(二零一九年四月一日起適用)

本集團於合約開始時評估合約是否為租賃或包含租賃。倘合約賦予於一段時間內可控制已識別資產用途的權利以換取代價，則該合約為租賃或包含租賃。

本集團作為承租人

本集團對所有租賃(惟短期租賃及低價值資產租賃除外)採取單一確認及計量方法。本集團確認租賃負債以作出租賃付款，而使用權資產指使用相關資產的權利。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (applicable from 1 April 2019) (continued)

Group as a lessee (continued)

At inception or on reassessment of a contract that contains a lease component and a non-lease component, the Group adopts the practical expedient not to separate the non-lease component and to account for the lease component and the associated non-lease component (e.g., property management services for leases of properties) as a single lease component.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	30 to 60 years
Plant	3 to 6 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2.4 主要會計政策概要(續)

租賃(二零一九年四月一日起適用)(續)

本集團作為承租人(續)

在開始或重新評估包含租賃組成部分及非租賃組成部分的合約時，本集團採用可行權宜方法，並不分開非租賃組成部分，租賃組成部分與相關的非租賃組成部分(如物業租賃的物業管理服務)將作單一租賃組成部分入賬。

(a) 使用權資產

使用權資產乃於租賃開始日(即相關資產可供使用的日期)確認。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就任何重新計量租賃負債作出調整。使用權資產成本包括已確認租賃負債金額、初步已產生直接成本及於開始日期或之前作出的租賃付款減任何已收取租賃獎勵。使用權資產於資產租期及估計可使用年期(以較短者為準)按直線法折舊，如下：

租賃土地	30至60年
廠房	3至6年

倘租賃資產的所有權於租期結束時轉移至本集團或成本反映行使購買權，則使用資產估計可使用年期計算折舊。

Notes to Financial Statements (continued)
財務報表附註(續)

31 March 2020
二零二零年三月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (applicable from 1 April 2019) (continued)

Group as a lessee (continued)

(b) Lease liabilities

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

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

2.4 主要會計政策概要(續)

租賃(二零一九年四月一日起適用)(續)

本集團作為承租人(續)

(b) 租賃負債

租賃負債在租賃開始日以租賃期內將予作出的租賃付款的現值確認。租賃付款包括固定付款(包括實質固定付款)減任何應收租賃優惠、基於指數或利率的可變租賃付款和剩餘價值擔保下的預期支付款項。倘租賃期反映本集團正行使終止權，則租賃付款亦包括可合理確定由本集團行使購買權的行使價和為終止租賃而支付的罰款。非基於指數或利率的可變租賃付款將在觸發付款事件或條件期間確認為支出。

在計算租賃付款的現值時，因租賃中隱含的利率不易釐定，本集團使用在租賃開始日的增量借款利率。在開始日後，租賃負債金額將予增加以反映利息的累增，並就已作出的租賃付款作減少。此外，如出現修改、租賃期發生變化、租賃付款變動(如由指數或利率變動引起的未來租賃付款變動)或購買相關資產的選擇權評估更改，則租賃負債的賬面值將重新計量。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (applicable from 1 April 2019) (continued)

Group as a lessee (continued)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Leases (applicable before 1 April 2019)

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 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.

When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

2.4 主要會計政策概要(續)

租賃(二零一九年四月一日起適用)(續)

本集團作為承租人(續)

(c) 短期租賃及低價值資產租賃

本集團將短期租賃確認豁免應用於機器及設備的短期租賃(即有關租賃的租賃期為開始日起十二個月或以下並且不包括購買選擇權)。該確認豁免亦應用於辦公設備的低價值資產租賃。

短期租賃及低價值資產租賃的租賃付款在租賃期內按直線法確認為支出。

租賃(二零一九年四月一日前適用)

資產擁有權絕大部分回報及風險仍歸出租人所有之租賃列為經營租賃。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。

倘租賃付款未能在土地及樓宇部分之間作可靠分配，則全部租賃付款視為物業、廠房及設備的融資租賃並計入土地及樓宇的成本。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

2.4 主要會計政策概要(續)

投資及其他金融資產

初步確認及計量

金融資產在初始確認時乃分類為其後按攤銷成本、按公平值計入其他全面收益以及按公平值計入損益。

金融資產在初始確認時的分類取決於其合約現金流量特徵以及本集團管理該等金融資產的業務模式。惟不包含重要融資成分的應收賬項或本集團就應收賬項採取不調整重大融資成分影響的可行權宜方法除外，本集團初始按其公平值加交易成本(如屬並非按公平值計入損益的金融資產)計量金融資產。不包含重要融資成分或本集團已就其採取可行權宜方法的應收賬項，根據香港財務報告準則第15號按下文「營業收入確認」所載列政策釐定的交易價格計量。

金融資產如按攤銷成本或按公平值計入其他全面收益進行分類及計量，其需產生就未償還本金的純粹本息付款(「純粹本息付款」)的現金流量。金融資產的現金流量不屬於純粹本息付款時，不論業務模式均按公平值計入損益分類及計量。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

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.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

初步確認及計量(續)

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式釐定現金流量是否來自收取合約現金流量、出售金融資產或兩者同時進行。按攤銷成本分類及計量的金融資產於旨在持有金融資產以收取合約現金流量的業務模式中持有，而按公平值計入其他全面收益分類及計量的金融資產於旨在收取合約現金流量以及出售的業務模式中持有。不屬於上述業務模式的金融資產按公平值計入損益分類及計量。

正常情況下買入及出售的金融資產於交易日確認，即本集團承諾購入或出售該資產的日期。正常情況下買入或出售必須按規例或市場慣例一般設定的期間內交付資產的買入或出售金融資產。

其後計量

金融資產的其後計量視以下分類而定：

按攤銷成本計量的金融資產(債務工具)

按攤銷成本計量的金融資產其後使用實際利率法計量並可能受減值影響。當資產終止確認、修訂或減值時，收益及虧損於收益表中確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the income statement when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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 primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) 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.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

其後計量(續)

按公平值計入損益之金融資產

按公平值計入損益之金融資產在財務狀況表內按公平值列賬，其公平值變動淨額在收益表內確認。

該類別包括本集團並無不可撤回地選擇按公平值計入其他全面收益分類的衍生工具及股權投資。當付款權利確立、與股息相關的經濟利益很可能流入本集團及股息金額可以可靠計量時，劃分為按公平值計入損益的金融資產的股權投資股息亦於收益表內確認為其他收入。

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(即從本集團的綜合財務狀況表中剔除)：

- 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，或已根據一項「轉付」安排，承擔在沒有重大延誤的情況下，向第三方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。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets (continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. 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.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2.4 主要會計政策概要(續)

剔除確認金融資產(續)

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，會評估是否保留該資產所有權的風險和回報以及保留的程度。當本集團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，該項轉讓資產將按本集團持續參與程度而持續確認。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。

就對已轉讓資產作出擔保的形式進行的持續參與，按資產原賬面值及本集團可能須償還代價上限的較低者計量。

金融資產減值

本集團就所有並非按公平值計入損益持有的債務工具計提預期信貸虧損(「預期信貸虧損」)撥備。預期信貸虧損根據合約到期的合約現金流量與本集團預期收取的所有現金流量差額計量，並按概若原實際利率折現。預期現金流量將包括出售為所持抵押品或合約條款其他信貸升級措施所得現金流量。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are more than 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 主要會計政策概要 (續)

金融資產減值 (續)

一般方式

預期信貸虧損於兩個階段確認。就首次確認以來信貸風險並無顯著增加的項目而言，預期信貸虧損為就未來12個月可能發生的違約事件產生的信貸虧損計提撥備(12個月預期信貸虧損)。就初始確認以來信貸風險顯著增加的項目而言，須於風險剩餘年期內就預期信貸虧損計提虧損撥備，不論違約發生時間(年限內預期信貸虧損)。

於各報告日期，本集團評估金融工具的信貸風險自首次確認以來是否顯著增加。進行評估時，本集團比較金融工具於報告日期出現違約之風險與該金融工具於首次確認日期出現違約之風險，並考慮合理及可靠且毋須花費過多成本或力度即可獲得之資料，包括過往及前瞻性資料。

倘合約付款逾期90天，本集團視金融資產為違約。然而，於若干情況下，在計及本集團持有的任何信貸增值措施前，如內部或外部資料顯示本集團可能無法全數收回未償還合約款項時，本集團可能視金融資產為違約。當概無合理預期可收回合約現金流量時，金融資產將予撇銷。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

General approach (continued)

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for accounts receivable which apply the simplified approach as detailed below.

- | | | |
|---------|---|--|
| Stage 1 | — | Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs |
| Stage 2 | — | Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs |
| Stage 3 | — | Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs |

2.4 主要會計政策概要(續)

金融資產減值(續)

一般方式(續)

根據一般方法，按公平值計入其他全面收益的債務投資及按攤銷成本列賬的金融資產須計提減值並按下列階段分類以計量預期信貸虧損，惟應收賬項則除外，該等項目採用下文詳述之簡化方法計量。

- | | | |
|------|---|---|
| 第一階段 | — | 就自首次確認以來信貸風險並無顯著增加及虧損撥備按等同12個月預期信貸虧損金額計量的金融工具 |
| 第二階段 | — | 就自首次確認以來信貸風險明顯增加但並非信貸減值金融資產及虧損撥備按等同年限內預期信貸虧損金額計量的金融工具 |
| 第三階段 | — | 就於報告日期已發生信貸減值(但非購入或原本已發生信貸減值)及虧損撥備按等同年限內預期信貸虧損金額計量的金融資產 |

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Simplified approach

For accounts receivable that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities include accounts and bills payables, financial liabilities included in accrued liabilities and other payables, interest-bearing bank borrowings and lease liabilities.

2.4 主要會計政策概要(續)

金融資產減值(續)

簡化方式

就並無重大融資成分或本集團已應用權宜方法不調整重大融資成分影響的應收賬項而言，本集團應用簡化方式計算預期信貸虧損。根據簡化方式，本集團並不追蹤信貸風險的變動，而是根據各報告日期的年限內預期信貸虧損確認虧損撥備。本集團已根據其過往信貸虧損經驗設立撥備矩陣，並根據債務人及經濟環境特定的前瞻性因素作出調整。

金融負債

初始確認及計量

金融負債於初始確認時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的對沖工具(如適用)。

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，則扣除直接應佔交易成本。

本集團的金融負債包括應付賬款及票據、計入累計負債之金融負債及其他應付款項、計息銀行貸款及租賃負債。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (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 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.

2.4 主要會計政策概要(續)

金融資產減值(續)

後續計量

金融負債的後續計量視乎其如下分類而定：

按攤銷成本列賬的金融負債(貸款與借貸)

計息貸款與借貸於初步確認後，後續計量採用實際利率法按攤銷成本計量，除非折現影響不大，則按成本列賬。負債剔除確認後，以及按實際利率法攤銷時，在收益表確認損益。

計算攤銷成本時，應考慮購買時的任何折價或溢價，且包括作為實際利率不可缺部分的費用或成本。實際利率法攤銷額在收益表內列為融資成本。

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另一項金融負債取代，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。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position 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.

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 consolidated statement of financial position, cash and bank balances comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

2.4 主要會計政策概要(續)

金融工具的抵銷

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。

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、直接勞工及間接成本之適當比例。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。

就綜合財務狀況表而言，現金及銀行結餘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。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 the income statement is recognised outside the income statement, either in other comprehensive income or directly in equity.

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

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.

2.4 主要會計政策概要(續)

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。

若折現之影響重大，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折現現值增加計入收益表的融資成本內。

所得稅

所得稅包括即期及遞延稅項。與於收益表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。

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。

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。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

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

- when the deferred tax liability arises from the initial recognition of goodwill or 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, when 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, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when 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商譽或資產或負債，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。

遞延稅項資產根據所有可予扣減暫時性差額、未動用稅項抵免及任何未動用稅項虧損結轉確認。倘可能獲得應課稅溢利用作抵扣可予扣減暫時性差額、未動用稅項抵免及未動用稅項虧損結轉，則確認遞延稅項資產，除以下情況：

- 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。



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 and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

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 where 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 on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. 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.

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前已實施或實質實施之稅率(及稅法)，按預期於變現資產或清償負債期間適用之稅率計算。

當及僅當本集團擁有可抵銷即期稅項資產及即期稅項負債及同一稅務機關就所得稅向同一應繳稅實體徵收的遞延稅項資產及遞延稅項負債的合法可執行權利，則遞延稅項資產及遞延稅項負債可抵銷。

政府補助

政府補助(包括基建項目建築成本產生的開支補貼)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，則以有系統方式分多段期間確認為收入，以支銷擬作補償的成本。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。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Employee benefits

Defined contribution plans

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.

2.4 主要會計政策概要(續)

營業收入確認

客戶合約營業收入

客戶合約營業收入於向客戶轉移貨品或服務的控制權時確認，轉讓金額應為能反映本集團預期就交換該等貨品或服務有權獲得的代價。

銷售貨品的營業收入於貨品控制權轉移客戶時(一般發生在交付貨品時)予以確認。

其他收入

利息收入乃按應計基準採用實際利率法，在金融工具的預計年期內或更短期間按利率準確折現預計未來可收取現金及金融資產的賬面淨值(如適用)。

僱員福利

定額供款計劃

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。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

Defined contribution plans (continued)

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 Group's subsidiaries which operate in Mainland China and Vietnam are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme for their employees who are registered as permanent residents in Mainland China and Vietnam. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

2.4 主要會計政策概要(續)

僱員福利(續)

定額供款計劃(續)

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。

本集團在中國大陸及越南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。有關附屬公司須就中央退休金計劃向登記為中國大陸及越南永久居民之僱員作出相當於支薪成本若干百分比之供款。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。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

Defined benefit plan

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method.

Remeasurements arising from the defined benefit pension plan, comprising actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets (excluding net interest), are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to retained profits through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the income statement in subsequent periods.

Past service costs are recognised in the income statement at the earlier of:

- the date of the plan amendment or curtailment; and
- the date that the Group recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under "cost of sales" and "administrative expenses" in the income statement by function:

- service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements; and
- net interest expense or income.

2.4 主要會計政策概要(續)

僱員福利(續)

定額福利計劃

根據該定額福利計劃提供福利之成本，乃運用預測單位信貸精算估值法釐定。

因定額福利退休金計劃而產生之重新計量，包括精算收益及虧損、資產上限之影響(不包括利息淨額)以及計劃資產之回報(不包括利息淨額)，即時於綜合財務狀況表中確認，並透過其產生期間之其他全面收益於保留溢利內相應記入借方或記入貸方。重新計量於隨後期間不會重新分類至收益表。

過往服務成本按下列較早者於收益表內確認：

- 計劃修訂或縮減之日；及
- 本集團確認重組相關成本之日。

利息淨額乃採用折現率將定額福利負債或資產淨值進行折現計算。本集團按功能劃分在收益表項下「銷售成本」及「行政開支」中確認定額福利責任淨值之下列變動：

- 服務成本(包括當期服務成本、過往服務成本、縮減及不定期結算之收益及虧損)；及
- 利息開支或收入淨額。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional 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 prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the income statement.

2.4 主要會計政策概要(續)

借貸成本

與收購、建造或生產合資格資產(即須一段較長時間方能達至其擬定用途或出售之資產)直接相關之借貸成本均予以資本化,作為該等資產之部份成本,直至該等資產大致上達至其擬定用途或出售時為止。特定借貸在用作合資格資產之開支前暫時用作投資所賺取之投資收入,從資本化借貸成本中扣除。所有其他借貸成本於產生期間支銷。借貸成本包括實體因資金借貸產生的利息及其他成本。

外幣

此財務報表以港元呈報,港元乃本公司之功能貨幣。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。以外幣列值的貨幣資產及負債按報告期末的功能貨幣匯率換算。因貨幣項目結算或換算產生的差額均於收益表確認。

Notes to Financial Statements (continued)
財務報表附註(續)

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二零二零年三月三十一日

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 measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or the income statement is also recognised in other comprehensive income or the income statement, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

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 Hong Kong dollars at the exchange rates prevailing 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.

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。換算非貨幣項目產生的盈虧與項目公平值變動產生的損益按相同方式確認，即公平值損益於其他全面收益或收益表確認的項目之匯兌差額亦分別於其他全面收益或收益表確認。

為釐定首次確認有關資產、有關預付代價的非貨幣資產或非貨幣負債終止確認的開支或收入的匯率，首次交易日期為本集團首次確認預付代價產生的非貨幣資產或非貨幣負債的日期。倘預付或預收多筆款項，本集團釐定每筆預付或預收代價的交易日期。

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港元，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。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

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, their accompanying disclosures and the disclosure of contingent liabilities. 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.

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 described below.

2.4 主要會計政策概要(續)

外幣(續)

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

編製本集團的財務報表時，管理層須作出會影響營業收入、開支、資產及負債的報告金額、其相應的披露資料及或然負債披露的判斷、估計及假設。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。

估計之不確定性

下文論述於報告期末極可能導致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。

Notes to Financial Statements (continued)
財務報表附註(續)

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二零二零年三月三十一日

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 2020 was HK\$100,334,000 (2019: HK\$100,334,000). Further details are given in note 16 to the financial statements.

Provision for expected credit losses on accounts receivable

The Group takes into consideration information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Group uses a provision matrix to calculate ECLs for accounts receivable. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the wholesale sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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，亦須選擇合適之折現率，以計算該等現金流量之現值。商譽於二零二零年三月三十一日之賬面值為100,334,000港元(二零一九年：100,334,000港元)。進一步資料載於財務報表附註16。

應收賬款的預期信貸虧損撥備

本集團於報告日期考量有關過往事件、現時狀況及未來經濟狀況預測的可得資料。本集團使用撥備矩陣計算應收賬款的預期信貸虧損。撥備率根據具有相類虧損模式的各客戶群的逾期天數釐定。

撥備矩陣最初按本集團的歷史可觀察違約率釐定。本集團將通過調整矩陣以調整歷史信貸虧損經驗與前瞻性資訊。例如，如果預測經濟狀況將在未來一年內惡化，這可能導致批發業違約數量增加，歷史違約率將作出調整。於各報告日期，歷史可觀察違約率將被更新，並分析前瞻性估計發生的變化。



3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

(continued)

Estimation uncertainty (continued)

Provision for expected credit losses on accounts receivable (continued)

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future.

The carrying amount of accounts receivable at 31 March 2020 was HK\$240,068,000 (2019: HK\$403,624,000). Further details are given in note 19 to the financial statements.

4. OPERATING SEGMENT INFORMATION

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

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource 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 gains, and unallocated expenses are excluded from such measurement.

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

Segment liabilities exclude unallocated liabilities as these liabilities 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)

應收賬款的預期信貸虧損撥備(續)

對歷史可觀察違約率、預測經濟狀況和預期信貸虧損之間的相關性的評估是一項重要估計。預期信貸虧損金額容易受環境變化和經濟預測影響。本集團的歷史信貸虧損經驗和對經濟狀況的預測也未必能代表未來客戶實際違約情況。

於二零二零年三月三十一日，應收賬款的賬面值為240,068,000港元(二零一九年：403,624,000港元)。詳情載於財務報表附註19。

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、美利堅合眾國(「美國」)、歐洲、日本及其他地區。該等分類因風險和回報有別於其他分部而獨立分開管理。

管理層獨立監察本集團的經營分類業績，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收入、其他未編配收入及收益及未編配支出。

分類資產不包括未分配資產，原因是該等資產是集體管理。

分類負債不包括未分配負債，原因是該等負債是集體管理。

Notes to Financial Statements (continued)

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4. OPERATING SEGMENT INFORMATION (continued)

2020

4. 經營分類資料(續)

二零二零年

		Mainland	USA	Europe	Japan	Others	Consolidated
		China	USA	Europe	Japan	Others	Consolidated
		中國大陸	美國	歐洲	日本	其他地區	綜合
		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
Segment revenue:	分類營業收入：						
Sales to external customers	銷售予外界客戶	1,343,710	772,607	447,396	93,510	359,897	3,017,120
Segment results	分類業績	210,926	129,534	74,643	16,715	64,340	496,158
Interest income and other unallocated income and gains	利息收入及其他未編配收入及收益						52,283
Unallocated expenses	未編配支出						(253,292)
Profit before tax	除稅前溢利						295,149
Income tax expense	所得稅開支						(68,319)
Profit for the year	本年度溢利						226,830
Segment assets	分類資產	919,553	376,162	297,450	53,835	227,255	1,874,255
Unallocated assets	未編配資產						500,092
							2,374,347
Segment liabilities	分類負債	225,642	81,839	55,549	11,857	43,007	417,894
Unallocated liabilities	未編配負債						633,849
							1,051,743
Other segment information:	其他分類資料：						
Depreciation and amortisation	折舊及攤銷	31,068	21,105	10,860	2,261	8,900	74,194
Unallocated amounts	未編配金額						29,073
							103,267
Capital expenditure*	資本開支*	41,795	14,782	10,936	2,288	8,053	77,854
Unallocated amounts	未編配金額						14,235
							92,089

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

* 資本開支代表添置物業、廠房及設備。

4. OPERATING SEGMENT INFORMATION (continued)

2019

4. 經營分類資料(續)

二零一九年

		Mainland China 中國大陸 HK\$'000 千港元	USA 美國 HK\$'000 千港元	Europe 歐洲 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	1,097,635	725,423	419,467	80,337	377,918	2,700,780
Segment results	分類業績	133,449	88,169	55,297	9,170	60,580	346,665
Interest income and other unallocated income and gains	利息收入及其他未編配收入及收益						7,556
Unallocated expenses	未編配支出						(171,546)
Profit before tax	除稅前溢利						182,675
Income tax expense	所得稅開支						(44,527)
Profit for the year	本年度溢利						138,148
Segment assets	分類資產	1,086,532	412,564	284,888	46,559	215,334	2,045,877
Unallocated assets	未編配資產						387,867
							2,433,744
Segment liabilities	分類負債	300,643	86,879	46,718	7,697	41,129	483,066
Unallocated liabilities	未編配負債						625,911
							1,108,977
Other segment information:	其他分類資料：						
Depreciation and amortisation	折舊及攤銷	22,098	16,402	8,673	1,897	7,714	56,784
Unallocated amounts	未編配金額						21,269
							78,053
Capital expenditure*	資本開支*	265,719	33,541	11,634	1,765	20,766	333,425
Unallocated amounts	未編配金額						9,466
							342,891

* Capital expenditure represents additions to property, plant and equipment and prepaid land lease payments including assets from the acquisition of subsidiaries.

* 資本開支代表添置物業、廠房及設備、及預付土地租賃款項，當中包括收購附屬公司所得資產。

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財務報表附註(續)

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4. OPERATING SEGMENT
INFORMATION (continued)

Geographical information – non-current assets

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Hong Kong	香港	23,683	19,701
Mainland China	中國大陸	804,703	871,884
Indonesia	印尼	156,806	170,931
Vietnam	越南	53,058	44,110
		1,038,250	1,106,626

The non-current asset information above is based on the locations of the assets and excludes goodwill.

Information about major customers

Revenue derived from sales to customers which contributed to over 10% of the total revenue of the Group is as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Customer A	客戶A	1,913,669	1,819,380
Customer B	客戶B	559,557	553,259
Customer C	客戶C	313,051	N/A*
		2,786,277	2,372,639

* Revenue from sales to Customer C accounted for less than 10% of the total revenue of the Group for the year ended 31 March 2019.

The above amounts include sales to groups 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

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Hong Kong	香港	23,683	19,701
Mainland China	中國大陸	804,703	871,884
Indonesia	印尼	156,806	170,931
Vietnam	越南	53,058	44,110
		1,038,250	1,106,626

上列非流動資產資料是按資產所在地區劃分呈列，不包括商譽。

有關主要客戶的資料

銷售收入來自佔本集團總收入10%以上的客戶如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Customer A	客戶A	1,913,669	1,819,380
Customer B	客戶B	559,557	553,259
Customer C	客戶C	313,051	N/A*
		2,786,277	2,372,639

* 於截至二零一九年三月三十一日止年度，客戶C的銷售收入佔本集團總收入10%以下。

上述金額包括向一群實體(該等實體受上述客戶共同控制)的銷售。

5. REVENUE AND OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Revenue from contracts with customers	來自客戶合約的營業收入		
— sale of sportswear and garments	— 運動服裝及成衣銷售	3,017,120	2,700,780

Revenue from contracts with customers

(i) Disaggregated revenue information

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Geographical markets	市場地區		
Mainland China	中國大陸	1,343,710	1,097,635
USA	美國	772,607	725,423
Europe	歐洲	447,396	419,467
Japan	日本	93,510	80,337
Others	其他地區	359,897	377,918
		3,017,120	2,700,780

(ii) Performance obligation

Sale of sportswear and garments

The performance obligation is satisfied upon delivery of the goods and payment is generally due within one to three months from delivery.

Revenue from the sale of goods is recognised at the point in time when control of goods is transferred to the customer, generally on delivery of the goods.

5. 營業收入及其他收入及收益，淨額

營業收入之分析如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Revenue from contracts with customers	來自客戶合約的營業收入		
— sale of sportswear and garments	— 運動服裝及成衣銷售	3,017,120	2,700,780

來自客戶合約的營業收入

(i) 分類營業收入資料

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Geographical markets	市場地區		
Mainland China	中國大陸	1,343,710	1,097,635
USA	美國	772,607	725,423
Europe	歐洲	447,396	419,467
Japan	日本	93,510	80,337
Others	其他地區	359,897	377,918
		3,017,120	2,700,780

(ii) 履約責任

運動服裝及成衣銷售

履約責任於交付貨物時完成，而付款一般在交付後一至三個月內到期。

商品銷售之營業收入於貨物控制權轉移客戶時確認，一般發生在交付貨物時。

Notes to Financial Statements (continued)

財務報表附註(續)

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5. REVENUE AND OTHER INCOME AND GAINS, NET (continued)

An analysis of other income and gains, net is as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Bank interest income	銀行利息收入	1,930	1,695
Income derived from financial assets at fair value through profit or loss	按公平值計入損益的金融資產的收入	1,528	1,184
Government grants*	政府補助*	44,532	4,031
Loss on disposal and write-off of items of property, plant and equipment, net	出售及撇銷物業、廠房及設備項目之虧損，淨額	(2,072)	(317)
Write-off of other payables	其他應付款項註銷	2,371	—
Compensation income	補償收入	1,932	—
Others	其他	2,062	963
		52,283	7,556

* Various government grants have been received for enterprises engaged business in Mainland China for promoting the local business development and employment. There are no unfulfilled conditions or contingencies relating to these grants.

5. 營業收入及其他收入及收益，淨額(續)

其他收入及收益，淨額之分析如下：

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
銀行利息收入	1,930	1,695
按公平值計入損益的金融資產的收入	1,528	1,184
政府補助*	44,532	4,031
出售及撇銷物業、廠房及設備項目之虧損，淨額	(2,072)	(317)
其他應付款項註銷	2,371	—
補償收入	1,932	—
其他	2,062	963
	52,283	7,556

* 於中國大陸從事業務的企業可獲各政府補助以促進本地業務發展及就業。該等補助並無尚未達成的條件或相關或然事項。

6. FINANCE COSTS

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Interest on bank loans	銀行貸款利息	17,434	12,120
Interest on lease liabilities (note 14(c))	租賃負債利息(附註14(c))	692	—
		18,126	12,120

6. 融資成本

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
銀行貸款利息	17,434	12,120
租賃負債利息(附註14(c))	692	—
	18,126	12,120



7. PROFIT BEFORE TAX

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

7. 除稅前溢利

本集團除稅前溢利經扣除/(計入)下列各項後得出：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Cost of inventories sold	已售存貨成本	2,479,261	2,283,010
Auditor's remuneration	核數師酬金	3,779	3,980
Depreciation of property, plant and equipment (note 13)*	物業、廠房及設備折舊 (附註13)*	85,777	72,621
Depreciation of right-of-use assets (note 14(b))*	使用權資產折舊 (附註14(b))*	14,073	—
Amortisation of prepaid land lease payments (note 14(a))*	預付土地租賃款項攤銷 (附註14(a))*	—	2,485
Amortisation of intangible assets (note 17)	無形資產攤銷(附註17)	3,417	2,947
Employee benefit expenses (excluding directors' and chief executive's remuneration — note 8):	僱員福利支出(不包括董事及行政總裁酬金 — 附註8)：		
Wages and salaries	工資及薪金	692,736	582,404
Pension contributions, including a pension cost for a defined benefit plan of HK\$5,258,000 (2019: HK\$5,044,000) (note 25)	退休金供款，包括於 定額福利計劃的退休金 成本5,258,000港元 (二零一九年：5,044,000 港元)(附註25)	118,278	104,687
Less: Forfeited contributions^	減：已沒收供款^	—	—
Net pension contributions	退休金供款淨額	118,278	104,687
Total employee benefit expenses*	總僱員福利支出*	811,014	687,091
Foreign exchange differences, net	匯兌差額，淨額	(503)	1,205
Minimum lease payments under operating leases*	經營租約下之最低租賃款項*	—	5,688
Lease payments not included in the measurement of lease liabilities (note 14(d))*	不計入租賃負債計量的租賃 款項(附註14(d))*	297	—
Loss on disposal and write-off of items of property, plant and equipment, net	出售及撇銷物業、廠房及設 備項目之虧損，淨額	2,072	317
Write-off of other payables	其他應付款項註銷	(2,371)	—
Income derived from financial assets at fair value through profit or loss	按公平值計入損益的金融 資產的收入	(1,528)	(1,184)

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7. PROFIT BEFORE TAX (continued)

^ At 31 March 2020 and 2019, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years.

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

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Depreciation of property, plant and equipment	物業、廠房及設備折舊	57,310	51,674
Depreciation of right-of-use assets	使用權資產折舊	13,467	—
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	—	2,163
Employee benefit expenses	僱員福利支出	690,843	600,877
Minimum lease payments under operating leases	經營租約下之最低租賃款項	—	5,688
Lease payments not included in the measurement of lease liabilities	不計入租賃負債計量的租賃款項	297	—

7. 除稅前溢利(續)

^ 於二零二零年及二零一九年三月三十一日，本集團並無已沒收供款可用於抵扣未來年度退休金計劃的供款。

* 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：

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

8. 董事及行政總裁酬金

本年度董事及行政總裁酬金根據香港聯合交易所有限公司證券上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部披露如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Fees	袍金	471	456
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	12,340	10,039
Discretionary bonuses	酌情花紅	10,789	6,716
Pension scheme contributions	退休金計劃供款	1,344	1,288
		24,473	18,043
		24,944	18,499

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

(continued)

(a) Independent non-executive directors

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

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Mr. Chan Cheuk Ho	陳卓豪先生	157	152
Mr. Lu Chi Chant	盧啟昌先生	157	152
Ms. Tham Kit Wan	譚潔雲女士	157	152
		471	456

There were no other emoluments payable to the independent non-executive directors during the year (2019: Nil).

(a) 獨立非執行董事

年內付予獨立非執行董事之袍金如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Mr. Chan Cheuk Ho	陳卓豪先生	157	152
Mr. Lu Chi Chant	盧啟昌先生	157	152
Ms. Tham Kit Wan	譚潔雲女士	157	152
		471	456

年內並無其他應付獨立非執行董事之酬金(二零一九年：無)。

(b) Executive directors

		Fees 袍金 HK\$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼及 實物福利 HK\$'000 千港元	Discretionary bonuses 酌情花紅 HK\$'000 千港元	Pension scheme contributions 退休金 計劃供款 HK\$'000 千港元	Total remuneration 酬金總額 HK\$'000 千港元
2020	二零二零年					
Executive directors:	執行董事：					
Mr. Chung Yuk Sing ("Mr. Chung")*	鍾育升先生 ([鍾先生])*	—	3,842	3,943	532	8,317
Mr. Chen Hsiao Ying	陳小影先生	—	3,602	3,745	499	7,846
Mr. Huang Yongbiao ("Mr. Huang")#	黃永彪先生 ([黃先生])#	—	1,757	2,901	17	4,675
Ms. Chen Fang Mei, Christina	陳芳美女士	—	2,586	163	296	3,045
Mr. Lee Cheng Chuan ("Mr. Lee")^	李鎮全先生 ([李先生])^	—	292	22	—	314
Mr. Hu Dien Chien ("Mr. Hu")#	胡殿謙先生 ([胡先生])#	—	261	15	—	276
		—	12,340	10,789	1,344	24,473

(b) 執行董事

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8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

(continued)

(b) Executive directors (continued)

		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
2019	二零一九年					
Executive directors:	執行董事：					
Mr. Chung Yuk Sing	鍾育升先生	—	3,730	3,642	517	7,889
Mr. Chen Hsiao Ying	陳小影先生	—	3,497	2,984	484	6,965
Ms. Chen Fang Mei, Christina	陳芳美女士	—	2,529	79	287	2,895
Mr. Lee Cheng Chuan	李鎮全先生	—	283	11	—	294
		—	10,039	6,716	1,288	18,043

* Mr. Chung is also the Chairman and the Chief Executive Officer of the Company.

Mr. Huang and Mr. Hu were appointed as executive directors of the Company on 1 May 2019.

^ Subsequent to the end of the reporting period, Mr. Lee was resigned and Mr. Shih Chih-Hung was appointed as the executive director of the Company on 1 April 2020.

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 premises provided rent-free to an executive director, Mr. Chung, during the year. The estimated rental value of such accommodation was HK\$116,000 (2019: HK\$154,000) for the year ended 31 March 2020.

8. 董事及行政總裁酬金(續)

(b) 執行董事(續)

		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
2019	二零一九年					
Executive directors:	執行董事：					
Mr. Chung Yuk Sing	鍾育升先生	—	3,730	3,642	517	7,889
Mr. Chen Hsiao Ying	陳小影先生	—	3,497	2,984	484	6,965
Ms. Chen Fang Mei, Christina	陳芳美女士	—	2,529	79	287	2,895
Mr. Lee Cheng Chuan	李鎮全先生	—	283	11	—	294
		—	10,039	6,716	1,288	18,043

* 鍾先生亦為本公司的主席及行政總裁。

黃先生及胡先生於二零一九年五月一日獲委任為本公司執行董事。

^ 報告期末後，於二零二零年四月一日，李先生辭任本公司執行董事，施志宏先生則獲委任為本公司執行董事。

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先生提供免租的本集團自置物業之估計幣值。截至二零二零年三月三十一日止年度，該住宿之估計租值為116,000港元(二零一九年：154,000港元)。

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2019: three) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining two (2019: two) non-director, highest paid employees for the year ended 31 March 2020 are set out below:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	4,723	4,585
Discretionary bonuses	酌情花紅	2,158	2,075
Pension scheme contributions	退休金計劃供款	650	631
		7,531	7,291

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	
		2020 二零二零年	2019 二零一九年
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	—	—
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	—	—
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	—	—
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	—	—
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	1	1
HK\$3,500,001 to HK\$4,000,000	3,500,001港元至4,000,000港元	—	—
HK\$4,000,001 to HK\$4,500,000	4,000,001港元至4,500,000港元	1	1
		2	2

During the year, no emoluments were paid by the Group to the directors or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2019: Nil).

9. 五名最高薪酬僱員

年內，五名最高薪酬僱員包括三名(二零一九年：三名)董事，有關彼等薪酬的詳情已在上文附註8披露。於截至二零二零年三月三十一日止年度內，餘下兩名(二零一九年：兩名)最高酬金的非董事僱員的酬金詳情如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	4,723	4,585
Discretionary bonuses	酌情花紅	2,158	2,075
Pension scheme contributions	退休金計劃供款	650	631
		7,531	7,291

酬金介乎以下範圍的最高薪酬非董事僱員的數目如下：

		Number of employees 僱員數目	
		2020 二零二零年	2019 二零一九年
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	—	—
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	—	—
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	—	—
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	—	—
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	1	1
HK\$3,500,001 to HK\$4,000,000	3,500,001港元至4,000,000港元	—	—
HK\$4,000,001 to HK\$4,500,000	4,000,001港元至4,500,000港元	1	1
		2	2

年內，本集團概無向董事或任何五名最高薪酬人士支付酬金作為加入或加入本集團後的報酬或作為離職補償(二零一九年：無)。

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10. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime effective from the year of assessment 2018/2019. The first HK\$2,000,000 (2019: HK\$2,000,000) of assessable profits of this subsidiary is taxed at 8.25% (2019: 8.25%) and the remaining assessable profits are taxed at 16.5% (2019: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

Pursuant to the Corporate Income Tax Law of the PRC being effective on 1 January 2008, the corporate income tax rate for all enterprises in Mainland China is 25%.

Moreover, under the relevant tax laws and regulations in Mainland China, a company may set off losses incurred by it in a financial year against profits made by it in the succeeding financial year or years, subject to a maximum of five financial years.

In addition, Vietnam corporate tax has been provided at the rate of 20% (2019: 20%) and the Indonesia corporate tax has been provided at the rate of 25% (2019: 25%) on the estimated assessable profits.

10. 所得稅

年內，香港利得稅按在香港產生的估計應課稅溢利以16.5%（二零一九年：16.5%）稅率作撥備，惟本集團一間附屬公司為自二零一八／二零一九年評估年度起生效之利得稅率兩級制的合資格實體除外。該附屬公司首2,000,000港元（二零一九年：2,000,000港元）應課稅溢利按8.25%（二零一九年：8.25%）稅率徵稅，而餘下應課稅溢利則按16.5%（二零一九年：16.5%）稅率徵稅。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現行稅率計算。

根據於二零零八年一月一日生效的中國企業所得稅法，中國大陸所有企業的企業所得稅率為25%。

根據有關的中國大陸稅務法及規則，一家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。

此外，越南公司稅按20%（二零一九年：20%）稅率作撥備，而印尼公司稅按估計應課稅溢利以25%（二零一九年：25%）稅率作撥備。

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current tax charge for the year:	本年度即期稅項支出：		
Hong Kong	香港	15,609	17,138
Elsewhere	其他地方	50,257	25,512
Underprovision/(overprovision) of current tax in respect of prior years	過往年度即期稅項撥備不足／(超額)	245	(200)
Deferred (note 26)	遞延(附註26)	2,208	2,077
Total tax charge for the year	本年度稅項支出總額	68,319	44,527

10. INCOME TAX (continued)

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

10. 所得稅 (續)

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對賬如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Profit before tax	除稅前溢利	295,149	182,675
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	64,976	37,560
Adjustments in respect of current tax of previous years	就過往年度即期稅項作出調整	245	(200)
Income not subject to tax	毋須課稅之收入	(1,615)	(3,239)
Expenses not deductible for tax	不可扣稅之費用	3,269	2,596
Effect of withholding tax 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預扣稅之影響	4,541	1,500
Temporary differences not recognised	未確認暫時差異	(3,589)	—
Tax loss not recognised	未確認稅項虧損	492	6,310
Tax charge at the Group's effective rate	按本集團實際稅率計算之稅項支出	68,319	44,527

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11. DIVIDENDS

11. 股息

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Dividends paid during the year:	年內已付股息：		
Final in respect of the financial year ended 31 March 2019 — HK6 cents (2019: HK12 cents) per ordinary share	截至二零一九年三月三十一日止財政年度末期股息 — 每股普通股6港仙 (二零一九年：12港仙)	31,920	59,962
Interim — HK20 cents (2019: HK14 cents) per ordinary share	中期股息 — 每股普通股20港仙 (二零一九年：14港仙)	106,400	69,955
		138,320	129,917
Proposed final dividend: HK9 cents (2019: HK6 cents) per ordinary share	擬派末期股息：每股普通股9港仙 (二零一九年：6港仙)	47,880	31,920

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 final dividend payable.

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

12. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

12. 本公司擁有人應佔每股盈利

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\$223,458,000 (2019: HK\$140,418,000) and the weighted average number of ordinary shares of 532,000,000 (2019: 505,790,000) in issue during the year.

每股基本盈利乃根據年內本公司擁有人應佔溢利223,458,000港元(二零一九年：140,418,000港元)，以及年內已發行普通股之加權平均數532,000,000股(二零一九年：505,790,000股)計算。

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 March 2020 and 2019 as the Group had no potentially dilutive ordinary shares in issue during those years.

於截至二零二零年及二零一九年三月三十一日止年度，均無潛在攤薄影響之已發行普通股，因此概無呈列調整每股基本盈利。



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13. PROPERTY, PLANT AND EQUIPMENT 13. 物業、廠房及設備

		Buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures, equipment and motor vehicles	Total
		樓宇	租賃物業裝修	廠房及機器	傢具、裝置、設備及汽車	總計
		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
31 March 2020	二零二零年三月三十一日					
Cost:	成本：					
At 31 March 2019	於二零一九年三月三十一日	846,518	205,570	389,889	95,672	1,537,649
Effect of adoption of HKFRS 16	採納香港財務報告準則第16號的影響	(59,058)	—	—	—	(59,058)
At 1 April 2019 (restated)	於二零一九年四月一日 (經重列)	787,460	205,570	389,889	95,672	1,478,591
Additions	添置	—	51,034	26,007	15,048	92,089
Disposals	出售	—	—	(2,675)	(4,730)	(7,405)
Write-off	撇銷	—	(8,937)	(1,809)	(393)	(11,139)
Exchange realignment	匯兌調整	(43,559)	(12,077)	(17,807)	(4,212)	(77,655)
At 31 March 2020	於二零二零年三月三十一日	743,901	235,590	393,605	101,385	1,474,481
Accumulated depreciation:	累積折舊：					
At 31 March 2019	於二零一九年三月三十一日	198,860	123,431	222,225	68,865	613,381
Effect of adoption of HKFRS 16	採納香港財務報告準則第16號的影響	(21,261)	—	—	—	(21,261)
At 1 April 2019 (restated)	於二零一九年四月一日 (經重列)	177,599	123,431	222,225	68,865	592,120
Provided during the year (note 7)	年內撥備(附註7)	24,914	21,864	30,300	8,699	85,777
Disposals	出售	—	—	(216)	(3,854)	(4,070)
Write-off	撇銷	—	(8,937)	(1,347)	(39)	(10,323)
Exchange realignment	匯兌調整	(10,142)	(7,106)	(9,619)	(2,719)	(29,586)
At 31 March 2020	於二零二零年三月三十一日	192,371	129,252	241,343	70,952	633,918
Net book value:	賬面淨值：					
At 31 March 2020	於二零二零年三月三十一日	551,530	106,338	152,262	30,433	840,563

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13. PROPERTY, PLANT AND EQUIPMENT 13. 物業、廠房及設備(續)
(continued)

		Leasehold land and buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures, equipment and motor vehicles	Total
		租賃土地及 樓宇	租賃物業裝修	廠房及 機器	裝置、設備 及汽車	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
31 March 2019	二零一九年三月三十一日					
Cost:	成本：					
At 1 April 2018	於二零一八年四月一日	763,971	172,460	318,957	81,860	1,337,248
Acquisition of subsidiaries (note 29)	收購附屬公司(附註29)	118,342	4,413	40,785	6,000	169,540
Additions	添置	—	38,302	46,693	11,353	96,348
Disposals	出售	—	—	(2,966)	(329)	(3,295)
Exchange realignment	匯兌調整	(35,795)	(9,605)	(13,580)	(3,212)	(62,192)
At 31 March 2019	於二零一九年三月三十一日	846,518	205,570	389,889	95,672	1,537,649
Accumulated depreciation:	累積折舊：					
At 1 April 2018	於二零一八年四月一日	181,575	113,786	207,350	65,778	568,489
Provided during the year (note 7)	年內撥備(附註7)	25,994	16,080	24,642	5,905	72,621
Disposals	出售	—	—	(1,664)	(312)	(1,976)
Exchange realignment	匯兌調整	(8,709)	(6,435)	(8,103)	(2,506)	(25,753)
At 31 March 2019	於二零一九年三月三十一日	198,860	123,431	222,225	68,865	613,381
Net book value:	賬面淨值：					
At 31 March 2019	於二零一九年三月三十一日	647,658	82,139	167,664	26,807	924,268

As at 31 March 2019, certain of the Group's buildings with a carrying amount of approximately HK\$61,884,000 were pledged for the banking facilities for issuing bills payable.

於二零一九年三月三十一日，為取得銀行備用信貸以發行應付票據，本集團已抵押賬面值約61,884,000港元的若干樓宇。

14. LEASES

The Group as a lessee

The Group has lease contracts for various items of land and plant used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 30 to 60 years, and no ongoing payments will be made under the terms of these land leases. Leases of plant generally have lease terms of 3 to 6 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. There is a lease contract that includes an extension option.

(a) Prepaid land lease payments (before 1 April 2019)

		HK\$'000 千港元
Carrying amount at 1 April 2018	於二零一八年四月一日之賬面值	63,019
Acquisition of subsidiaries (note 29)	收購附屬公司(附註29)	77,003
Amortisation recognised during the year (note 7)	於年內確認攤銷(附註7)	(2,485)
Exchange realignment	匯兌調整	(3,320)
Carrying amount at 31 March 2019	於二零一九年三月三十一日之賬面值	134,217
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)	(3,947)
Non-current portion	非即期部分	130,270

As at 31 March 2019, certain of the Group's prepaid land lease payments with a carrying amount of HK\$39,958,000 was pledged for the banking facilities for issuing bills payable.

14. 租賃

本集團作為承租人

本集團就營運擁有若干租賃土地及工廠項目的租賃合約。租賃土地全款已一次性提前支付持有人以獲取租賃土地，租期介乎30至60年，根據該等土地租賃條款，將毋須持續支付其他款項。工廠租賃的租期介乎3至6年。一般而言，本集團不可向本集團以外人士轉讓及分租租賃資產。其中一租賃合約載有續租選擇權。

(a) 預付土地租賃款項(二零一九年四月一日前)

於二零一九年三月三十一日，為取得銀行備用信貸以發行應付票據，本集團已抵押賬面值39,958,000港元的若干預付土地租賃款項。

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14. LEASES (continued)

The Group as a lessee (continued)

(b) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

		Prepaid land lease payments 預付土地 租賃款項 HK\$'000 千港元	Plant 工廠 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2019	於二零一九年四月一日	172,014	22,065	194,079
Depreciation charge (note 7)	折舊開支(附註7)	(6,332)	(7,741)	(14,073)
Exchange realignment	匯兌調整	(8,881)	(606)	(9,487)
At 31 March 2020	於二零二零年三月 三十一日	156,801	13,718	170,519

One of the Group's prepaid land lease payments with a net carrying amount of HK\$1,242,000 (2019: HK\$1,356,000), together with the buildings thereon, has been provided as rent-free accommodation to Mr. Chung, an executive director of the Company during the year.

本集團其中有一項賬目淨值1,242,000港元(二零一九年:1,356,000港元)之預付土地租賃款項, 連同其上的樓宇於年內提供作為鍾先生(本公司一名執行董事)的免租住宿。

14. 租賃(續)

本集團作為承租人(續)

(b) 使用權資產

年內本集團使用權資產的賬面值及變動如下:

14. LEASES (continued)

The Group as a lessee (continued)

(c) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

		HK\$'000 千港元
Carrying amount at 1 April 2019	於二零一九年四月一日之賬面值	22,065
Accretion of interest recognised during the year (note 6)	年內確認的累增利息(附註6)	692
Payments	付款	(8,117)
Exchange realignment	匯兌調整	(611)
Carrying amount at 31 March 2020	於二零二零年三月三十一日之賬面值	14,029
Analysed into:	分析為：	
Current portion	即期部分	7,605
Non-current portion	非即期部分	6,424

The maturity analysis of lease liabilities is disclosed in note 36 to the financial statements.

租賃負債到期日分析於財務報表附註36披露。

(d) The amounts recognised in the consolidated income statement in relation to leases are as follows:

(d) 於綜合收益表確認與租賃有關的金額如下：

		2020 二零二零年 HK\$'000 千港元
Interest on lease liabilities	租賃負債利息	692
Depreciation charge of right-of-use assets	使用權資產折舊開支	14,073
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 March 2020 (included in cost of sales)	有關短期租賃及剩餘租期於二零二零年三月三十一日或之前屆滿的其他租賃開支(計入銷售成本)	297
Total amount recognised in the consolidated income statement	於綜合收益表確認的總額	15,062

14. 租賃(續)

本集團作為承租人(續)

(c) 租賃負債

年內本集團租賃負債的賬面值及變動如下：

Notes to Financial Statements (continued)
財務報表附註(續)

31 March 2020
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14. LEASES (continued)

The Group as a lessee (continued)

(e) Extension option

The Group has a lease contract that includes an extension option. This option is negotiated by management to provide flexibility in managing the leased-asset portfolio and it is aligned with the Group's business needs. Set out below is the undiscounted potential future rental payments relating to periods following the exercise date of the extension option that are not included in the lease terms:

2020

Extension option expected not to be exercised

14. 租賃(續)

本集團作為承租人(續)

(e) 續租選擇權

本集團其中一租賃合約載有續租選擇權。該選擇權由管理層磋商，為管理租賃資產組合提供靈活性，並能配合本集團的業務需要。下表載列未計入租賃期有關續租選擇權行使日以後期間未經貼現之潛在未來租賃付款：

二零二零年

Payable within
five years
五年內應付
HK\$'000
千港元

預期不行使的續租選擇權

19,860

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

15. 預付款項、按金及其他應收款項

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Prepaid land lease payments	預付土地租賃款項	—	3,947
Prepayments	預付款項	27,111	37,330
Deposits and other receivables	按金及其他應收款項	64,185	90,509
		91,296	131,786
Less: Non-current portion of deposits for purchases of items of property, plant and equipment	減：購買物業、廠房及設備項目的非即期部分按金	(13,768)	(35,271)
Current portion	即期部分	77,528	96,515

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. Their recoverability was assessed with reference to the credit status of the debtors, and the loss allowance as at 31 March 2020 and 2019 was assessed to be minimal.

計入於以上應收款項結餘內的金融資產，近期並無欠款記錄及逾期金額。其可收回性參照債務人的信貸狀況評定，而於二零二零年及二零一九年三月三十一日的虧損撥備經評估只屬輕微。

16. GOODWILL

16. 商譽

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Cost and net carrying amount:	成本值及賬面淨值：		
At beginning of year	於年初	100,334	26,112
Acquisition of subsidiaries (note 29)	收購附屬公司(附註29)	—	74,222
At end of year	於年末	100,334	100,334

Notes to Financial Statements (continued)
財務報表附註(續)

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16. GOODWILL (continued)

Impairment testing of goodwill

PRC CGU ONE

Goodwill of HK\$26,112,000 (2019: HK\$26,112,000), arising from an acquisition during the year ended 31 March 2008, was allocated to a cash-generating unit in Mainland China which is engaged in the manufacture and trading of sportswear and garments (the "PRC CGU ONE").

The PRC CGU ONE generates cash inflows that are largely independent of the cash inflows from other assets.

The recoverable amount of the PRC CGU ONE has been determined from the value in use, which is calculated with reference to cash flow projections based on a five-year period financial budget 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 18.5% (2019: 15.7%), which is pretax and reflects specific risks relating to the PRC CGU ONE. The cash flows beyond the five-year period are extrapolated using a growth rate of 3.0% (2019: 3.0%). The directors believe that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the PRC CGU ONE to exceed the aggregate recoverable amount. Since the recoverable amount of the PRC CGU ONE is higher than its carrying amount, the directors consider there was no impairment of the goodwill at the end of the reporting period.

16. 商譽(續)

商譽減值測試

中國現金產生單位一號

於截至二零零八年三月三十一日止年度進行收購所產生的商譽26,112,000港元(二零一九年:26,112,000港元)撥歸在中國大陸從事運動服裝及成衣製造及買賣之現金產生單位(「中國現金產生單位一號」)。

中國現金產生單位一號產生的現金流入大體上獨立於來自其他資產的現金流入。

中國現金產生單位一號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層審批之五年期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、過往年度表現及預期發展。預測現金流量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)及折現率18.5%(二零一九年:15.7%)(乃除稅前及反映與中國現金產生單位一號有關之特定風險)。五年期以後的現金流量使用3.0%之增長率(二零一九年:3.0%)推斷。董事相信，任何該等假設可能合理地出現之變動，將不會導致中國現金產生單位一號之總賬面值超出總可收回金額。由於中國現金產生單位一號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。



16. GOODWILL (continued)

Impairment testing of goodwill (continued)

Vietnam CGU

Goodwill of HK\$36,075,000 (2019: HK\$36,075,000), arising from an acquisition as stated in note 29(a) during the year ended 31 March 2019, was allocated to a cash-generating unit in Vietnam which is engaged in the manufacturing of sportswear (the "Vietnam CGU").

The Vietnam CGU generates cash inflows that are largely independent of the cash inflows from other assets.

The recoverable amount of the Vietnam CGU has been determined from the value in use, which is calculated with reference to cash flow projections based on a five-year period financial budget 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 15.4% (2019: 15.5%), which is pretax and reflects specific risks relating to the Vietnam CGU. The cash flows beyond the five-year period are extrapolated using a growth rate of 3.0% (2019: 3.0%). The directors believe that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the Vietnam CGU to exceed the aggregate recoverable amount. Since the recoverable amount of the Vietnam CGU is higher than its carrying amount, the directors consider there was no impairment of the goodwill at the end of the reporting period.

16. 商譽(續)

商譽減值測試(續)

越南現金產生單位

於截至二零一九年三月三十一日止年度進行收購(於附註29(a)說明)所產生的商譽36,075,000港元(二零一九年: 36,075,000港元)撥歸在越南從事運動服裝製造之現金產生單位(「越南現金產生單位」)。

越南現金產生單位產生的現金流入大體上獨立於自其他資產的現金流入。

越南現金產生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層審批之五年期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及過往年度表現及預期發展。預測現金流量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)及折現率15.4%(二零一九年: 15.5%)(乃除稅前及反映與越南現金產生單位有關之特定風險)。五年期以後的現金流量使用3.0%(二零一九年: 3.0%)之增長率推斷。董事相信，任何該等假設可能合理地出現之變動，將不會導致越南現金產生單位之總賬面值超出總可收回金額。由於越南現金產生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。

Notes to Financial Statements (continued)
財務報表附註(續)

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16. GOODWILL (continued)

Impairment testing of goodwill (continued)

PRC CGU TWO

Goodwill of HK\$38,147,000 (2019: HK\$38,147,000), arising from an acquisition as stated in note 29(b) during the year ended 31 March 2019, was allocated to a cash-generating unit in Mainland China which is engaged in the manufacture and trading of sportswear (the "PRC CGU TWO").

The PRC CGU TWO generates cash inflows that are largely independent of the cash inflows from other assets.

The recoverable amount of the PRC CGU TWO has been determined from the value in use, which is calculated with reference to cash flow projections based on a five-year period financial budget 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 18.3% (2019: 16.1%), which is pretax and reflects specific risks relating to the PRC CGU TWO. The cash flows beyond the five-year period are extrapolated using a growth rate of 3.0% (2019: 3.0%). The directors believe that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the PRC CGU TWO to exceed the aggregate recoverable amount. Since the recoverable amount of the PRC CGU TWO is higher than its carrying amount, the directors consider there was no impairment of the goodwill at the end of the reporting period.

16. 商譽(續)

商譽減值測試(續)

中國現金產生單位二號

於截至二零一九年三月三十一日止年度進行收購(於附註29(b)說明)所產生的商譽38,147,000港元(二零一九年: 38,147,000港元)撥歸在中國大陸從事運動服裝製造及買賣之現金產生單位(「中國現金產生單位二號」)。

中國現金產生單位二號產生的現金流入大體上獨立於自其他資產的現金流入。

中國現金產生單位二號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層審批之五年期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及過往年度表現及預期發展。預測現金流量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)及折現率18.3%(二零一九年: 16.1%)(乃除稅前及反映與中國現金產生單位二號有關之特定風險)。五年期以後的現金流量使用3.0%(二零一九年: 3.0%)之增長率推斷。董事相信，任何該等假設可能合理地出現之變動，將不會導致中國現金產生單位二號之總賬面值超出總可收回金額。由於中國現金產生單位二號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. INTANGIBLE ASSETS

		Backlog 未完成合同 HK\$'000 千港元	Customer relationship 客戶關係 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost at 1 April 2018	於二零一八年四月一日的 成本	—	—	—
Acquisition of subsidiaries (note 29)	收購附屬公司(附註29)	2,838	16,926	19,764
Amortisation provided during the year (note 7)	年內攤銷撥備(附註7)	(2,365)	(582)	(2,947)
Net carrying amount at 31 March 2019 and 1 April 2019	於二零一九年三月三十一日 及二零一九年四月一日的 賬面淨值	473	16,344	16,817
Amortisation provided during the year (note 7)	年內攤銷撥備(附註7)	(473)	(2,944)	(3,417)
Net carrying amount at 31 March 2020	於二零二零年三月三十一日 的賬面淨值	—	13,400	13,400

18. INVENTORIES

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Raw materials	原材料	271,839	221,100
Work in progress	在製品	152,098	156,213
Finished goods	製成品	146,176	124,588
		570,113	501,901

18. 存貨

Notes to Financial Statements (continued)
財務報表附註(續)

31 March 2020
二零二零年三月三十一日

19. ACCOUNTS AND BILLS RECEIVABLES

19. 應收賬款及票據

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Accounts receivable	應收賬款	240,068	403,624
Bills receivable	應收票據	3,876	7,618
		243,944	411,242

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 90 days (2019: 30 to 90 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 Group does not hold any collateral or other credit enhancements over its accounts and bills receivables balances. The accounts and bills receivables are non-interest-bearing. At the end of the reporting period, 61% (2019: 55%), 12% (2019: 15%) and 20% (2019: 14%) of the total accounts and bills receivables were due from the Group's largest customer, the second largest customer and the third largest customer, respectively.

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

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90天(二零一九年:30天至90天)。本集團致力對未償還應收賬款餘額保持嚴密監控,將信貸風險控制至最低水平。逾期末付之結餘由本集團管理層定期審閱。本集團並未就其應收賬款及票據結餘持有任何抵押品或其他加強信貸措施。應收賬款及票據為免息賬款。於報告期末,本集團最大客戶、第二大客戶及第三大客戶分別佔本集團應收賬款及票據總額61%(二零一九年:55%)、12%(二零一九年:15%)及20%(二零一九年:14%)。

於報告期末之應收賬款根據發票日期的賬齡分析如下:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Within 30 days	30天內	173,291	284,442
31 to 60 days	31至60天	22,111	46,630
61 to 90 days	61至90天	30,857	68,711
Over 90 days	90天以上	13,809	3,841
		240,068	403,624

19. ACCOUNTS AND BILLS RECEIVABLES*(continued)*

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. No impairment allowance has been provided as at 31 March 2020 and 2019 as management consider that the expected credit losses are not significant given the receivable balances are related to customers for whom there are no recent history of default and majority of the balances are not yet past due.

The maturity of bills receivable as at the end of the reporting period is as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Within 3 months	3個月內	1,777	—
3 to 6 months	3至6個月	2,099	7,618
		3,876	7,618

The bills receivable are not yet past due and there was no recent history of default and the loss allowance as at 31 March 2020 and 2019 was assessed to be minimal.

19. 應收賬款及票據(續)

於各報告日期均採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率按擁有相類虧損模式的各客戶群之逾期天數計量。該計量反映或然率加權結果、貨幣時值及於報告日期可得的有關過往事項、當前狀況及未來經濟條件預測的合理及可靠資料。由於應收賬款結餘與近期並無欠款記錄的客戶相關且大部分結餘尚未逾期，故管理層認為預期信貸虧損只屬輕微，因此於二零二零年及二零一九年三月三十一日並無計提減值撥備。

於報告期末應收票據的到期情況如下：

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Within 3 months	1,777	—
3 to 6 months	2,099	7,618
	3,876	7,618

應收票據尚未逾期，且近期並無欠款記錄，二零二零年及二零一九年三月三十一日的虧損撥備經評估只屬輕微。

Notes to Financial Statements (continued)

財務報表附註(續)

31 March 2020

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20. PLEDGED DEPOSITS, RESTRICTED BANK BALANCE, TIME DEPOSIT AND CASH AND BANK BALANCES

20. 已抵押存款、受限制銀行結餘、定期存款及現金及銀行結餘

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	265,051	209,623
Non-pledged time deposit with original maturity of less than three months when acquired	於取得時原到期日不超過三個月的無抵押定期存款	32,874	—
Non-pledged time deposit with original maturity of more than three months when acquired	於取得時原到期日超過三個月的無抵押定期存款	43,778	—
Less: Restricted bank balance for import purchases in Mainland China	減：於中國大陸進口採購的受限制銀行結餘	(547)	(585)
Less: Pledged deposits for banking facilities for issuing bills payable	減：為取得銀行備用信貸以發行應付票據的已抵押存款	—	(15,204)
Total cash and bank balances	現金及銀行結餘總額	341,156	193,834

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK\$281,337,000 (2019: HK\$150,054,000). 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 six months (2019: 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, pledged deposits and restricted bank balance are deposited with creditworthy banks with no recent history of default.

於報告期末，本集團以人民幣（「人民幣」）計值的現金及銀行結餘為281,337,000港元（二零一九年：150,054,000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六個月（二零一九年：一日至三個月）的短期定期存款，並分別按短期定期存款利率賺取利息。銀行結餘、已抵押存款及受限制銀行結餘乃存放於具信譽且近期沒欠款記錄之銀行。



21. ACCOUNTS AND BILLS PAYABLES

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

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Within 90 days	90天內	198,075	237,916
91 to 180 days	91至180天	31,051	519
181 to 365 days	181至365天	1,839	19,084
Over 365 days	365天以上	5,891	650
		236,856	258,169

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

應付賬款為免息賬款，信貸期一般為45天。

22. BANKING FACILITIES

As at 31 March 2020, the Group's banking facilities were supported by the corporate guarantees of HK\$741,500,000 (2019: HK\$685,300,000) executed by the Company and certain subsidiaries of the Company.

As at 31 March 2020, an aggregate amount of the Group's banking facilities of HK\$530,800,000 (31 March 2019: HK\$572,155,000) was utilised.

22. 銀行備用信貸

於二零二零年三月三十一日，本集團的銀行貸款額度以本公司及本公司若干附屬公司作公司擔保741,500,000港元（二零一九年：685,300,000港元）。

於二零二零年三月三十一日，本集團的銀行貸款額度已動用合共530,800,000港元（二零一九年三月三十一日：572,155,000港元）。

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23. ACCRUED LIABILITIES AND OTHER PAYABLES

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Other payables	其他應付款項	59,609	66,236
Accruals	應計費用	107,402	121,353
		167,011	187,589

Other payables of the Group as at 31 March 2020 included a subsidy of HK\$1,734,000 (2019: HK\$2,043,000) received from the People's Government of Yifeng County, Jiangxi Province, the PRC for the construction cost of basic infrastructure by the Group for the development of the investment project in Jiangxi (the "Jiangxi Project"). During the year, an amount of HK\$309,000 (2019: HK\$210,000) was utilised and has been offset against the construction cost.

23. 應計負債及其他應付款項

本集團於二零二零年三月三十一日的其他應付款項包括從中國江西省宜豐縣人民政府所收取1,734,000港元(二零一九年:2,043,000港元)的補助,作為本集團開發江西投資項目(「江西項目」)的基本建設建築成本。年內,已動用309,000港元(二零一九年:210,000港元)並以建築成本抵銷。

24. INTEREST-BEARING BANK BORROWINGS

		Effective interest rate	實際利率	Maturity	到期日	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current	即期						
Bank loans	銀行貸款	1.48% to 2.60% (2019: 2.04% to 3.28%)	1.48%至2.60% (二零一九年: 2.04%至 3.28%)	On demand	應要求	530,800	572,155

As at 31 March 2020, bank borrowings of HK\$412,000,000 (2019: HK\$442,550,000) were supported by corporate guarantees executed by the Company and certain subsidiaries of the Company.

As at 31 March 2020, HK\$93,000,000 (2019: HK\$127,955,000) of the bank borrowings were denominated in US\$.

24. 計息銀行貸款

於二零二零年三月三十一日,412,000,000港元(二零一九年:442,550,000港元)的銀行借貸由本公司及本公司若干附屬公司簽立的公司擔保作支持。

於二零二零年三月三十一日,銀行借貸中93,000,000港元(二零一九年:127,955,000港元)以美元計值。

24. INTEREST-BEARING BANK BORROWINGS (continued)

Based on the maturity terms of the bank borrowings, the amounts repayable in respect of the bank borrowings are analysed as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Analysed into:	分析為：		
Within one year and on demand	一年內及應要求	530,800	572,155

24. 計息銀行貸款(續)

根據銀行貸款之還款期，銀行貸款應償還金額分析如下：

25. PENSION SCHEME OBLIGATION

The Group provides benefits for its employees of its subsidiary in Indonesia who achieve the retirement age of 57 years (2019: 57 years) based on the provisions of the Indonesian Labour Law Number 13/2003 and Collective Labour Agreement 2019-2021, through an unfunded pension plan.

The plan is exposed to salary increase risk, interest rate risk and the risk of changes in life expectancy.

The most recent actuarial valuations of the present value of the defined benefit obligations were carried out at 31 March 2020 by Biro Pusat Aktuaria, an independent actuary with a licence from the Indonesia Ministry of Finance, using the projected unit credit method.

The principal actuarial assumptions used as at the end of the reporting period are as follows:

		2020 二零二零年	2019 二零一九年
Discount rate (%)	折現率(%)	5.33-8.66	8.81
Expected rate of salary increase (%)	預計薪金增長率(%)	7.0	7.0

25. 退休金計劃承擔

本集團遵照印尼勞工法第13/2003號規定及集體勞動合同2019-2021，通過無供款退休計劃為達到57歲(二零一九年：57歲)退休年齡的印尼附屬公司僱員提供福利。

該計劃面臨薪金上升風險、利率風險及預計壽命變動風險。

定額福利責任現值之最新精算估值由印尼財政部認可獨立精算顧問Biro Pusat Aktuaria採用預測單位信貸精算估值法於二零二零年三月三十一日釐定。

於報告期末所採用之主要精算假設如下：

25. PENSION SCHEME OBLIGATION*(continued)*

A quantitative sensitivity analysis for significant assumptions as at the end of the reporting period is shown below:

		Increase/ (decrease) in net defined benefit obligation 定額福利 責任淨值 增加/ (減少) 比率上升 %	Increase/ (decrease) in net defined benefit obligation 定額福利 責任淨值 增加/ (減少) HK\$'000 千港元	Decrease in rate	Increase/ (decrease) in net defined benefit obligation 定額福利 責任淨值 增加/ (減少) 比率下降 %	Increase/ (decrease) in net defined benefit obligation 定額福利 責任淨值 增加/ (減少) HK\$'000 千港元
2020	二零二零年					
Discount rate	折現率	1	(2,960)	1		3,736
Future salary increase	未來薪金增加	1	3,763	1		(3,026)
2019	二零一九年					
Discount rate	折現率	1	(2,564)	1		3,249
Future salary increase	未來薪金增加	1	3,277	1		(2,624)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

25. 退休金計劃承擔(續)

於報告期末，重大假設之定量敏感度分析列示如下：

上述敏感度分析乃根據主要推斷假設於報告期結算日發生之合理變動對定額福利責任淨額之影響之方法而確定。敏感度分析乃基於在所有其他假設不變的情況下就一項重大假設的改變而進行。敏感度分析未必表示定額福利責任的實際改變，因該等假設的改變通常不會單獨發生。

**25. PENSION SCHEME OBLIGATION***(continued)*

The total expenses recognised in the consolidated income statement in respect of the plan are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current service cost	現有服務成本	3,995	3,807
Past service cost	過去服務成本	—	211
Interest cost	利息成本	1,263	1,026
Net benefit expenses	福利開支淨額	5,258	5,044
Recognised in cost of sales	於銷售成本確認	4,356	4,291
Recognised in administrative expenses	於行政開支確認	902	753
		5,258	5,044

The movements in the present value of the defined benefit obligation are as follows:

定額福利責任現值之變動如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At beginning of reporting period	於報告期初	14,321	13,951
Current service cost	現有服務成本	3,995	3,807
Past service cost	過去服務成本	—	211
Interest cost	利息成本	1,263	1,026
Actuarial losses/(gains)	精算虧損/(收益)	114	(4,067)
Benefits paid	已付福利	(176)	(156)
Exchange differences	匯兌差額	(2,649)	(451)
At end of reporting period	於報告期末	16,868	14,321

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25. PENSION SCHEME OBLIGATION

(continued)

The movements in the defined benefit obligation are as follows:

2020

Pension cost charged to the income statement 於收益表扣除之退休金成本				Remeasurement (gains)/losses in other comprehensive income 其他全面收益之重新計量(收益)/虧損							
			Sub-total included in the income statement	Benefits paid	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in experience adjustments	Sub-total included in other comprehensive income	Exchange differences on a foreign plan		
1 April 2019	Service cost	Net interest								31 March 2020	
於 二零一九年 四月一日	服務成本	利息淨額	計入收益表 之小計	已付福利	人口假設變動產 生之精算變動	財務假設 變動產生之 精算變動	經驗調整 變動產生 之精算變動	計入其他全面 收益之小計	境外計劃的 匯兌差額	於 二零一九年 三月三十一日	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Defined benefit obligation	14,321	3,995	1,263	5,258	(176)	(77)	530	(339)	114	(2,649)	16,868
	定額福利責任										

25. 退休金計劃承擔(續)

定額福利責任之變動如下：

二零二零年

2019

Pension cost charged to the income statement 於收益表扣除之退休金成本				Remeasurement (gains)/losses in other comprehensive income 其他全面收益之重新計量(收益)/虧損							
			Sub-total included in the income statement	Benefits paid	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in experience adjustments	Sub-total included in other comprehensive income	Exchange differences on a foreign plan		
1 April 2018	Service cost	Net interest								31 March 2019	
於 二零一八年 四月一日	服務成本	利息淨額	計入收益表 之小計	已付福利	人口假設變動產 生之精算變動	財務假設 變動產生之 精算變動	經驗調整 變動產生 之精算變動	計入其他全 面收益之小計	境外計劃的 匯兌差額	於 二零一八年 三月三十一日	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Defined benefit obligation	13,951	4,018	1,026	5,044	(156)	(1,411)	(3,654)	998	(4,067)	(451)	14,321
	定額福利責任										

二零一九年

**25. PENSION SCHEME OBLIGATION***(continued)*

The major categories of the fair value of the total plan assets are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Equity instruments	股本工具	N/A 不適用	N/A 不適用
Debt instruments	債務工具	N/A 不適用	N/A 不適用
Property	物業	N/A 不適用	N/A 不適用

Expected contributions to be made in the future years out of the defined benefit obligation are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Within the next 12 months	未來12個月內	118	—
Between 1 and 2 years	1至2年	219	—
Between 2 and 5 years	2至5年	857	63
Between 5 and 10 years	5至10年	4,052	1,043
Over 10 years	10年以上	876,747	1,311,571
Total expected payments	預期付款總額	881,993	1,312,677

The average duration of the defined benefit obligation at the end of the reporting period is 24.52 years (2019: 20.29 years).

25. 退休金計劃承擔(續)

計劃資產總值之公平值之主要類別如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Equity instruments	股本工具	N/A 不適用	N/A 不適用
Debt instruments	債務工具	N/A 不適用	N/A 不適用
Property	物業	N/A 不適用	N/A 不適用

未來數年之定額福利責任預期供款情況如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Within the next 12 months	未來12個月內	118	—
Between 1 and 2 years	1至2年	219	—
Between 2 and 5 years	2至5年	857	63
Between 5 and 10 years	5至10年	4,052	1,043
Over 10 years	10年以上	876,747	1,311,571
Total expected payments	預期付款總額	881,993	1,312,677

定額福利責任於報告期末的平均持續時間為24.52年(二零一九年：20.29年)。

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26. DEFERRED TAX

The movements in deferred tax asset and deferred tax liabilities of the Group during the year are as follows:

Deferred tax asset

		Losses available for offsetting against future taxable profits 可用以抵銷未來應課稅溢利的虧損 HK\$'000 千港元
At 1 April 2018	於二零一八年四月一日	1,695
Deferred tax charged to the consolidated income statement during the year (note 10)	年內在綜合收益表計入的遞延稅項(附註10)	(1,582)
Exchange realignment	匯兌調整	(113)
At 31 March 2019, 1 April 2019 and 31 March 2020	於二零一九年三月三十一日、二零一九年四月一日及二零二零年三月三十一日	—

Deferred tax liabilities

		遞延稅項負債				Total 總計
		Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Asset revaluation 資產重估 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Withholding taxes on undistributed profits of PRC subsidiaries 中國附屬公司未分派溢利之預扣稅 HK\$'000 千港元	
At 1 April 2018	於二零一八年四月一日	574	9,833	—	4,909	15,316
Deferred tax charged/(credited) to the consolidated income statement during the year (note 10)	年內在綜合收益表計入/(扣除)的遞延稅項(附註10)	—	(268)	(737)	1,500	495
Acquisition of subsidiaries (note 29)	收購附屬公司(附註29)	—	21,441	4,061	—	25,502
Withholding tax on repatriation of earnings from subsidiaries in the PRC	中國附屬公司匯出利潤的預扣稅	—	—	—	(1,465)	(1,465)
Exchange realignment	匯兌調整	—	(413)	—	—	(413)
At 31 March 2019	於二零一九年三月三十一日	574	30,593	3,324	4,944	39,435

26. 遞延稅項

本集團於年內的遞延稅項資產及遞延稅項負債變動如下：

遞延稅項資產

	Losses available for offsetting against future taxable profits 可用以抵銷未來應課稅溢利的虧損 HK\$'000 千港元
於二零一八年四月一日	1,695
年內在綜合收益表計入的遞延稅項(附註10)	(1,582)
匯兌調整	(113)
於二零一九年三月三十一日、二零一九年四月一日及二零二零年三月三十一日	—

遞延稅項負債

	遞延稅項負債				Total 總計
	Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Asset revaluation 資產重估 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Withholding taxes on undistributed profits of PRC subsidiaries 中國附屬公司未分派溢利之預扣稅 HK\$'000 千港元	

At 1 April 2018	於二零一八年四月一日	574	9,833	—	4,909	15,316
Deferred tax charged/(credited) to the consolidated income statement during the year (note 10)	年內在綜合收益表計入/(扣除)的遞延稅項(附註10)	—	(268)	(737)	1,500	495
Acquisition of subsidiaries (note 29)	收購附屬公司(附註29)	—	21,441	4,061	—	25,502
Withholding tax on repatriation of earnings from subsidiaries in the PRC	中國附屬公司匯出利潤的預扣稅	—	—	—	(1,465)	(1,465)
Exchange realignment	匯兌調整	—	(413)	—	—	(413)
At 31 March 2019	於二零一九年三月三十一日	574	30,593	3,324	4,944	39,435

26. DEFERRED TAX (continued)**Deferred tax liabilities** (continued)

		Accelerated tax depreciation	Asset revaluation	Others	Withholding taxes on undistributed profits of PRC subsidiaries 中國附屬公司 未分派溢利 之預扣稅	Total
		加速稅項 折舊	資產重估	其他	預扣稅	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2019	於二零一九年四月一日	574	30,593	3,324	4,944	39,435
Deferred tax charged/(credited) to the consolidated income statement during the year (note 10)	年內在綜合收益表計入/(扣除)的遞延稅項(附註10)	(79)	(1,400)	(854)	4,541	2,208
Withholding tax on repatriation of earnings from subsidiaries in the PRC	中國附屬公司匯出利潤的預扣稅	—	—	—	(553)	(553)
Exchange realignment	匯兌調整	—	(1,910)	—	—	(1,910)
At 31 March 2020	於二零二零年三月三十一日	495	27,283	2,470	8,932	39,180

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 accrued 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 Company's subsidiaries, the applicable rates are 5% or 10% (2019: 5%). 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 an assessment based on the factors which included the dividend policy and the level of capital and working capital required for the Group's operations in the foreseeable future. The aggregate amount of temporary differences associated with the investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately HK\$103,218,000 (2019: HK\$60,176,000).

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產生之盈利。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。本公司的附屬公司之適用稅率為5%或10%（二零一九年：5%）。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在可見未來本集團營運所需資本及營運資金水平等因素。未確認遞延稅項負債的中國大陸附屬公司之投資的暫時性差額總額合共為約103,218,000港元（二零一九年：60,176,000港元）。

26. 遞延稅項 (續)**遞延稅項負債** (續)

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26. DEFERRED TAX (continued)

Deferred tax liabilities (continued)

As at 31 March 2020, the Group has estimated tax losses arising in Mainland China of HK\$9,643,000 (2019: HK\$11,414,000) that will expire in five years for offsetting against future taxable profits. Deferred tax assets have not been recognised during the year in respect of losses of HK\$9,643,000 (2019: HK\$11,414,000) as the directors consider that it is uncertain whether sufficient taxable profits will be available against which the tax losses can be utilised.

26. 遞延稅項(續)

遞延稅項負債(續)

於二零二零年三月三十一日，本集團估計於中國大陸產生之稅項虧損為9,643,000港元(二零一九年：11,414,000港元)，將於五年內到期，用作抵銷日後應課稅溢利。由於董事認為不確定有足夠的應課稅溢利抵銷可利用的稅項虧損，所以該年內並無就9,643,000港元(二零一九年：11,414,000港元)的虧損確認遞延稅項資產。

27. ISSUED CAPITAL

27. 已發行股本

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Authorised:	法定股本：		
10,000,000,000 (2019: 10,000,000,000) ordinary shares of HK\$0.01 each	10,000,000,000股 (二零一九年： 10,000,000,000股) 每股面值0.01港元之普通股	100,000	100,000
Issued and fully paid:	已發行及繳足：		
532,000,000 (2019: 532,000,000) ordinary shares of HK\$0.01 each	532,000,000股 (二零一九年： 532,000,000股) 每股面值0.01港元之普通股	5,320	5,320

27. ISSUED CAPITAL (continued)

A summary of movements in the Company's issued capital is as follows:

		Number of ordinary shares in issue 已發行 普通股數目	Issued capital 已發行股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2018	於二零一八年 四月一日	499,680,000	4,997	472,586	477,583
Issue of shares (Note)	發行股份(附註)	32,320,000	323	93,728	94,051
At 31 March 2019, 1 April 2019 and 31 March 2020	於二零一九年 三月三十一日、 二零一九年 四月一日及 二零二零年 三月三十一日	532,000,000	5,320	566,314	571,634

Note:

On 22 January 2019, the Group acquired 100% equity interest in Prospect Converge Limited. Part of the consideration was settled by way of the issuance of 32,320,000 ordinary shares at HK\$2.91 per share, being the closing share price of the Company on The Stock Exchange of Hong Kong Limited on 22 January 2019. The details of the acquisition are set out in note 29(b) to the financial statements.

27. 已發行股本 (續)

本公司已發行股本的變動概述如下：

		Number of ordinary shares in issue 已發行 普通股數目	Issued capital 已發行股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2018	於二零一八年 四月一日	499,680,000	4,997	472,586	477,583
Issue of shares (Note)	發行股份(附註)	32,320,000	323	93,728	94,051
At 31 March 2019, 1 April 2019 and 31 March 2020	於二零一九年 三月三十一日、 二零一九年 四月一日及 二零二零年 三月三十一日	532,000,000	5,320	566,314	571,634

附註：

於二零一九年一月二十二日，本集團收購Prospect Converge Limited 100%股權。部分代價通過發行32,320,000股每股2.91港元（乃本公司於二零一九年一月二十二日於香港聯合交易所有限公司的股份收市價）之普通股結付。收購詳情載於財務報表附註29(b)。

Notes to Financial Statements (continued) 財務報表附註(續)

31 March 2020
二零二零年三月三十一日

28. RESERVES

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 capital 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 a certain portion 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 capital. Subject to certain restrictions as set out in the relevant PRC regulations, the statutory surplus reserve may be used to offset against accumulated losses.

29. BUSINESS COMBINATIONS

(a) During the year ended 31 March 2019, on 1 June 2018, the Group acquired 100% equity interests in Year Fortune Group Limited and Faithful Year Investments Limited (formerly known as Faith Year Investments Limited) and their respective branch and subsidiaries (collectively the "Vietnam Group") from Pro Kingtex Industrial Company Limited ("Pro Kingtex"), an indirectly non-wholly-owned subsidiary of Yue Yuen Industrial (Holdings) Limited ("Yue Yuen"), a substantial shareholder of the Company, for an aggregate consideration of US\$31,618,000 (equivalent to HK\$248,201,000). The Vietnam Group is engaged in the manufacture of sportswear. The acquisition was to further expand the Group's production capacity outside of Mainland China and to build up the production capacity to cater for market growth.

28. 儲備

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，與就此發行之本公司股本面值及現有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若干部分的除稅後溢利(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。

29. 業務合併

(a) 截至二零一九年三月三十一日止年度內，於二零一八年六月一日，本集團向本公司一名主要股東裕元工業(集團)有限公司(「裕元」)之間接非全資附屬公司Pro Kingtex Industrial Company Limited(「Pro Kingtex」)收購Year Fortune Group Limited及Faithful Year Investments Limited(前稱Faith Year Investments Limited)，以及其各自的分公司及附屬公司(統稱「越南集團」)的100%股權，總代價為31,618,000美元(相等於248,201,000港元)。越南集團從事製造運動服。收購旨在進一步擴展本集團於中國大陸以外之產能，以及提升產能迎合市場增長。

**29. BUSINESS COMBINATIONS** (continued)

(a) (continued)

The fair values of the identifiable assets and liabilities of the Vietnam Group as at the date of acquisition were as follows:

		Notes 附註	Fair value recognised on acquisition 收購時確認的 公平值 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	13	9,278
Intangible asset	無形資產	17	2,838
Inventories	存貨		72,374
Accounts receivable	應收賬款		16,961
Prepayments, deposits and other receivables	預付款項、按金及其他 應收款項		100,808
Cash and bank balances	現金及銀行結餘		53,914
Accounts payable	應付賬款		(13,059)
Accrued liabilities and other payables	應計負債及其他應付款項		(25,253)
Tax payable	應付稅項		(4,748)
Deferred tax liabilities	遞延稅項負債	26	(987)
Total identifiable net assets at fair value	可識別淨資產公平值總額		212,126
Goodwill on acquisition	收購產生之商譽	16	36,075
			248,201
Satisfied by:	以下列方式支付：		
Cash consideration	現金代價		165,419
Novation and set-off of amounts due from the vendor of the Vietnam Group	更替及抵銷應收越南集團 賣方之金額		82,782
			248,201

Both the fair value and gross contractual amounts of accounts receivable and other receivables as at the date of acquisition amounted to HK\$16,961,000 and HK\$9,299,000, respectively.

The Group incurred transaction costs of HK\$1,671,000 for this acquisition. These transaction costs had been expensed and were included in administrative expenses in the consolidated income statement.

29. 業務合併(續)

(a) (續)

於收購日期，越南集團的可識別資產及負債之公平值如下：

	Notes 附註	Fair value recognised on acquisition 收購時確認的 公平值 HK\$'000 千港元
Property, plant and equipment	13	9,278
Intangible asset	17	2,838
Inventories		72,374
Accounts receivable		16,961
Prepayments, deposits and other receivables		100,808
Cash and bank balances		53,914
Accounts payable		(13,059)
Accrued liabilities and other payables		(25,253)
Tax payable		(4,748)
Deferred tax liabilities	26	(987)
Total identifiable net assets at fair value		212,126
Goodwill on acquisition	16	36,075
		248,201
Satisfied by:		
Cash consideration		165,419
Novation and set-off of amounts due from the vendor of the Vietnam Group		82,782
		248,201

應收賬款及其他應收款項於收購日期的公平值及總合約金額分別為16,961,000港元及9,299,000港元。

本集團就此項收購產生的交易成本為1,671,000港元。有關交易成本已經支銷並計入綜合收益表中行政開支一項。

Notes to Financial Statements (continued)
財務報表附註(續)

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29. BUSINESS COMBINATIONS (continued)

- (a) (continued)
None of the goodwill recognised was expected to be deductible for income tax purposes.

An analysis of the cash flows in respect of the acquisition of the Vietnam Group was as follows:

		HK\$'000 千港元
Cash consideration	現金代價	(165,419)
Cash and bank balances acquired	已收購之現金及銀行結餘	53,914
Net outflow of cash and bank balances included in cash flows from investing activities	計入來自投資活動之現金流量的現金及銀行結餘流出淨額	(111,505)
Transaction costs of the acquisition included in cash flows from operating activities	計入經營業務產生之現金流量的收購事項交易成本	(1,671)
		(113,176)

Since the acquisition, the Vietnam Group contributed HK\$245,933,000 to the Group's revenue and loss of HK\$3,205,000 to the consolidated profit of the Group for the year ended 31 March 2019. Had the combination taken place at the beginning of that year, the revenue of the Group and the consolidated profit of the Group for the year ended 31 March 2019 would have been HK\$2,612,667,000 and HK\$141,439,000, respectively.

- (b) During the year ended 31 March 2019, on 22 January 2019, the Group acquired 100% equity interest in Prospect Converge Limited from an independent third party for an aggregate consideration of RMB197,788,000 (equivalent to HK\$224,242,000). Prospect Converge Limited and its subsidiaries (collectively the "Hubei Group") are engaged in the manufacture and trading of sportswear. The acquisition was to enhance the production capability of the Group and broaden the Group's customer base.

29. 業務合併(續)

- (a) (續)
預期概無已確認商譽可用於扣除所得稅。

有關收購越南集團之現金流量分析如下：

		HK\$'000 千港元
Cash consideration	現金代價	(165,419)
Cash and bank balances acquired	已收購之現金及銀行結餘	53,914
Net outflow of cash and bank balances included in cash flows from investing activities	計入來自投資活動之現金流量的現金及銀行結餘流出淨額	(111,505)
Transaction costs of the acquisition included in cash flows from operating activities	計入經營業務產生之現金流量的收購事項交易成本	(1,671)
		(113,176)

自收購日起，越南集團於截至二零一九年三月三十一日止年度貢獻本集團營業收入245,933,000港元，以及為本集團綜合溢利帶來3,205,000港元虧損。倘合併於年初發生，於截至二零一九年三月三十一日止年度，本集團的營業收入及本集團綜合溢利將分別為2,612,667,000港元及141,439,000港元。

- (b) 截至二零一九年三月三十一日止年度內，於二零一九年一月二十二日，本集團向一名獨立第三方收購Prospect Converge Limited的100%股權，總代價為人民幣197,788,000元(相等於224,242,000港元)。Prospect Converge Limited及其附屬公司(統稱「湖北集團」)從事製造及買賣運動服。收購旨在提升本集團產能，以及擴大本集團的客戶基礎。

**29. BUSINESS COMBINATIONS** (continued)

(b) (continued)

The Group has elected to measure the non-controlling interests in the Hubei Group at the non-controlling interest's proportionate share of the Hubei Group's identifiable net assets excluding the gains on property, plant and equipment and prepaid land lease payments. The non-controlling interests relate to Hubei Dongneng and its subsidiaries, which are 80%-owned subsidiaries of Prospect Converge Limited.

The fair values of the identifiable assets and liabilities of the Hubei Group as at the date of acquisition were as follows:

29. 業務合併 (續)

(b) (續)

本集團已選擇以非控股股東權益比例計量湖北集團非控股股東權益應佔湖北集團可識別淨資產，惟物業、廠房及設備，以及預付土地租賃款項收益除外。非控股股東權益與湖北動能及其附屬公司相關，其80%權益由Prospect Converge Limited持有。

於收購日期，湖北集團的可識別資產及負債之公平值如下：

		Notes 附註	Fair value recognised on acquisition 收購時確認的 公平值 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	13	160,262
Prepaid land lease payments	預付土地租賃款項	14(a)	77,003
Intangible asset	無形資產	17	16,926
Inventories	存貨		84,612
Accounts and bills receivables	應收賬款及票據		136,668
Prepayments, deposits and other receivables	預付款項、按金及其他 應收款項		11,658
Pledged deposits	已抵押存款		9,263
Cash and bank balances	現金及銀行結餘		51,410
Accounts and bills payables	應付賬款及票據		(156,440)
Accrued liabilities and other payables	應計負債及其他應付款項		(74,575)
Interest-bearing bank borrowings	計息銀行借款		(78,740)
Tax payable	應付稅項		(4,684)
Deferred tax liabilities	遞延稅項負債	26	(24,515)
Total identifiable net assets at fair value	可識別淨資產公平值總額		208,848
Non-controlling interests	非控股股東權益		(22,753)
Goodwill on acquisition	收購產生之商譽	16	38,147
			224,242
Satisfied by:	以下列方式支付：		
Issue of shares	發行股份	27	94,051
Cash consideration	現金代價		130,191
			224,242

Notes to Financial Statements (continued)
財務報表附註(續)

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29. BUSINESS COMBINATIONS (continued)

(b) (continued)

Both the fair value and gross contractual amounts of the accounts and bills receivables and other receivables as at the date of acquisition amounted to HK\$136,668,000 and HK\$975,000, respectively.

The Group incurred transaction costs of HK\$1,969,000 for this acquisition. These transaction costs had been expensed and were included in administrative expenses in the consolidated income statement.

None of the goodwill recognised was expected to be deductible for income tax purposes.

An analysis of the cash flows in respect of the acquisition of the Hubei Group was as follows:

		HK\$'000 千港元
Cash consideration	現金代價	(130,191)
Cash and bank balances acquired	已收購之現金及銀行結餘	51,410
Net outflow of cash and bank balances included in cash flows from investing activities	計入來自投資活動之現金流量的現金及銀行結餘流出淨額	(78,781)
Transaction costs of the acquisition included in cash flows from operating activities	計入經營業務產生之現金流量的收購事項交易成本	(1,969)
		(80,750)

Since the acquisition, the Hubei Group contributed HK\$114,708,000 to the Group's revenue and loss of HK\$10,027,000 to the consolidated profit of the Group for the year ended 31 March 2019. Had the combination taken place at the beginning of that year, the revenue of the Group and the profit of the Group for the year ended 31 March 2019 would have been HK\$2,819,873,000 and HK\$160,695,000, respectively.

29. 業務合併(續)

(b) (續)

應收賬款及票據及其他應收款項於收購日期的公平值及總合約金額分別為136,668,000港元及975,000港元。

本集團就此項收購產生的交易成本為1,969,000港元。有關交易成本已經支銷並計入綜合收益表中行政開支一項。

預期概無已確認商譽可用於扣除所得稅。

有關收購湖北集團之現金流量分析如下：

		HK\$'000 千港元
Cash consideration	現金代價	(130,191)
Cash and bank balances acquired	已收購之現金及銀行結餘	51,410
Net outflow of cash and bank balances included in cash flows from investing activities	計入來自投資活動之現金流量的現金及銀行結餘流出淨額	(78,781)
Transaction costs of the acquisition included in cash flows from operating activities	計入經營業務產生之現金流量的收購事項交易成本	(1,969)
		(80,750)

自收購日起，湖北集團於截至二零一九年三月三十一日止年度貢獻本集團營業收入114,708,000港元，為本集團綜合溢利帶來10,027,000港元虧損。倘合併於年初發生，於截至二零一九年三月三十一日止年度，本集團的營業收入及本集團溢利將分別為2,819,873,000港元及160,695,000港元。

**30. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS****(i) Major non-cash transactions**

During the year ended 31 March 2019, prepayments, deposits and other receivables of HK\$82,782,000 were set off against the consideration of acquisition of the Vietnam Group.

(ii) Changes in liabilities arising from financing activities**30. 綜合現金流量表附註****(i) 主要非現金交易**

截至二零一九年三月三十一日止年度內，預付款項、按金及其他應收款項82,782,000港元與收購越南集團的代價抵銷。

(ii) 融資活動產生的負債變動

		Lease liabilities 租賃負債 HK\$'000 千港元	Interest-bearing bank borrowings 計息銀行貸款 HK\$'000 千港元
At 1 April 2018	於二零一八年四月一日	—	196,800
Acquisition of subsidiaries (note 29(b))	收購附屬公司(附註29(b))	—	78,740
Changes from financing cash flows	融資現金流量變動	—	296,615
At 31 March 2019	於二零一九年三月三十一日	—	572,155
Effect of adoption of HKFRS 16	採納香港財務報告準則第16號的影響	22,065	—
At 1 April 2019 (restated)	於二零一九年四月一日(經重列)	22,065	572,155
Changes from financing cash flows	融資現金流量變動	(7,425)	(41,355)
Interest expenses	利息開支	692	—
Interest paid classified as operating cash flows	分類為經營現金流量的已付利息	(692)	—
Exchange realignment	匯兌調整	(611)	—
At 31 March 2020	於二零二零年三月三十一日	14,029	530,800

Notes to Financial Statements (continued)
財務報表附註(續)

31 March 2020
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30. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(continued)

(iii) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

		2020 二零二零年 HK\$'000 千港元
Within operating activities	於經營活動內	989
Within financing activities	於融資活動內	7,425
At 31 March 2020	二零二零年三月三十一日	8,414

31. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities not provided for at the end of the reporting period (2019: Nil).

As at 31 March 2020, corporate guarantees to banks to the extent of HK\$741,500,000 (2019: HK\$685,300,000) were given by the Company and certain subsidiaries of the Company for banking facilities granted to the Company and certain subsidiaries of the Company, which were utilised to the extent of approximately HK\$412,000,000 (2019: HK\$442,550,000) at the end of the reporting period.

30. 綜合現金流量表附註(續)

(iii) 租賃現金流出總額

計入現金流量表的租賃現金流出總額如下：

31. 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(二零一九年：無)。

於二零二零年三月三十一日，本公司及本公司若干附屬公司向銀行提供741,500,000港元(二零一九年：685,300,000港元)公司擔保，以取得授予本公司及本公司若干附屬公司的銀行備用信貸，其中於報告期末已動用約412,000,000港元(二零一九年：442,550,000港元)。

32. COMMITMENTS

- (a) The Group had the following capital commitments at the end of the reporting period:

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Contracted, but not provided for: 已訂約但未撥備：		
Renovation of factories and purchases of items of machinery and equipment for the Hubei Group 為湖北集團廠房裝修、購買機器及設備項目	154	12,208
Renovation of factories and purchases of items of machinery and equipment for the Vietnam Group 為越南集團廠房裝修、購買機器及設備項目	468	4,743
Renovation of factories and purchases of items of machinery and equipment 廠房裝修、購買機器及設備項目	3,864	9,352
	4,486	26,303

(b) Operating lease commitments as at 31 March 2019

The Group leased certain of its factories premises under operating lease arrangements which were negotiated for terms of one to six years and five months.

At 31 March 2019, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		HK\$'000 千港元
Within one year 一年內		8,404
In the second to fifth years, inclusive 第二年至第五年(包括首尾兩年)		13,773
After five years 五年後		1,573
		23,750

32. 承擔

- (a) 本集團於報告期末之資本承擔如下：

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Contracted, but not provided for: 已訂約但未撥備：		
Renovation of factories and purchases of items of machinery and equipment for the Hubei Group 為湖北集團廠房裝修、購買機器及設備項目	154	12,208
Renovation of factories and purchases of items of machinery and equipment for the Vietnam Group 為越南集團廠房裝修、購買機器及設備項目	468	4,743
Renovation of factories and purchases of items of machinery and equipment 廠房裝修、購買機器及設備項目	3,864	9,352
	4,486	26,303

(b) 二零一九年三月三十一日的經營租賃承擔

本集團根據經營租賃安排租用若干工廠，租期商定為一年至六年五個月。

於二零一九年三月三十一日，本集團根據不可撤銷經營租賃期限而須支付之未來最低租金總額如下：

		HK\$'000 千港元
Within one year 一年內		8,404
In the second to fifth years, inclusive 第二年至第五年(包括首尾兩年)		13,773
After five years 五年後		1,573
		23,750

Notes to Financial Statements (continued)
財務報表附註(續)

31 March 2020
二零二零年三月三十一日

33. 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:

		Notes 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
A related company indirectly controlled by a substantial shareholder of the Company:	本公司一名主要股東間接控制的關連公司：			
Rental expense*	租金開支*	(i)	6,678	5,581
Service fee	服務費	(ii)	9,307	7,412
Related companies directly controlled by a person who is a director and shareholder of the company (2019: a director of certain subsidiaries of the Group and a shareholder of the Company):	一名本公司董事兼股東(二零一九年：本集團若干附屬公司之董事兼本公司股東)直接控制的關連公司：			
Subcontracting income	分包收入	(iii)	730	1,288
Subcontracting expense	分包開支	(iii)	—	738
Substantial shareholder of the Company:	本公司主要股東：			
Service fee	服務費	(iv)	629	902

- (i) The rental expense was charged at a monthly rate of US\$71,184 (2019: US\$71,184) for the year ended 31 March 2020 by reference to a lease agreement entered into between Pouyuen Vietnam Company Limited ("Pouyuen Vietnam"), a related company indirectly controlled by Yue Yuen, a substantial shareholder of the Company, and the Group for a term of three years commencing on 1 June 2018.

33. 關連人士交易

- (a) 除於本財務報表其他部分詳述的交易外，本集團於年內與關連人士進行下列重大交易：

- (i) 參考本公司主要股東裕元間接控制的關連公司Pouyuen Vietnam Company Limited (「Pouyuen Vietnam」)與本集團訂立為期三年及於二零一八年六月一日生效的租賃協議，租金開支於截至二零二零年三月三十一日止年度按每月71,184美元(二零一九年：71,184美元)收取。



33. RELATED PARTY TRANSACTIONS

(continued)

(a) (continued)

(i) (continued)

* Right-of-use assets of HK\$7,469,000 and lease liabilities of HK\$7,590,000 upon adoption of HKFRS 16 related to the leases with related parties were recognised in consolidated statement of financial position as at 31 March 2020. During the year ended 31 March 2020, depreciation of right-of-use assets of HK\$6,460,000 and finance costs on lease liabilities of HK\$342,000 were recognised in the consolidated income statement.

(ii) The service fee to Pouyuen Vietnam was made on a basis mutually agreed by both parties.

(iii) The subcontracting income and subcontracting expense with Guangdong Dalian Garment Co., Limited ("Dalian Garment") and Foshan City Honglian Garment Co., Limited ("Honglian Garment"), related companies controlled by Mr. Huang Yongbiao, a director and shareholder of the Company (2019: a director of certain subsidiaries of the Group and a shareholder of the Company), were made on a basis mutually agreed by both parties.

(iv) The service fee paid to Pou Chen Corporation, a substantial shareholder of the Company, was charged on actual cost incurred.

The related party transactions in respect of items (i) and (ii) above also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

33. 關連人士交易(續)

(a) (續)

(i) (續)

* 採納香港財務報告準則第16號後，與關連人士租賃有關的使用權資產7,469,000港元及租賃負債7,590,000港元於二零二零年三月三十一日的綜合財務狀況表確認。截至二零二零年三月三十一日止年度內，使用權資產折舊6,460,000港元及租賃負債的融資成本342,000港元於綜合收益表確認。

(ii) 給予Pouyuen Vietnam的服務費按雙方同意之基準支付。

(iii) 與一名本公司董事兼股東(二零一九年：一名本集團若干附屬公司之董事兼本公司股東)黃永彪先生控制的關連公司廣東達聯製衣有限公司(「達聯製衣」)及佛山市宏聯製衣有限公司(「宏聯製衣」)相關之分包收入及分包開支按雙方同意之基準支付。

(iv) 向本公司主要股東寶成工業股份有限公司支付的服務費按實際產生的成本收取。

上文第(i)及第(ii)項之關連人士交易亦構成上市規則第14A章所定義的持續關連交易。

33. RELATED PARTY TRANSACTIONS

(continued)

(b) Other transaction with a related party

During the year ended 31 March 2019, the Group acquired the Vietnam Group from Pro Kingtex, an indirectly non-wholly-owned subsidiary of Yue Yuen. Further details of the transaction are included in note 29(a) to the financial statements.

(c) Outstanding balances with related parties

(i) Included in accrued liabilities and other payables is an amount due to Pouyuen Vietnam of HK\$2,706,000 (2019: HK\$2,740,000), which is unsecured, interest-free and repayable on demand.

(ii) As at 31 March 2019, included in prepayments, deposits and other receivables was an amount due from Dalian Garment of HK\$9,837,000, which was unsecured, interest-free and repayable on demand.

(iii) As at 31 March 2019, included in accrued liabilities and other payables was an amount due from Dalian Garment of HK\$760,000, which was unsecured, interest-free and repayable on demand.

(iv) As at 31 March 2019, included in accounts and bills receivables were amounts due from Dalian Garment and Honglian Garment of HK\$1,264,000, which were unsecured, interest-free and repayable on demand.

(d) The directors are the key management personnel of the Group. Details of their remuneration are disclosed in note 8 to the financial statements.

33. 關連人士交易(續)

(b) 與關連人士之其他交易

本集團於截至二零一九年三月三十一日止年度內向裕元之間接非全資附屬公司Pro Kingtex收購越南集團。有關交易的進一步詳情載於財務報表附註29(a)。

(c) 與關連人士之未償付結餘

(i) 應付Pouyuen Vietnam的款項2,706,000港元(二零一九年: 2,740,000港元)計入應計負債及其他應付款項, 為無擔保、免息及須按要求償還。

(ii) 於二零一九年三月三十一日, 應收達聯製衣的款項9,837,000港元計入預付款項、按金及其他應收款項, 為無擔保、免息及須按要求償還。

(iii) 於二零一九年三月三十一日, 應收達聯製衣的款項760,000港元計入應計負債及其他應付款項, 為無擔保、免息及須按要求償還。

(iv) 於二零一九年三月三十一日, 應收達聯製衣及宏聯製衣的款項1,264,000港元計入應收賬款及票據, 為無擔保、免息及須按要求償還。

(d) 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8披露。

34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Financial assets at amortised cost:	按攤銷成本列賬的金融資產：		
Accounts and bills receivables	應收賬款及票據	243,944	411,242
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的金融資產	15,363	22,866
Pledged deposits	已抵押存款	—	15,204
Restricted bank balance	受限制銀行結餘	547	585
Cash and bank balances	現金及銀行結餘	341,156	193,834
		601,010	643,731

Financial liabilities

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Financial liabilities at amortised cost:	按攤銷成本列賬的金融負債：		
Accounts and bills payables	應付賬款及票據	236,856	258,169
Financial liabilities included in accrued liabilities and other payables	計入應計負債及其他應付款項的金融負債	49,397	52,894
Interest-bearing bank borrowings	計息銀行貸款	530,800	572,155
Lease liabilities	租賃負債	14,029	—
		831,082	883,218

The directors consider the carrying amounts of all financial assets and financial liabilities measured at amortised cost approximate to their fair values as at the end of the reporting period largely due to the short term maturities of these instruments.

34. 金融工具分類

各類金融工具於報告期末的賬面值如下：

金融資產

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Financial assets at amortised cost:	按攤銷成本列賬的金融資產：		
Accounts and bills receivables	應收賬款及票據	243,944	411,242
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的金融資產	15,363	22,866
Pledged deposits	已抵押存款	—	15,204
Restricted bank balance	受限制銀行結餘	547	585
Cash and bank balances	現金及銀行結餘	341,156	193,834
		601,010	643,731

金融負債

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Financial liabilities at amortised cost:	按攤銷成本列賬的金融負債：		
Accounts and bills payables	應付賬款及票據	236,856	258,169
Financial liabilities included in accrued liabilities and other payables	計入應計負債及其他應付款項的金融負債	49,397	52,894
Interest-bearing bank borrowings	計息銀行貸款	530,800	572,155
Lease liabilities	租賃負債	14,029	—
		831,082	883,218

董事認為，於報告期末，所有按攤銷成本計量的金融資產及金融負債賬面值與其公平值相若，大致由於該等工具的到期日較短。

Notes to Financial Statements (continued)
財務報表附註(續)

31 March 2020
二零二零年三月三十一日

35. TRANSFERRED FINANCIAL ASSETS

(a) **Transferred financial assets that are not derecognised in their entirety**

The following table provides a summary of financial assets that have been transferred in such a way that part of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Bills endorsement under the Law of Negotiable Instruments of the PRC

Carrying amount of assets that continued to be recognised	持續獲確認的資產賬面值
Carrying amount of associated liabilities	相關負債的賬面值

At 31 March 2020, the Group endorsed certain bills receivable accepted by banks in Mainland China (the "Endorsed Bills") with a carrying amount of HK\$1,880,000 (2019: HK\$7,618,000) to certain of its suppliers in order to settle the accounts payable due to such suppliers (the "Endorsement"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated accounts payable settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amount of the accounts payable settled by the Endorsed Bills during the year to which the suppliers have recourse was HK\$1,880,000 (2019: HK\$7,618,000) as at 31 March 2020.

35. 已轉讓金融資產

(a) **未全部終止確認的已轉讓金融資產**

下表概述已轉讓金融資產中，以不符合取消確認資格方式的轉讓部分及其相關負債：

根據中國票據法的票據背書

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Carrying amount of assets that continued to be recognised	1,880	7,618
Carrying amount of associated liabilities	1,880	7,618

於二零二零年三月三十一日，本集團向若干供應商背書賬面值1,880,000港元(二零一九年：7,618,000港元)已獲中國大陸銀行接受之若干應收票據(「背書票據」)，以結清應該等供應商之應付賬款(「背書」)。董事認為，本集團仍保留重大風險及回報，包括背書票據之違約風險，因此，本集團繼續確認背書票據之所有賬面值及相關已結清之應付賬款。於背書後，本集團並無保留任何可使用背書票據之權利，包括出售、轉讓或抵押背書票據予任何其他第三方之權利。年內透過背書票據支付之供應商有追索權之應付賬款於二零二零年三月三十一日之賬面總值為1,880,000元(二零一九年：7,618,000港元)。

**35. TRANSFERRED FINANCIAL ASSETS***(continued)***(b) Transferred financial assets that are derecognised in their entirety*****Bills endorsement under the Law of Negotiable Instruments of the PRC***

At 31 March 2019, the Group endorsed certain bills receivable accepted by certain reputable banks in Mainland China (the "Derecognised Bills") to certain of its suppliers in order to settle the accounts payable due to such suppliers with a carrying amount in aggregate of HK2,808,000. The Derecognised Bills had a maturity of one to three months as at 31 March 2019. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the directors, the Group had transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it had derecognised the full carrying amounts of the Derecognised Bills and the associated accounts payable. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills was equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills were not significant.

During the year ended 31 March 2019, the Group had not recognised any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during that year or cumulatively. The endorsement had been made evenly throughout that year.

35. 已轉讓金融資產(續)**(b) 全部終止確認的已轉讓金融資產*****根據中國票據法的票據背書***

於二零一九年三月三十一日，本集團向若干供應商背書賬面總值2,808,000港元已獲若干聲譽良好的中國大陸銀行接受之若干應收票據(「終止確認票據」)，以結清應付該等供應商之應付賬款。於二零一九年三月三十一日，終止確認票據一至三個月內到期。根據中國票據法，倘有關中國銀行違約，終止確認票據之持有人有權向本集團提出追索(「持續參與」)。董事認為，本集團已轉移有關終止確認票據之絕大部分風險及回報。因此，本集團終止確認終止確認票據之所有賬面值以及相關應付賬款。本集團就持續參與終止確認票據及購回該等終止確認票據之未折現現金流量之最大虧損風險相等於其賬面值。董事認為，本集團持續參與終止確認票據之公平值並不重大。

截至二零一九年三月三十一日止年度內，本集團於轉讓終止確認票據日並無確認任何收益或虧損。於該年內或以累計，概無確認來自持續參與的收益或虧損。已於該整個年度按等額作出背書。

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank borrowings and cash and bank balances. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as accounts and bills receivables, financial assets included in prepayments, deposits and other receivables, a restricted bank balance, pledged deposits, accounts and bills payables, financial liabilities included in accrued liabilities and other payables and lease liabilities, 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's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank borrowings with floating interest rates.

The Group regularly reviews and monitors the floating interest rate borrowings in order to manage its interest rate risk. The interest-bearing bank borrowings and cash and bank balances are stated at amortised cost and not revalued on a periodic basis. Floating rate interest income and expenses are credited/charged to the income statement as earned/incurred.

36. 財務風險管理之目標及政策

本集團的主要金融工具包括計息銀行貸款及現金及銀行結餘。該等金融工具之主要目的為籌集本集團營運所需資金。本集團擁有應收賬款及票據、預付款項、按金及其他應收款項所包含的金融資產、受限制銀行結餘、已抵押存款、應付賬款及票據及應計負債及其他應付款項所包含的金融負債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，概述如下。

利率風險

本集團所承受之市場利率變動風險主要與本集團按浮動利率計息的銀行借貸有關。

本集團定期審查及監察浮息借貸以管理其利率風險。計息銀行貸款及現金及銀行結餘按攤銷成本入賬，而不會定期重估。浮息利息收入及支出於收益表按已賺取／已產生予以進賬／扣除。

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate risk (continued)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's net profit (through the impact on floating rate borrowings).

		Increase in interest rate (basis points) 利率增加(基點)	Decrease in net profit 純利減少 HK\$'000 千港元
2020	二零二零年	100	4,432
2019	二零一九年	100	4,777

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from a substantial portion of sales or purchases by operating units in United States dollars ("US\$") and RMB. As the foreign currency risk arising from sales and purchases can be set off with each other given that the Hong Kong dollars are pegged to US\$, 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 functional currency of the PRC subsidiaries is RMB and the Group's financial statements are reported in Hong Kong dollars, there will be a translation credit/(debit) to the exchange fluctuation reserve as a result of RMB appreciation/(depreciation). 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.

36. 財務風險管理之目標及政策 (續)

利率風險(續)

下表顯示倘所有其他變量保持不變，本集團純利(因浮息借貸影響)對利率之合理可能變動的敏感性。

		Increase in interest rate (basis points) 利率增加(基點)	Decrease in net profit 純利減少 HK\$'000 千港元
2020	二零二零年	100	4,432
2019	二零一九年	100	4,777

外匯風險

本集團承受交易貨幣風險。有關風險大部分由營運單位以美元(「美元」)及人民幣進行買賣產生。由於港元與美元掛鈎，買賣產生之外匯風險可以互相抵銷，本集團相信其外匯風險輕微。本集團將繼續維持以相同貨幣進行買賣之平衡政策。然而，由於中國附屬公司以人民幣為功能貨幣及本集團之財務報表乃以港元呈報，故人民幣升值/(貶值)將會產生計入/(扣除自)匯率波動儲備的匯兌盈虧。本集團大部分營運資產均位於中國大陸，並以人民幣計值。

本集團目前並無外幣對沖政策。然而，管理層監察外匯風險，並會在有需要時對沖重大外匯風險。

Notes to Financial Statements (continued)
財務報表附註(續)

31 March 2020
二零二零年三月三十一日

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

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):

		Increase/ (decrease) in exchange rate 匯率上升/ (下跌)	Increase/ (decrease) in net profit 純利增加/ (減少) HK\$'000 千港元
2020	二零二零年		
If HK\$ strengthens against RMB	倘港元兌人民幣升值	3%	(2,702)
If HK\$ weakens against RMB	倘港元兌人民幣貶值	(3%)	2,702
2019	二零一九年		
If HK\$ strengthens against RMB	倘港元兌人民幣升值	3%	(1,671)
If HK\$ weakens against RMB	倘港元兌人民幣貶值	(3%)	1,671

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 the use of interest-bearing bank borrowings and other 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.

36. 財務風險管理之目標及政策 (續)

外匯風險(續)

下表列示本集團純利對人民幣匯率於報告期末可能出現之合理變動(所有其他變量維持不變)之敏感度(由於貨幣資產及負債公平值變動)：

	Increase/ (decrease) in exchange rate 匯率上升/ (下跌)	Increase/ (decrease) in net profit 純利增加/ (減少) HK\$'000 千港元
2020		
If HK\$ strengthens against RMB	3%	(2,702)
If HK\$ weakens against RMB	(3%)	2,702
2019		
If HK\$ strengthens against RMB	3%	(1,671)
If HK\$ weakens against RMB	(3%)	1,671

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。該項工具會考慮金融工具及金融資產(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。

本集團透過使用計息銀行貸款及其他銀行備用信貸，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。

**36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** (continued)**Liquidity risk** (continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

2020

		On demand or within 1 year 應要求 或一年內 HK\$'000 千港元	1 to 5 years 1至5年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Accounts and bills payables	應付賬款及票據	236,856	—	236,856
Financial liabilities included in accrued liabilities and other payables	計入應計負債及其他應付款項的金融負債	49,397	—	49,397
Interest-bearing bank borrowings	計息銀行貸款	532,176	—	532,176
Lease liabilities	租賃負債	8,022	6,923	14,945
		826,451	6,923	833,374

2019

		On demand or within one year 應要求 或一年內 HK\$'000 千港元
Accounts and bills payables	應付賬款及票據	258,169
Financial liabilities included in accrued liabilities and other payables	列入應計負債及其他應付款項的金融負債	52,894
Interest-bearing bank borrowings	計息銀行貸款	573,278
		884,341

36. 財務風險管理之目標及政策 (續)**流動資金風險** (續)

於報告期末，本集團在根據合約未折現付款計算之金融負債到期情況如下：

二零二零年

Notes to Financial Statements (continued)
財務報表附註(續)

31 March 2020
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36. FINANCIAL RISK MANAGEMENT
OBJECTIVES AND POLICIES (continued)

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.

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 March. The amounts presented are gross carrying amounts for financial assets.

2020

		12-month ECLs 十二個月 預期信貸 虧損	Lifetime ECLs 全期預期信貸虧損			Total 總額 HK\$'000 千港元
			Stage 1 第一階段 HK\$'000 千港元	Stage 2 第二階段 HK\$'000 千港元	Stage 3 第三階段 HK\$'000 千港元	
Accounts receivable*	應收賬款*	—	—	—	240,068	240,068
Bills receivable	應收票據					
— Normal**	— 正常**	3,876	—	—	—	3,876
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金 及其他應收款項的 金融資產					
— Normal**	— 正常**	15,363	—	—	—	15,363
Restricted bank balance	受限制銀行結餘					
— Not yet past due	— 未逾期	547	—	—	—	547
Cash and bank balances	現金及銀行結餘					
— Not yet past due	— 未逾期	341,156	—	—	—	341,156
		360,942	—	—	240,068	601,010

36. 財務風險管理之目標及政策
(續)

信貸風險

本集團僅與認可及信譽良好的第三方進行交易。本集團會對擬以賒賬方式交易的所有客戶進行信貸審查。此外，應收款項結餘亦會作持續監察。

最高風險及年結階段分析

下表載列基於本集團的信貸政策的信貸質素及最高信貸風險，主要基於逾期資料（除非其他資料可在無須付出不必要成本或努力的情況下獲得），及於三月三十一日的年結階段分析。所呈列的有關金額指金融資產總賬面值。

二零二零年



36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Maximum exposure and year-end staging

(continued)

2019

		12-month ECLs 十二個月 預期信貸 虧損		Lifetime ECLs 全期預期信貸虧損		
		Stage 1 第一階段 HK\$'000 千港元	Stage 2 第二階段 HK\$'000 千港元	Stage 3 第三階段 HK\$'000 千港元	Simplified approach 簡化方法 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Accounts receivable*	應收賬款*	—	—	—	403,624	403,624
Bills receivable	應收票據					
— Normal**	— 正常**	7,618	—	—	—	7,618
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的金融資產					
— Normal**	— 正常**	22,866	—	—	—	22,866
Pledged deposits	已抵押存款					
— Not yet past due	— 未逾期	15,204	—	—	—	15,204
Restricted bank balance	受限制銀行結餘					
— Not yet past due	— 未逾期	585	—	—	—	585
Cash and bank balances	現金及銀行結餘					
— Not yet past due	— 未逾期	193,834	—	—	—	193,834
		240,107	—	—	403,624	643,731

* For accounts receivable to which the Group applies the simplified approach for impairment allowance is disclosed in note 19 to the financial statements.

** The credit quality of the bills receivable and the financial assets included in prepayments, deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition.

36. 財務風險管理之目標及政策 (續)

最高風險及年結階段分析(續)

二零一九年

		12-month ECLs 十二個月 預期信貸 虧損		Lifetime ECLs 全期預期信貸虧損		
		Stage 1 第一階段 HK\$'000 千港元	Stage 2 第二階段 HK\$'000 千港元	Stage 3 第三階段 HK\$'000 千港元	Simplified approach 簡化方法 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Accounts receivable*	應收賬款*	—	—	—	403,624	403,624
Bills receivable	應收票據					
— Normal**	— 正常**	7,618	—	—	—	7,618
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的金融資產					
— Normal**	— 正常**	22,866	—	—	—	22,866
Pledged deposits	已抵押存款					
— Not yet past due	— 未逾期	15,204	—	—	—	15,204
Restricted bank balance	受限制銀行結餘					
— Not yet past due	— 未逾期	585	—	—	—	585
Cash and bank balances	現金及銀行結餘					
— Not yet past due	— 未逾期	193,834	—	—	—	193,834
		240,107	—	—	403,624	643,731

* 有關本集團就減值撥備應用簡化方法的應收賬款詳情於財務報表附註19披露。

** 當計入預付款項、按金及其他應收款項之應收票據及金融資產未逾期，且無資料顯示金融資產的信貸風險自初步確認起出現重大增加，則其信貸質素被視為「正常」。

36. 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 and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. Capital includes bank borrowings and equity attributable to owners of the Company. 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 2020 and 2019.

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.

36. 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及提高股東價值。

本集團因應經濟狀況變動及有關資產之風險特徵管理其資本架構及作出調整。資本包括銀行貸款及本公司擁有人應佔權益。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。於截至二零二零年及二零一九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。

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

37. 本公司財務狀況表

有關本公司於報告期末的財務狀況表的資料如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產		
Investments in subsidiaries	於附屬公司之投資	43,368	43,368
CURRENT ASSETS	流動資產		
Due from subsidiaries	應收附屬公司	2,380,018	2,153,928
Loan to a subsidiary	貸款予一間附屬公司	—	118,500
Prepayments	預付款項	109	219
Cash and bank balances	現金及銀行結餘	905	1,439
Total current assets	流動資產總值	2,381,032	2,274,086
CURRENT LIABILITIES	流動負債		
Due to subsidiaries	應付附屬公司	1,511,169	1,306,812
Accrued liability	應計負債	—	407
Interest-bearing bank borrowings	計息銀行貸款	—	118,500
Tax payable	應付稅項	365	1,079
Total current liabilities	流動負債總值	1,511,534	1,426,798
NET CURRENT ASSETS	流動資產淨值	869,498	847,288
Net assets	資產淨值	912,866	890,656
EQUITY	資本		
Issued capital	已發行股本	5,320	5,320
Reserves (note)	儲備(附註)	907,546	885,336
Total equity	資本總值	912,866	890,656

Notes to Financial Statements (continued)
財務報表附註(續)

31 March 2020
二零二零年三月三十一日

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

		Notes 附註	Share premium account 溢價賬 股份	Capital reserve 資本儲備	Retained profits 留存溢利	Total 總計
			HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2018	於二零一八年四月一日		472,586	43,088	294,750	810,424
Profit and total comprehensive income for the year	年內溢利及全面收益總額		—	—	111,101	111,101
Issue of shares	發行股份	27	93,728	—	—	93,728
Final 2018 dividend	二零一八年末期股息	11	—	—	(59,962)	(59,962)
Interim 2019 dividend	二零一九年中期股息	11	—	—	(69,955)	(69,955)
At 31 March 2019 and 1 April 2019	於二零一九年三月三十一日及二零一九年四月一日		566,314	43,088	275,934	885,336
Profit and total comprehensive income for the year	年內溢利及全面收益總額		—	—	160,530	160,530
Final 2019 dividend	二零一九年末期股息	11	—	—	(31,920)	(31,920)
Interim 2020 dividend	二零二零年中期股息	11	—	—	(106,400)	(106,400)
At 31 March 2020	於二零二零年三月三十一日		566,314	43,088	298,144	907,546

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 therefor. 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.

38. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors of the Company on 30 June 2020.

37. 本公司財務狀況表(續)

附註：

本公司儲備之概要如下：

		Notes 附註	Share premium account 溢價賬 股份	Capital reserve 資本儲備	Retained profits 留存溢利	Total 總計
			HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2018	於二零一八年四月一日		472,586	43,088	294,750	810,424
Profit and total comprehensive income for the year	年內溢利及全面收益總額		—	—	111,101	111,101
Issue of shares	發行股份	27	93,728	—	—	93,728
Final 2018 dividend	二零一八年末期股息	11	—	—	(59,962)	(59,962)
Interim 2019 dividend	二零一九年中期股息	11	—	—	(69,955)	(69,955)
At 31 March 2019 and 1 April 2019	於二零一九年三月三十一日及二零一九年四月一日		566,314	43,088	275,934	885,336
Profit and total comprehensive income for the year	年內溢利及全面收益總額		—	—	160,530	160,530
Final 2019 dividend	二零一九年末期股息	11	—	—	(31,920)	(31,920)
Interim 2020 dividend	二零二零年中期股息	11	—	—	(106,400)	(106,400)
At 31 March 2020	於二零二零年三月三十一日		566,314	43,088	298,144	907,546

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，超出為此發行之本公司股本面值之差額。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。

38. 財務報表之批准

財務報表已於二零二零年六月三十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)

ANNUAL REPORT 年報
2020

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