



PACIFIC TEXTILES HOLDINGS LIMITED 互太紡織控股有限公司

(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 : 01382)



ANNUAL REPORT **2018/19** 年報





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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. WAN Wai Loi (*Chairman and Chief Executive Officer*)
Mr. Masaru OKUTOMI (*Vice Chairman*) (*appointed with effect from 1 July 2019*)
Mr. TOU Kit Vai (*Chief Financial Officer*)
Mr. Toshiya ISHII

Non-executive Directors

Mr. CHOI Kin Chung (*resigned on 12 June 2019*)
Mr. LAU Yiu Tong (*re-designated as Non-executive Director with effect from 1 June 2019*)
Mr. TSANG Kang Po (*resigned with effect from 1 July 2018*)

Independent Non-executive Directors

Dr. CHAN Yue Kwong, Michael
Mr. NG Ching Wah
Mr. SZE Kwok Wing, Nigel

AUDIT COMMITTEE

Mr. SZE Kwok Wing, Nigel (*Chairman*)
Dr. CHAN Yue Kwong, Michael
Mr. NG Ching Wah

REMUNERATION COMMITTEE

Dr. CHAN Yue Kwong, Michael (*Chairman*)
Mr. NG Ching Wah
Mr. SZE Kwok Wing, Nigel
Mr. WAN Wai Loi
Mr. LAU Yiu Tong (*ceased to be a member since 1 June 2019*)

NOMINATION COMMITTEE

Mr. NG Ching Wah (*Chairman*)
Dr. CHAN Yue Kwong, Michael
Mr. SZE Kwok Wing, Nigel
Mr. WAN Wai Loi
Mr. LAU Yiu Tong (*ceased to be a member since 1 June 2019*)

COMPANY SECRETARY

Ms. CHAN Sau Yee

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Citibank N.A.
Hang Seng Bank Limited
BNP Paribas, Hong Kong Branch
Bank of China (Hong Kong) Limited

董事局

執行董事

尹惠來先生 (*主席兼行政總裁*)
奧富勝先生 (*副主席*) (*自2019年7月1日獲委任*)
杜結威先生 (*首席財務總監*)
石井俊哉先生

非執行董事

蔡建中先生 (*於2019年6月12日辭任*)
劉耀棠先生 (*自2019年6月1日起調任為非執行董事*)
曾鏡波先生 (*自2018年7月1日辭任*)

獨立非執行董事

陳裕光博士
伍清華先生
施國榮先生

審核委員會

施國榮先生 (*主席*)
陳裕光博士
伍清華先生

薪酬委員會

陳裕光博士 (*主席*)
伍清華先生
施國榮先生
尹惠來先生
劉耀棠先生 (*自2019年6月1日起不再擔任成員*)

提名委員會

伍清華先生 (*主席*)
陳裕光博士
施國榮先生
尹惠來先生
劉耀棠先生 (*自2019年6月1日起不再擔任成員*)

公司秘書

陳秀儀女士

主要往來銀行

香港上海滙豐銀行有限公司
花旗銀行
恒生銀行有限公司
法國巴黎銀行香港分行
中國銀行(香港)有限公司

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

REGISTERED OFFICE

P.O. Box 309GT, Uglund House
South Church Street
George Town, Grand Cayman
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

7/F., Block B, Eastern Sea Industrial Building
48-56 Tai Lin Pai Road, Kwai Chung
New Territories, Hong Kong

PRINCIPAL PLACE OF BUSINESS IN THE PRC

Liu Chong Tong Xin County
Wan Qing Sha Town
Nansha, Guangzhou City
Guangdong Province, PRC

PRINCIPAL PLACE OF BUSINESS IN VIETNAM

Lai Vu Industrial Zone, Lai Vu Commune
Kim Thanh District
Hai Duong Province
Vietnam

PRINCIPAL SHARE REGISTRAR

SMP Partners (Cayman) Limited
Royal Bank House – 3rd Floor
24 Shedden Road, P.O. Box 1586
Grand Cayman, KY1-1110, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17/F., Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

HONG KONG STOCK EXCHANGE STOCK CODE

01382

COMPANY WEBSITE

www.pacific-textiles.com

核數師

羅兵咸永道會計師事務所
香港執業會計師

註冊辦事處

P.O. Box 309GT, Uglund House
South Church Street
George Town, Grand Cayman
Cayman Islands

總辦事處及香港主要營業地點

香港新界
葵涌大連排道48-56號
東海工業大廈B座8樓

中國主要營業地點

中國廣東省
廣州市南沙
萬頃沙鎮
六涌同興村

越南主要營業地點

Lai Vu Industrial Zone, Lai Vu Commune
Kim Thanh District
Hai Duong Province
Vietnam

主要股份過戶登記處

SMP Partners (Cayman) Limited
Royal Bank House – 3rd Floor,
24 Shedden Road, P.O. Box 1586,
Grand Cayman, KY1-1110, Cayman Islands

股份過戶登記處香港分處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心17樓1712-1716號舖

香港聯合交易所股份代號

01382

公司網址

www.pacific-textiles.com

CHAIRMAN'S STATEMENT

主席報告書

Dear Shareholders

On behalf of the Board, I hereby present the Group's consolidated financial results for the 2019 Financial Year and give an overview of the Group's strategy and business outlook.

FINANCIAL PERFORMANCE REVIEW

Last year, the Company's management team has demonstrated its ability to overcome the unforeseen challenges of business interruption of the Vietnam factory, the matter has been resolved completely and production capacity is resumed to normal. During the year, moderate growth in the financial performance was recorded due to improvement of the product mix as a result of change of business strategy.

BUSINESS OUTLOOK

As at the date of this report, the trade war still shows no sign of ending. If it results in shifting of production sites of garment factories to South East Asia from the mainland, competitions among textiles mills will become more intense. Added to that, the fluctuation of key currencies and inflation on cost of operations, the outlook of the global economy is full of challenges. Despite of the short term uncertainty, the Company shall prepare to thrive on the turbulent economic environment, and is looking for a new production site in Vietnam to cater for its medium to long term business growth.

I am delighted that Mr. Masaru Okutomi, a seasoned management executive shall join the Group as an executive Director and Vice Chairman in July 2019, with his ample experience and knowledge, Mr. Okutomi shall bring in new perspective and insight to the team.

The Company shall continue to focus on the following strategies:

- (i) Expanding the customer bases by development of high quality functional synthetic fabrics;
- (ii) Saving costs and improving efficiency by disciplined budgetary control;
- (iii) Upholding the corporate social responsibility by investing in greener production methods; and
- (iv) Pursuing for medium to long term organic growth by expanding production line in three to five years term.

各位股東：

本人謹代表董事會提呈本集團2019財政年度之綜合財務業績，並概述本集團的策略及業務前景。

財務表現回顧

去年，公司的管理團隊展示了其克服越南工廠不可預見業務中斷的挑戰的能力，此事已完全得到解決，生產能力已恢復正常。年內，由於業務策略變更導致產品組合改善，故此，財務表現有溫和增長。

業務展望

截至本報告發佈之日，貿易戰仍然沒有結束的跡象。如果它導致服裝廠的生產基地從大陸轉移到東南亞，紡織廠之間的競爭將更加激烈。加上主要貨幣波動和運營成本通脹外，全球經濟前景充滿挑戰。儘管存在短期不確定性，公司仍準備在動蕩的經濟環境中茁壯成長，並正在越南尋找新的生產基地，以滿足其中長期業務增長。

本人很高興，經驗豐富的管理人員奧富勝先生將於2019年7月加入本集團擔任執行董事兼副主席，憑藉豐富的經驗和知識，奧富先生將為團隊帶來新的視角和觀點。

公司將繼續專注以下策略：

- (i) 通過開發高品質功能性化纖面料擴大客戶基礎；
- (ii) 通過嚴格的預算控制節省費用和提高效率；
- (iii) 通過投資更環保的生產方法來維護企業社會責任；及
- (iv) 通過在三到五年內擴大生產線來追求中長期內部增長。

APPRECIATION

On behalf of the Board, I am pleased to express my sincere appreciation to our customers, business partners, suppliers, stakeholders and bankers for their continuous support to the Group during the period, I sincerely hope our employees will be able to grow together with the Group, enjoy balanced life, and realize their potential in the Group.

I would also thank our shareholders for their continuous support and confidence in the Group during the past year.

On behalf of the Board

WAN Wai Loi
Chairman

Hong Kong, 20 June 2019

致謝

本人謹代表董事局對我們的客戶、業務夥伴、供應商、持份者及往來銀行於此期間對本集團的持續支持表示衷心的感謝，本人衷心希望我們的員工能與本集團一起成長，享受平衡的生活，並在集團盡展所長。

本人亦感謝我們的股東在過去一年對本集團的持續支持和信任。

承董事局命

主席
尹惠來

香港，2019年6月20日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

OVERVIEW

BUSINESS AND FINANCIAL REVIEW

Pacific Textiles Holdings Limited and its subsidiaries are principally engaged in manufacturing and trading of textiles products, including high quality cotton and synthetic knitted fabrics.

Revenue

During the year under review, revenue of the Group was approximately HK\$6,119.1 million (2018: approximately HK\$6,098.2 million) representing an increase of 0.3% as compared with the year ended 31 March 2018.

Revenue generated from sales of goods from different geographical locations (as determined by where the products were delivered to) is set out in note 5 to the Financial Statements of the Company on page 113.

Other income comprising, among others, sales of residual materials and government grants (including the support of using new technology and cleaner production) are set out in note 22 of the Financial Statements of the Company on page 141.

Cost of sales

The cost of sales of the Group was approximately HK\$5,058.2 million (2018: HK\$5,151.0 million) representing a decrease of 1.8% as compared with the year ended 31 March 2018.

Profit

During the year under review, the profit attributable to equity holders of the Company was HK\$861.8 million (2018: approximately HK\$744.0 million) representing an increase of 15.8% as compared with last year.

The upturn was mainly due to various factors, including but not limited to:

- (i) The steady resumption of production of Vietnam factory since early 2018;
- (ii) Broadened customer base and better sales mix.

Selling and distribution expenses

During the year, the selling and distribution expenses decreased to HK\$65.9 million (2018: HK\$94.2 million) mainly due to the decrease in cost in meeting customer claims arising from the production suspension of Vietnam factory during April 2017 to December 2017.

Administration expenses

The administration expenses increased to HK\$192.0 million (2018: HK\$142.3 million) mainly due to increase in staff cost.

概覽

業務及財務回顧

互太紡織控股有限公司及其附屬公司主要從事紡織產品(包括優質全棉及化纖針織布)之製造及貿易。

收入

於回顧年度，本集團之收入為約6,119.1百萬港元(2018年：約6,098.2百萬港元)，較截至2018年3月31日止年度增加0.3%。

不同地區銷售貨品產生的收入(根據產品交付地點釐定)載於第113頁本公司財務報表附註5。

其他收入包含(其中包括)出售剩餘物料及政府撥款(包括支持使用新技術和清潔生產)，載於第141頁本公司財務報表附註22。

銷售成本

本集團之銷售成本為約5,058.2百萬港元(2018年：5,151.0百萬港元)，較截至2018年3月31日止年度減少1.8%。

溢利

於回顧年度，本公司權益持有人應佔溢利為861.8百萬港元(2018年：約744.0百萬港元)，較去年增加15.8%。

溢利增加乃主要由於多項因素所致，包括但不限於：

- (i) 越南廠房自2018年初起逐漸恢復生產；
- (ii) 擴闊客源及較佳的銷售組合。

銷售及分銷開支

年內，銷售及分銷開支減至65.9百萬港元(2018年：94.2百萬港元)，乃主要由於2017年4月至2017年12月應對因越南廠房暫停生產導致的客戶索償令成本減少。

行政開支

行政開支增至192.0百萬港元(2018年：142.3百萬港元)，主要乃由於員工成本提高所致。

OVERVIEW (Cont'd)

BUSINESS AND FINANCIAL REVIEW (Cont'd)

Finance costs

Finance costs consisted of interest expenses on bank loan decreased by approximately 16% to HK\$14.2 million (2018: HK\$16.9 million) as a result of the reduction of the total amount of loan and substitute the US loan by lower interest rate HKD loan.

Trade receivables day and Trade payable day

Trade receivables day was 49 days while the trade payable day was 49 days.

Income tax

The Group recorded an income tax expense from continuing operations of approximately HK\$145.5 million during the year under review (2018: HK\$130.1 million). There was no significant change in applicable tax rates for the Company's subsidiaries for both years. The average effective tax rate of the Group was 14.3% which was lower than last year (2018: 15.2%).

Assets

As at 31 March 2019, the total assets of the Group were HK\$4,530.2 million (2018: HK\$4,852.7 million) representing a decrease of 6.6%. The total assets comprised non-current assets of HK\$2,001.3 million (2018: HK\$2,046.4 million) and current assets of HK\$2,528.9 million (2018: HK\$2,806.3 million).

Key financial ratios are set out below:

		For the year ended 31 March 截至3月31日止年度	
		2019 2019年	2018 2018年
Gross Profit Margin ⁽¹⁾	毛利率 ⁽¹⁾	17.3%	15.5%
Return on Equity ⁽²⁾	權益回報率 ⁽²⁾	26.6%	21.7%
Interest Coverage Ratio ⁽³⁾	利息覆蓋比率 ⁽³⁾	127.8	117.2

Notes:

- The calculation of Gross Profit Margin is based on gross profit divided by revenue and multiplied by 100%.
- The calculation of Return on Equity is based on profit for the year divided by total equity and multiplied by 100%.
- The calculation of Interest Coverage Ratio is based on profit before interest expenses on bank loans and tax expenses divided by interest expenses on bank loans.

概覽(續)

業務及財務回顧(續)

財務成本

財務成本包括銀行貸款利息開支，減少約16%至14.2百萬港元（2018年：16.9百萬港元），原因是貸款總額減少及以利率較低的港元貸款替代美元貸款。

應收賬款天數及應付賬款天數

應收賬款天數為49天，而應付賬款天數為49天。

所得稅

於回顧年度，本集團錄得持續經營業務之所得稅開支約145.5百萬港元（2018年：130.1百萬港元）。本公司附屬公司於兩個年度之適用稅率並無重大變動。本集團之平均實際稅率為14.3%，較去年（2018年：15.2%）為低。

資產

於2019年3月31日，本集團之資產總值為4,530.2百萬港元（2018年：4,852.7百萬港元），減少6.6%。資產總值包括非流動資產2,001.3百萬港元（2018年：2,046.4百萬港元）及流動資產2,528.9百萬港元（2018年：2,806.3百萬港元）。

關鍵財務比率載列如下：

註：

- 毛利率乃按毛利除以收入再乘以100%計算。
- 權益回報率乃按年內溢利除以權益總額再乘以100%計算。
- 利息覆蓋比率乃按銀行貸款利息開支及稅項開支前溢利除以銀行貸款利息開支計算。

OVERVIEW (Cont'd)**BUSINESS AND FINANCIAL REVIEW (Cont'd)****Liquidity and financial resources and capital structure**

As at 31 March 2019, the Group was in a net cash position of HK\$274.7 million (2018: HK\$207.3 million).

The Group's principal source of working capital was cash generated from sales of its products, supplemented with bank borrowings and a shareholder's loan contributed by our joint venture partner for the Vietnam subsidiary.

As at 31 March 2019, the Group had total cash and bank balances of HK\$720.9 million (2018: HK\$666.7 million) comprising of HK\$103.3 million, the equivalent of HK\$391.3 million denominated in US\$, the equivalent of HK\$225.9 million denominated in RMB, the equivalent of HK\$0.3 million denominated in VND and the equivalent of HK\$0.1 million denominated in other currencies. The cash and bank balances and time deposits were to finance the Group's working capital and capital expenditure plans.

The Group had bank loans of HK\$300 million (2018: HK\$313.3 million) and the shareholder's loan of HK\$146.2 million (2018: HK\$146.2 million) contributed by our joint venture partner to the Vietnam subsidiary. The said shareholder's loan was of equity nature and was not repayable within one year. The Group did not pledge any of its assets for bank borrowing (2018: Nil).

For the year ended 31 March 2019, the Group's total assets amounted to HK\$4,530.2 million (2018: HK\$4,852.7 million) representing a decrease of 6.6%. Non-current assets and current assets were HK\$2,001.3 million and HK\$2,528.9 million respectively. The above assets were financed by current liabilities of HK\$1,051.6 million, non-current liabilities of HK\$209.0 million and equity attributable to Shareholders of HK\$3,269.6 million.

Capital expenditure and capital commitment

The Group had been adopting cautious measures and fine-tuned its capital expenditure in response to the market demand. During the year under review, total capital expenditure increased by 31.4% to HK\$223.2 million (2018: HK\$169.9 million) which was mainly used to purchase machinery and to finance the environmental protection projects of Panyu factory and Vietnam factory.

Details on the land use rights, property, plant and equipment are set out on pages 114 to 116 of this annual report.

概覽(續)**業務及財務回顧(續)****資金流動性與財務資源及資本架構**

於2019年3月31日，本集團之淨現金水平為274.7百萬港元(2018年：207.3百萬港元)。

本集團之主要營運資金來源為銷售其產品產生的現金，配以銀行借貸以及我們的合營企業夥伴向越南附屬公司提供的股東貸款。

於2019年3月31日，本集團擁有現金及銀行結餘總額720.9百萬港元(2018年：666.7百萬港元)，當中包括103.3百萬港元、相等於391.3百萬港元之美元、相等於225.9百萬港元之人民幣、相等於0.3百萬港元之越南盾及相等於0.1百萬港元之其他貨幣。現金及銀行結餘連同定期存款為本集團之營運資金及資本開支計劃提供資金來源。

本集團擁有銀行貸款300百萬港元(2018年：313.3百萬港元)及由我們的合營企業夥伴向我們越南附屬公司提供的股東貸款146.2百萬港元(2018年：146.2百萬港元)。所述股東貸款為權益性質，毋須於一年內償還。本集團並無就銀行借貸抵押其任何資產(2018年：無)。

截至2019年3月31日止年度，本集團資產總值為4,530.2百萬港元(2018年：4,852.7百萬港元)，減少6.6%。非流動資產及流動資產分別為2,001.3百萬港元及2,528.9百萬港元。上述資產由流動負債1,051.6百萬港元、非流動負債209.0百萬港元及股東應佔權益3,269.6百萬港元提供融資。

資本開支及資本承擔

本集團一直採取謹慎的措施，並根據市場的需求而微調資本開支。於回顧年度，本集團錄得資本開支總額增加31.4%至223.2百萬港元(2018年：169.9百萬港元)，主要提供購買機器及番禺廠房及越南廠房環保項目的資金。

土地使用權以及物業、廠房及設備之詳情載於本年報第114至第116頁。

OVERVIEW(Cont'd)

BUSINESS AND FINANCIAL REVIEW (Cont'd)

Key liquidity or leverage ratios:

		As at 31 March 於3月31日	
		2019 2019年	2018 2018年
Current Ratio ⁽⁴⁾	流動比率 ⁽⁴⁾	2.4	2.1
Quick Ratio ⁽⁵⁾	速動比率 ⁽⁵⁾	1.5	1.3
Gearing Ratio ⁽⁶⁾	資本負債比率 ⁽⁶⁾	14.3%	14.4%
Debt to Equity Ratio ⁽⁷⁾	負債權益比率 ⁽⁷⁾	38.6%	45.3%

Notes:

- (4) The calculation of Current Ratio is based on current assets divided by current liabilities.
- (5) The calculation of Quick Ratio is based on current assets minus inventories divided by current liabilities.
- (6) The calculation of Gearing Ratio is based on total borrowings and bills payable divided by total equity multiplied by 100%.
- (7) The calculation of Debt to Equity Ratio is based on total liabilities divided by total equity multiplied by 100%.

Risk Management on Foreign Exchange and Interest Exposure

The Group had been exposed to foreign exchange risk arising from various currency exposures with respect to the US Dollars, Renminbi and Vietnamese Dongs primarily. The Group managed its foreign exchange risks by performing regular review and monitoring its foreign exchange exposures. The Group would hedge against certain of its exposures in order to reduce the risk involved as appropriate.

The Group mainly operated in Hong Kong, PRC, Macau and Vietnam. Except for certain cash and bank balances and certain inter-company receivables denominated in foreign currencies, transactions were generally conducted in a functional currency of the respective group entity. The foreign currency risk arising from recognised assets and liabilities was considered by the Directors to be minimal.

The Group had been using forward foreign currency contracts to hedge part of its foreign exchange risk. These forward foreign currency contracts did not qualify for hedge accounting and were accounted for at fair value through profit or loss.

Operating Lease Commitments

Details of the operating lease commitments are set out on pages 150 to 151 of this annual report.

概覽(續)

業務及財務回顧(續)

主要流動資金或槓桿比率：

註：

- (4) 流動比率乃按流動資產除以流動負債計算。
- (5) 速動比率乃按流動資產減存貨除以流動負債計算。
- (6) 資本負債比率乃按總借貸及應付票據除以權益總額再乘以100%計算。
- (7) 負債權益比率乃按負債總額除以權益總額再乘以100%計算。

外匯及利率風險管理

本集團一直面對多種貨幣之外匯風險，主要涉及美元、人民幣及越南盾。本集團通過定期檢討及監察以管理外匯風險。本集團於適時採用對沖措施以降低若干風險。

本集團主要於香港、中國、澳門及越南營運。除了若干現金及銀行結餘與若干內部公司應收款項以外幣計算，交易通常以各集團之功能貨幣進行。董事認為已確認資產與負債所產生之外幣風險極小。

本集團一直採用遠期外匯合約對沖其部分外匯風險。該等遠期外匯合約不符合採用對沖會計法入賬，而按公允值計入損益。

經營租賃承擔

經營租賃承擔詳情載於本年報第150至151頁。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

OVERVIEW (Cont'd)

BUSINESS AND FINANCIAL REVIEW (Cont'd)

Pledge of Assets

No assets were pledged to obtain financing as at 31 March 2018 and 31 March 2019 respectively.

Segmental Information

Details of segmental information are set out in note 5 to the annual financial information.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

There was no material acquisition or disposal of the Company's subsidiaries, associates and joint ventures during the year ended 31 March 2019.

Contingent Liabilities

As at 31 March 2019, the Group had no material contingent liabilities (2018: Nil).

Events Subsequent to the Period

Save as disclosed in this annual report, there was no significant event undertaken by the Company or by the Group after 31 March 2019 and up to the date of this report.

ENVIRONMENTAL AND SOCIAL REPORTING

The Group had spared no effort to continuously invest in the environmental protection, energy consumption and reduction of wastage, and the achievements were well recognized. Below are some of the awards and accreditation from the governmental bodies or international organizations received by Panyu factory during the year under review:

- 2017 Outstanding Model Project in Environmental Protection awarded by Guangdong Environment Protection Industry Association in May 2018*.
- 2017 Leading Energy Efficient Enterprise honored by The Economic & Information Commission of Guangdong Province in June 2018*.
- 2018 Energy Management Insight Award granted by Clean Energy Ministerial ("CEM") in May 2018.
- 2018 Textile Industry Informationization Achievement Award (Problem Solution Award) – First Class Award granted by China National Textile & Apparel Council ("CNTAC") in September 2018*.
- 2018 Textile Industry Informationization Achievement Award (Innovative Application Award) – Second Class Award granted by China National Textile & Apparel Council ("CNTAC") in September 2018*.
- 於2018年5月由廣東省環境保護產業協會評為「2017年度廣東省環境保護優秀示範工程」*。
- 於2018年6月由廣東省經濟和信息化委員會評為「2017年度能效「領跑者」企業」*。
- 清潔能源部長級會議(「CEM」)於2018年5月頒發「2018年能源管理洞察獎」。
- 於2018年9月由中國紡織工業聯合會(「CNTAC」)頒發的「2018年紡織行業資訊化成果獎(解決方案獎)一等獎」*。
- 於2018年9月由中國紡織工業聯合會(「CNTAC」)頒發的「2018年紡織行業資訊化成果獎(創新應用獎)二等獎」*。

概覽(續)

業務及財務回顧(續)

資產抵押

於2018年3月31日及2019年3月31日，並無為獲得融資抵押資產。

分部資料

分部資料之詳情載於全年財務資料附註5。

重大收購及出售附屬公司、聯營公司及合營企業

截至2019年3月31日止年度，本集團並無作出有關本公司之附屬公司、聯營公司及合營企業之重大收購或出售事項。

或有負債

於2019年3月31日，本集團並無重大或有負債(2018年：無)。

期後事項

除本年報所披露者外，於2019年3月31日後至本報告日期本公司或本集團並無進行任何重大事項。

環境及社會報告

本集團不遺餘力地不斷投資於環保、能源消耗及減少浪費，其成績已獲得認可。以下是番禺廠房於回顧年度內收到的政府機構或國際組織頒發的若干獎項和認證：

ENVIRONMENTAL AND SOCIAL REPORTING (Cont'd)

- One of the Top 10 Best Energy Saving Technologies and Best Practices Case selected by National Development and Reform Commission ("NDRC") and be further nominated by NDRC being an representative of China for an international award organized by International Partnership for Energy Efficiency Cooperation ("IPEEC")[#].
- The technology of "Online Monitoring and Optimized Operation of Dyeing and Printing Wastewater Treatment" was included in the 12th batch of recommended catalogues of advanced technologies in energy saving and emission reduction in China's dyeing and printing industry in June 2018[#].
- Guangzhou Green Factory granted by Industry & Information Technology Commission of Guangzhou Municipality in October 2018[#].
- An Environmental Integrity Enterprise (Green Card) granted by Department of Ecology and Environment of Guangdong Province in October 2018[#].
- National Green Factory granted by the Ministry of Industry and Information Technology of PRC in October 2018[#].
- One of the top 10 Energy-Saving Enterprises 2018 granted by Guangzhou Energy Conservation Association in January 2019[#].

PRODUCT RESEARCH AND DEVELOPMENT

During the year, the Company contributed to develop innovative products to meet the market needs. The Company has received awards for its new products, such as:

- A quick-drying breathable tight-fitting yoga fabric was awarded the First Class Award of 2018 China excellent dyeing and printing fabric by China Dyeing and Printing Association ("CDPA") in April 2018[#].
 - A deodorant light and smooth series of fabrics was awarded the First Class Award of 2018 China excellent dyeing and printing fabric by China Dyeing and Printing Association ("CDPA") in April 2018[#].
 - A warm air layered underwear fabric was awarded the Second Class Award of 2018 China excellent dyeing and printing fabric by China Dyeing and Printing Association ("CDPA") in April 2018[#].
 - Product Development Contribution Award granted by China National Textile & Apparel Council ("CNTAC") in December 2018[#].
 - The warm air layered underwear fabric was awarded the "Textile Light" - Innovation Contribution Award of Knitted Underwear by China National Textile & Apparel Council ("CNTAC") in October 2018[#].
- [#] The English translated version is for reference only. If there is any inconsistency between the Chinese and English versions, the Chinese version shall prevail.

環境及社會報告(續)

- 獲國家發展和改革委員會(「發改委」)挑選為「最佳節能技術和最佳節能實踐(雙十佳)」之一並獲發改委進一步提名為由國際能效合作夥伴關係(「IPEEC」)組織的一項國際獎項的中國代表[#]。
- 在2018年6月「印染廢水處理智能在線監測與優化運行技術」被列入第12批中國印染行業節能減排先進技術推薦目錄[#]。
- 在2018年10月被廣州市工業和信息化委員會評為廣州市綠色工廠[#]。
- 在2018年10月被廣東省生態環境廳評為環保誠信企業(綠牌)[#]。
- 在2018年10月被中國工業和信息化部評為國家綠色工廠[#]。
- 在2019年1月被廣州市節能協會評為2018年度十佳節能企業[#]。

產品研發

於本年度，本公司投入開發創新產品以迎合市場需要。本公司新產品榮獲多個獎項，例如：

- 在2018年4月一種速乾透氣緊身瑜伽面料被中國印染行業協會(「CDPA」)評為2018年度中國印染行業優秀面料一等獎[#]。
 - 在2018年4月一種防臭輕盈柔滑系列面料被中國印染行業協會(「CDPA」)評為2018年度中國印染行業優秀面料一等獎[#]。
 - 在2018年4月一種貼身保暖的空氣層內衣面料被中國印染行業協會(「CDPA」)評為2018年度中國印染行業優秀面料二等獎[#]。
 - 在2018年12月被中國紡織工業聯合會(「CNTAC」)授予產品開發貢獻獎[#]。
 - 在2018年10月貼身保暖的空氣層內衣面料被中國紡織工業聯合會(「CNTAC」)授予「紡織之光」針織內衣創新貢獻獎[#]。
- [#] 本英譯內容僅供參考。如中英文內容文意不相符，應以中文為準。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2019, the Group had 5,688 full-time employees (2018: 5,543). There was no significant change in the Group's remuneration policy. The Group's remuneration package for its employees included salary, bonuses, allowances and retirement benefits based on the performance, skills and knowledge of each employee. The Group also provided additional benefits to its employees, for instances subsidized accommodation and meals for those working in production facilities, accident and medical insurance, etc.

The Group will continue to provide regular trainings and competitive remuneration package to the employees in order to enhance their incentive and motivation to work.

DIVIDENDS

The Board proposed to pay a final dividend of HK25 cents (2018: HK18.5 cents) per share for the 2019 Financial Year, subject to the approval of the Shareholders at the forthcoming AGM. Together with an interim dividend of HK32 cents (2018: HK26.5 cents) per share, the total dividend for the 2019 Financial Year amounted to HK57 cents (2018: HK45 cents) per share.

PROSPECT AND OUTLOOK

The Group had recorded moderate growth in gross profit during the year under review as compared with the same period of last financial year. The increase in gross profit was mainly due to the improvement of product mix (raising the higher-priced product proportion) and the resumption of operation of Vietnam factory. However, such effect was partially off-set by the slight decrease of sales volume (in pounds), in particular, due to the lower than forecasted demand in synthetic fabrics used for cold resistant clothing as a result of warm winter in some of the key markets.

It is generally believed that the warm weather will appear to continue thus indirectly hinder the growth in sales of cold resistant fabrics, therefore the Group is exploring new product lines for high quality synthetic fabrics for sportswear.

Despite constrained customer spending in key economies around the world, the Group believes that the global demand for sportswear, such as indoor sportswear and fitness apparel is expected to be continuing to rise, and therefore, developing functional fabrics by advanced technology will be the focus of the Group for next year, to achieve steady increase in its market shares in fabrics for sportswear in the next few years.

Geographically, the Group will further diversify its business risk and balance its customer base by further develop the mainland China market.

僱員及薪酬政策

於2019年3月31日，本集團僱用5,688名全職僱員（2018年：5,543名）。本集團薪酬政策並無重大變動。本集團僱員薪酬待遇包括薪金、花紅、津貼及退休福利，其乃根據各僱員表現、技能及知識釐定。本集團亦向僱員提供額外福利，如向駐生產設施之僱員提供食宿津貼、意外及醫療保險等。

本集團將持續向僱員提供定期培訓及具競爭性之薪酬待遇以提升其工作動力及積極性。

股息

董事局建議就2019年財政年度派發末期股息每股港幣25仙（2018年：港幣18.5仙），惟須待股東於應屆股東週年大會上批准。連同中期股息每股港幣32仙（2018年：港幣26.5仙），2019年財政年度的股息總額為每股港幣57仙（2018年：港幣45仙）。

前景及展望

於回顧年度，本集團錄得之毛利較上一財政年度同期溫和增長。毛利增加主要由於改善產品組合（提高高價產品之比例）以及越南廠房恢復營運。然而，有關效果部份被銷量（以磅計）輕微減少所抵銷，特別是由於部份主要市場的冬季和暖導致用於耐寒服裝的化纖布料需求較預期低。

普遍認為溫暖天氣可能將持續，間接影響耐寒布料的銷售增長，因此本集團正在探索用於運動服裝的高質素化纖布料新產品系列。

儘管世界各地主要經濟體的消費者節約開支，本集團相信對運動服裝（例如室內運動服裝及健身服裝）的全球需求將繼續增加，因此本集團明年的重點將會是利用先進技術開發功能布料，從而在未來數年達到穩定增加其於運動服裝布料的市場份額。

地區方面，本集團將透過進一步開拓中國內地市場，進一步分散其業務風險及平衡其客戶基礎。

PROSPECT AND OUTLOOK (Cont'd)

Looking forward, the trade barriers do not seem to pose direct and immediate impact on the Group's business because the amount of fabrics exported by the Group to the USA is insignificant. However, the indirect and long term impact remain unseen. Rising costs in labor, materials and environmental protection related matters also increase the cost of production, the Group has constantly monitored the cost and adopted measures in cost cutting and savings. Amidst the rising cost, the Group upholds its commitment to adopt green technology in production. The Panyu factory has been recognized by Ministry of Industry and Information Technology of PRC and named as "National Green Factory" in 2018.

The Group has been actively seeking appropriate location for a new production base in Vietnam with a view to lowering the average cost and risk diversification. As at the date of this report, the discussion with the owner of an industrial zone is on-going.

In the rapidly changing world, the management will implement appropriate flexible measures and business strategies to grasp the business opportunity and cope with the challenges ahead.

前景及展望(續)

展望未來，由於本集團向美國出口之布料數量微不足道，因此貿易壁壘不大可能對本集團業務構成直接及即時影響。然而，間接及長期影響仍是未知之數。勞工、原材料及環保相關事宜的成本增加亦導致生產成本增加，而本集團一直監察成本並採取措施削減及節省成本。即使成本增加，本集團信守在生产中採用環保技術的承諾。番禺廠房已於2018年獲中國工業和信息化部評為「國家綠色工廠」。

本集團積極在越南物色合適地點設立新生產基地，藉此降低平均成本及分散風險。於本報告日期，正在與其中一個工業園區擁有人磋商。

在瞬息萬變的世界中，管理層將採取合適且靈活的措施及商業策略，以把握商機及應對未來的挑戰。

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員簡介

EXECUTIVE DIRECTORS

Mr. WAN Wai Loi, aged 69, co-founded the Group in 1997 and has been appointed as a Director of the Company since 2004. He is currently an executive Director, Chairman and a Chief Executive Officer of the Group. Moreover, he is a director of various subsidiaries of the Group and a non-executive director of Teejay Lanka Plc., an associated company of the Group, whose shares are listed on the Colombo Stock Exchange in Sri Lanka. He is responsible for leading the management team to oversee the overall production and operation of the Group, providing corporate directions and formulating business strategies of the Group. Mr. Wan obtains a Bachelor of Science Degree in Chemical Engineering from National Cheng Kung University in Taiwan. He has over 48 years of experience in the textiles industry.

Mr. Masaru OKUTOMI, aged 61, will join the Group on 1 July 2019 as executive Director and the Vice Chairman of the Board. Mr. Okutomi holds a bachelor's degree in law from Hitotsubashi University in 1981 and after his graduation, he joined the merchandise sales department (textiles) of Toray. Toray is a company listed on the Tokyo Stock Exchange and is a substantial shareholder of the Company. He has been the managing director of Toray Industries (South China) Co., Ltd. and Toray Industries (H.K.) Ltd. from May 2016 to 30 June 2019, and the deputy managing director of Toray Industries (China) Co., Ltd. from May 2016 to 30 June 2019. Mr. Okutomi has extensive experience in management of textiles business.

Mr. TOU Kit Vai, aged 56, joined the Group in 2013 and became a Chief Financial Officer on 1 April 2014. Mr. Tou has been appointed as an executive Director from 1 July 2017. Moreover, he is a director of various subsidiaries of the Group and a non-executive director of Teejay Lanka Plc., an associated company of the Group, whose shares are listed on the Colombo Stock Exchange in Sri Lanka. Mr. Tou has extensive experience in factory operations, financial management, project management and ERP system. He is responsible for overseeing the corporate financial management, information technology, group administration and human resources, and back office operations. Mr. Tou is a fellow member of The Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants. He was an executive director of a company listed on the Stock Exchange during the period from 2007 to 2012.

Mr. Toshiya ISHII, aged 56, joined the Group in 2017 as an executive Director. Mr. Ishii is responsible for the Group's budgetary control and setting up of key performance indicators for fulfilling corporate goal and targets. Mr. Ishii was employed by Toray after graduation from Keio University in 1985. Prior to joining the Group, he was a general manager of controller's department of Toray and he has extensive experience in the textiles industry.

執行董事

尹惠來先生，69歲，於1997年連同其他人士共同創辦本集團，並自2004年起獲委任為本公司董事。彼現任本集團執行董事、主席兼行政總裁。此外，彼為本集團多間附屬公司的董事及本集團聯營公司Teejay Lanka Plc.（其股份於斯里蘭卡科倫坡證券交易所上市）之非執行董事。彼負責領導管理團隊，監督本集團整體生產及營運，提供企業指示及制定本集團業務策略。尹先生持有台灣國立成功大學頒授之化學工程學理學士學位。彼在紡織業擁有逾48年經驗。

奧富勝先生，61歲，將於2019年7月1日加入本集團，出任執行董事及董事局副主席。奧富先生於1981年取得一橋大學法律學士學位，於畢業後加入Toray商品銷售部門（紡織品）。Toray為一間於東京證券交易所上市的公司，為本公司之一名主要股東。彼於2016年5月至2019年6月30日出任Toray Industries (South China) Co., Ltd. 及Toray Industries (H.K.) Ltd.之董事總經理及於2016年5月至2019年6月30日出任東麗（中國）投資有限公司之副董事總經理。奧富先生於紡織業務方面擁有豐富的管理經驗。

杜結威先生，56歲，於2013年加入本集團並於2014年4月1日成為首席財務總監。杜先生自2017年7月1日起獲委任為執行董事。此外，彼為本集團多間附屬公司的董事及本集團聯營公司Teejay Lanka Plc.（其股份於斯里蘭卡科倫坡證券交易所上市）之非執行董事。杜先生於工廠運營、財務管理、項目管理及ERP系統方面擁有豐富經驗。彼負責監督企業財務管理、資訊科技、集團行政與人力資源以及後勤支援職能。杜先生為香港會計師公會及特許公認會計師公會資深會員。彼於2007年至2012年期間於一間聯交所上市之公司擔任執行董事。

石井俊哉先生，56歲，於2017年加入本集團出任執行董事。石井先生負責本集團之財務預算控制及設立主要績效指標以達成企業目標。石井先生於1985年畢業於慶應義塾大學，並於畢業後獲聘於Toray。加入本集團之前，彼為Toray總監部門總經理，在紡織業擁有豐富經驗。

NON-EXECUTIVE DIRECTORS

Mr. LAU Yiu Tong, aged 71, joined the Group in 1997 and became a Non-executive Director in 2007. He has been re-designated as an executive Director and appointed as the Vice Chairman of the Group from 1 July 2017. From 1 June 2019, Mr. Lau has been re-designated as Non-executive Director of the Company and ceased to act as the Vice Chairman of the Board. Mr. Lau holds a Higher Diploma in Textile Technology from Hong Kong Institute of Vocational Education (formerly known as The Hong Kong Technical College). He has over 42 years of experience in the textiles industry, and he is now the Vice Chairman of Group 3 (Dyeing and Finishing) of Federation of Hong Kong Industries.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. CHAN Yue Kwong, Michael, aged 67, has been appointed as an Independent Non-executive Director of the Company since 2007. He was the former chairman and is currently the non-executive director of Cafe de Coral Holdings Limited, a Hong Kong listed company which he joined in 1984, and has considerable experience in planning and management. Dr. Chan has also been an independent non-executive director of Starlite Holdings Limited since 1993, Tse Sui Luen Jewellery (International) Limited since 2010, Modern Dental Group Limited since 2015 and Human Health Holdings Limited since 2016, and a non-executive director of Tao Heung Holdings Limited since 2007, the abovementioned companies are listed on the Main Board of the Stock Exchange. Dr. Chan holds a Bachelor of Arts, a Master degree in City Planning from the University of Manitoba, Canada, an Honorary Doctorate Degree in Business Administration and is also bestowed as Honorary Fellow from Lingnan University. He is currently the adviser of the Quality Tourism Services Association, the Honorary Chairman of the Hong Kong Institute of Marketing and the chairman of Business Enterprise Management Centre of The Hong Kong Management Association.

非執行董事

劉耀棠先生，71歲，於1997年加入本集團，並於2007年成為非執行董事。彼其後自2017年7月1日起獲調任為執行董事並獲委任為本集團副主席。由2019年6月1日起，劉先生獲調任為本公司非執行董事，且不再出任董事局副主席。劉先生持香港專業教育學院（前稱香港工業學院）頒授之紡織工藝高級文憑。彼在紡織業擁有逾42年經驗；現為香港工業總會第3分組（染色及整理）的副主席。

獨立非執行董事

陳裕光博士，67歲，自2007年起獲委任為本公司獨立非執行董事。彼於1984年加入香港上市公司大家樂集團有限公司，曾任該公司主席，現擔任非執行董事，於策劃及管理工作方面擁有豐富經驗。陳博士自1993年起出任星光集團有限公司之獨立非執行董事，自2010年起出任謝瑞麟珠寶（國際）有限公司之獨立非執行董事，於2015年及2016年先後獲委任為現代牙科集團有限公司及盈健醫療集團有限公司之獨立非執行董事及自2007年起出任稻香控股有限公司之非執行董事，上述公司均於聯交所主板上市。陳博士持有加拿大曼尼托巴大學(University of Manitoba)文學學士學位及城市規劃碩士學位，更獲頒授工商管理榮譽博士學位及榮膺嶺南大學之榮譽院士殊榮，彼現為優質旅遊服務協會顧問、香港市務學會榮譽主席及香港管理專業協會之企業管理發展中心主席。

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員簡介

INDEPENDENT NON-EXECUTIVE DIRECTORS (Cont'd)

Mr. NG Ching Wah, aged 70, has been appointed as an Independent Non-executive Director of the Company since 2007. Mr. Ng has over 32 years of senior management experience in the telecommunications industry. Mr. Ng was a director and a member of the executive committee for Advanced Info Service Public Company Limited, a Thailand listed company. He was an independent director of China Digital TV Holding Co. Ltd., a New York Stock Exchange listed company and a non-executive director of HKC International Holdings Limited, a Hong Kong listed company. He was the chief executive officer of Hong Kong CSL Limited. He was the chief executive officer of Smartone Telecommunications Holdings Limited, a Hong Kong listed company and the President of PCCW Mobility Services Limited. Mr. Ng is the Honorary Advisor of the Communications Association of Hong Kong and is the appointed member of Communications Authority, an independent statutory body established under the Communications Authority Ordinance in April 2012. Mr. Ng was a member of the Digital 21 Strategy Advisory Committee (D21SAC). Mr. Ng graduated from the Chinese University of Hong Kong in 1975, with a Bachelor of Business and Administration.

Mr. SZE Kwok Wing, Nigel, aged 62, has been appointed as an Independent Non-executive Director of the Company since 2007. Mr. Sze has senior management experience in the private and investment banking industry serving high net worth clients and institutions. Mr. Sze is also an independent non-executive director of Wecon Holdings Limited since 27 February 2019, which a company listed on the Main Board of the Stock Exchange. He was the managing director, head of China and Hong Kong of Julius Baer Bank; the chief executive officer of EFG Asset Management (Hong Kong) Limited for Asia Pacific Region; the managing director, head of investment of Citi Wealth Management for Asia Pacific region; the chief executive officer of Asia-Pacific for Barclays Wealth and an executive director in the private clients division at Morgan Stanley Asia Limited, Hong Kong. Mr. Sze holds a Master of Business from the University of Newcastle, Australia. He is a Fellow of CPA Australia.

COMPANY SECRETARY

Ms. CHAN Sau Yee, is the Company Secretary. Ms. Chan is a fellow member of Institute of Chartered Secretaries and Administrators in United Kingdom (ICSA) and The Hong Kong Institute of Chartered Secretaries (HKICS) respectively. She was awarded the Chartered Governance Professional Qualification by ICSA and HKICS in 2018. She has obtained a Bachelor Degree in Economics and a Postgraduate Certificate in Laws from the University of Hong Kong. She also holds a Bachelor of Law Degree from the University of London. Ms. Chan has ample corporate secretarial experience gained from international law firms, listed companies and large private groups. Ms. Chan joined the Company in November 2017.

獨立非執行董事(續)

伍清華先生，70歲，自2007年起獲委任為本公司獨立非執行董事。伍先生於電訊業擁有逾32年資深管理經驗。伍先生曾出任泰國上市公司Advanced Info Service Public Company Limited之董事兼執行委員會成員。他曾出任紐約證券交易所上市公司中華數字電視控股有限公司之獨立董事及香港上市公司香港通訊國際控股有限公司之非執行董事。他曾出任香港流動通訊有限公司行政總裁、香港上市公司數碼通電訊集團有限公司行政總裁及PCCW Mobility Services Limited總裁。伍先生為香港通訊業聯會榮譽顧問，並獲委任為於2012年4月根據《通訊事務管理局條例》成立之獨立法定機構通訊事務管理局之成員。伍先生曾擔任數碼21資訊科技策略諮詢委員會(D21SAC)委員。伍先生於1975年畢業於香港中文大學，獲頒工商管理學學士學位。

施國榮先生，62歲，自2007年起獲委任為本公司獨立非執行董事。施先生於私人及投資銀行業擁有資深管理經驗，服務高資產淨值之客戶及機構。施先生自2019年2月27日起出任偉工控股有限公司之獨立非執行董事，該公司於聯交所主板上市。施先生曾任瑞士寶盛銀行有限公司中國和香港區之董事總經理和主管；瑞士盈豐資產管理(香港)有限公司亞太區行政總裁；Citi Wealth Management亞太區董事總經理與投資部主管；Barclays Wealth亞太區行政總裁與香港摩根士丹利亞洲有限公司私人客戶部執行董事。施先生持有澳洲紐卡素大學(University of Newcastle)頒授之商學碩士學位，並為澳洲註冊會計師公會資深會員。

公司秘書

陳秀儀女士，為公司秘書。陳女士為英國特許秘書及行政人員公會(「英國特許秘書及行政人員公會」)及香港特許秘書公會(「香港特許秘書公會」)資深會員。彼於2018年獲英國特許秘書及行政人員公會及香港特許秘書公會頒發特許管治專業人員資格。彼獲頒香港大學經濟學學士學位及法學專業證書。彼亦持有倫敦大學法律學士學位。陳女士於國際律師事務所、上市公司及大型私人集團積累豐富公司秘書經驗。陳女士於2017年11月加入本公司。

SENIOR MANAGEMENT

Mr. GAO Jinhua, aged 53, is the General Manager (Production) and a director of some of the subsidiaries of the Company who has worked for the Group for more than 20 years and is experienced in operational and production management. Prior to taking up the current position, Mr. Gao has been the head of dyeing factory and Assistant General Manager of the Production Department. Mr. Gao graduated from the Shanghai Normal University, major in Chemistry in 1988.

Mr. ZHAO Qizhi, aged 53, is the General Manager (Engineering) and a director of some of the subsidiaries of the Company who joined the Group in 1997 and has over 25 years of experience in the textiles industry. He is responsible for managing the engineering department of the factories. Mr. Zhao holds a Bachelor's Degree in Mechanical Engineering from Shanghai Jiaotong University, China.

Mr. LAI Chi Man, aged 53, is the General Manager (Sales) and a director of some of the subsidiaries of the Company who joined the Group in 1998 and has over 25 years of experience in the textiles industry. Mr. Lai holds a Bachelor of Arts Degree in Textile and Clothing Marketing from The Hong Kong Polytechnic University. He also obtained a Master of Business Administration Degree (The Kellogg – HKUST EMBA Program) awarded by Northwestern University and The Hong Kong University of Science and Technology jointly.

Mr. Koji ASADA, aged 50, is the General Manager (Marketing). Upon his graduation from Faculty of Economics, Kwansei Gakuin University in 1991, Mr. Asada joined Toray. Starting his career as a textiles salesman, he was later promoted as the section manager of the fashion fabrics and was seconded to TSD (Toray Skai Dyeing & Weaving) in Nantong City, China in 2008 where he had been a director for 6 years. Mr. Asada also has experience as staple fiber general manager and sports textile general manager.

Mr. TSANG Sian Chung, Hubert, aged 42, is the Chief Information Officer and a director of a subsidiary of the Company. Mr. Tsang joined the Group in 2010 and now leads the Group's digitalization initiatives. Mr. Tsang has over 20 years of experience in the IT field, ranging from performing academic research on high performance computing to building large scale Internet websites to building and maintaining enterprise shared services. Mr. Tsang holds an MBA degree and Bachelor of Computer Science, both from the University of Maryland, College Park.

高級管理人員

高金華先生，53歲，總經理（生產）及本公司若干附屬公司之董事，於本集團任職逾20年，在營運及生產管理方面富有經驗。履任現時職位前，高先生為印染廠房主管兼生產部助理總經理。高先生於1988年畢業於上海師範大學化學系。

趙奇志先生，53歲，總經理（工程）及本公司若干附屬公司之董事，於1997年加入本集團，在紡織業擁有逾25年經驗。他負責管理各廠房之工程部。趙先生持有中國上海交通大學頒授之機械工程學學士學位。

黎志文先生，53歲，總經理（銷售）及本公司若干附屬公司之董事，於1998年加入本集團，在紡織業擁有逾25年經驗。黎先生持有香港理工大學紡織和服裝營銷學士學位。彼亦獲西北大學(Northwestern University)與香港科技大學共同頒授之工商管理碩士(凱洛格商學院與香港科技大學合辦之行政人員工商管理碩士課程)學位。

淺田康治先生，50歲，總經理（市場推廣）。淺田先生於1991年畢業於關西學院大學經濟學院後加入Toray。彼以紡織品營業員開展事業，隨後獲晉升為時裝布料部經理，並於2008年獲派駐中國南通市Toray Skai Dyeing & Weaving (TSD)，在該公司擔任董事6年。此外，淺田先生曾任短纖維部總經理及運動紡織品部總經理。

曾憲中先生，42歲，資訊總監及本公司一間附屬公司之董事。曾先生於2010年加入本集團，現時主管本集團之數碼化方針。曾先生在資訊科技領域擁有逾20年經驗，當中包括高性能計算學術研究及搭建大型網站及建立和維護企業共享服務系統。曾先生持有馬里蘭大學旗艦校區(University of Maryland, College Park)頒發之工商管理碩士及電腦科學學士學位。

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員簡介

SENIOR MANAGEMENT (Cont'd)

Mr. CHUNG Chi Shing, aged 55, is the Assistant General Manager (Production Technology) and a director of a subsidiary of the Company who joined the Group in 1998 and has been serving for 21 years. He is responsible for Dyeing and Finishing Technology, Fabric Development, Procurement of yarns, dyes and chemicals (DCA). Mr. Chung graduated from Hong Kong Polytechnic University in Textile Chemistry, with over 30 years of experience in textiles industry. He is a holder of Chartered Colourist granted by the Society of Dyers and Colourists.

Mr. WANG Sijie, aged 48, is the Assistant General Manager (Dyeing and Finishing) and a director of a subsidiary of the Company who joined the Group in 1997. Mr. Wang is responsible for the management of dyeing and finishing factory. Mr. Wang is a professorate senior engineer and a holder of master degree. He is the Vice President of Guangzhou Textile Engineering Society and a member of expert and technical committee of China Knitting Industry Association (廣州紡織工程學會副理事長、中國針織工業協會專家技術委員會委員). Mr. Wang was awarded as outstanding chief engineer by China Knitting Industries Association and technical innovation award by China Textile Engineering Society.

Mr. Masaonbu SATO, aged 46, is the Assistant General Manager (Research and Development) since 2017. Mr. Sato has over 20 years of experience in textiles and related production technique development. Mr. Sato has studied material engineering in Tokyo Metropolitan University. Upon his graduation, he joined Toray. Prior to joining the Company, he has been working in different factory and laboratory in Japan and China, such as Taltex (Zhuhai) Ltd. and Toray Fiber Research Centre.

Mr. CHENG Kam Fai, Eugene, aged 59, is the Assistant General Manager (Human Resources Management and Administration) who joined the Company in 2012. Mr. Cheng is mainly responsible for Group Human Resources, Administration, Corporate Social Responsibility and Procurement Management in China and Vietnam. Mr. Cheng graduated with BA (Hons.) and EMBA from the Chinese University of Hong Kong (CUHK) together with a professional Diploma in Business Management from the CUHK. He has extensive working experiences in Human Resources Management, General Administration, Corporate Social Responsibility and Procurement Management in both Hong Kong and China.

高級管理人員(續)

鍾志成先生，55歲，副總經理(技術)及本公司一間附屬公司之董事，於1998年加入本集團，至今服務本公司21年。彼負責染整技術、布料研發以及紗線、染料及化學品採購(DCA)。鍾先生畢業於香港理工大學紡織化學系，在紡織業擁有逾30年經驗。彼持有英國染色家學會(Society of Dyers and Colourists)之特許公認印染師資格。

王思捷先生，48歲，副總經理(染整)及本公司一間附屬公司之董事，於1997年加入本集團。王先生負責管理染整廠房。王先生為一名正高級工程師(教授級高級工程師)，持有碩士學位。彼為廣州紡織工程學會副理事長，亦為中國針織工業協會專家技術委員會委員。王先生獲中國針織工業協會評為優秀總工程師及獲中國紡織工程學會頒發「技術創新獎」。

佐藤雅伸先生，46歲，自2017年起出任副總經理(研究開發)。佐藤先生在紡織及相關生產技術開發方面擁有超過20年經驗。佐藤先生曾於東京都立大學攻讀材料工程學，畢業後加入Toray。加入本公司前，彼先後在聯業織染(珠海)有限公司(Taltex (Zhuhai) Ltd.)及Toray Fiber Research Centre等中日兩地各大廠房及實驗室任職。

鄭錦輝先生，59歲，副總經理(人力資源管理及行政)，於2012年加入本公司。鄭先生主要負責本集團人力資源、行政、企業社會責任及中國與越南的採購管理。鄭先生畢業於香港中文大學(中文大學)，並取得文學士及行政人員工商管理碩士學位，亦自中文大學取得商業管理專業文憑。彼在中港兩地之人力資源管理、一般行政、企業社會責任和採購管理等界別擁有廣泛工作經驗。

The Board is pleased to present the annual report together with the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the 2019 Financial Year.

PRINCIPAL ACTIVITIES

The Group is principally engaged in manufacturing and trading of textiles products, including high quality cotton and synthetic knitted fabrics.

An analysis of the performance of the Group for the 2019 Financial Year by geographical locations of business operations is set out in note 5 to the consolidated financial statements.

BUSINESS REVIEW

A review of the Group during the year and discussions on its future developments are provided in the section headed "Management Discussion and Analysis" in this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, business and prospects might be affected by a number of risks and uncertainties. The followings were the key risks and uncertainties identified by the Group for the 2019 Financial Year. There might be other risks and/or uncertainties in addition to those outlined below which were unknown to the Group or which might not be material during the period under review but will turn out to be material in the future.

Business Risk

The macro-economic and political factors, such as potential trade barriers between China and United States of America and Sino-Vietnamese relations, posed uncertainty to the business of the Group. Global trend of lower economic growth, fluctuated inflation, and unstable foreign exchange rate and interest rate were also the factors that adversely affected the financial performance of the Group.

Strategic Direction Risk

The success of future business depends on the achievement of our strategic objectives including but not limited to acquisitions, joint ventures, disposals and/or restructurings. The Group faced risk in its application of assets and capital towards potential investments when business and investment opportunities had arisen.

Legal and Compliance Risk

Legal risk might be constituted due to unenforceable contracts, lawsuits or unfavourable judgements which disrupted or negatively affected the business operations or financial conditions of the Group.

Failing to oblige by relevant applicable laws and regulations might constitute compliance risk. The Group might suffer from financial losses or losses in reputation due to any possible legal risk or regulatory sanctions.

董事局欣然提呈本公司及其附屬公司（「本集團」）2019年財政年度之年報連同經審核綜合財務報表。

主要業務

本集團主要從事優質全棉及化纖針織布等紡織產品之製造及貿易。

本集團按商業營運之地區劃分的2019年財政年度之表現分析載於綜合財務報表附註5。

業務回顧

本集團年內回顧及其未來發展之討論載於本年報「管理層討論與分析」一節。

主要風險及不明朗因素

本集團的財務狀況、經營業績、業務及前景可能受多項風險及不明朗因素影響。本集團識別到2019年財政年度的主要風險及不明朗因素載列如下。除下文所概述者外，亦可能存在本集團並不知悉或於回顧期內未必屬重大但日後可能變成重大的其他風險及／或不明朗因素。

業務風險

中美潛在貿易障礙及中越關係等宏觀經濟及政治局勢，對本集團業務構成不明朗因素。全球經濟增長下滑的趨勢、通脹波動乃至匯率及利率不穩等因素，亦對本集團財務表現構成不利影響。

策略方針風險

我們未來業務的成功取決於策略目標的達致，包括（但不限於）收購、合營公司、出售及／或重組。本集團於出現業務及投資機會時動用資產及資金作適合投資時，會面臨風險。

法律及合規風險

不可執行合約、訴訟或不利判決可能造成法律風險，其可能使本集團之業務營運或財務狀況出現混亂或負面影響。

未有遵守相關適用法例及規例可能造成合規風險。本集團可能因任何潛在法律風險或監管機構制裁而蒙受財務損失或聲譽受損。

BUSINESS REVIEW (Cont'd)

PRINCIPAL RISKS AND UNCERTAINTIES (Cont'd)

Policy risk

The change in governmental policies and regulations in the countries in which the Group operated, such as amended environmental protection policies, might result in adjustment to production method or increase in cost in fulfilling those statutory standards.

SUBSIDIARIES

Details of principal activities of the Company's subsidiaries at 31 March 2019 are set out in note 8 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the 2019 Financial Year are set out in the consolidated statement of profit or loss on page 58 of this annual report.

An interim dividend of HK32 cents (2018: HK26.5 cents) per Share was paid on 21 December 2018 to the Shareholders. The Board has recommended the payment of a final dividend of HK25 cents (2018: HK18.5 cents) per Share. Subject to the approval of the Shareholders at the forthcoming AGM, the final dividend of HK25 cents will be paid on 29 August 2019 to the Shareholders whose names appear on the Register of Members of the Company on 19 August 2019.

The Board intends to maintain long term return for shareholders. In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into consideration of various factors, such as the financial results of the operation, general financial condition of the Group, future funding requirements on capital, business operations and development, general market conditions, interest of shareholders as a whole, legal requirements, and other conditions that the Board deems relevant.

CLOSURE OF REGISTER OF MEMBERS

The Register of the Members of the Company will be closed from 5 August 2019 to 8 August 2019 (both days inclusive) for the purpose of determining the identity of members who are entitled to attend and vote at the forthcoming AGM, during which period no transfer of shares of the Company will be registered. In order to qualify for attending the forthcoming AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 2 August 2019. The record date which determines the Shareholder's voting right is scheduled on 5 August 2019.

The Register of the Members of the Company will be closed from 15 August 2019 to 19 August 2019 (both days inclusive) for the purpose of determining the identity of members who are entitled to the final dividend for the year ended 31 March 2019, during which period no transfer of shares of the Company will be registered. In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 14 August 2019.

業務回顧(續)

主要風險及不明朗因素(續)

政策風險

本集團業務經營所在國家的政府政策及規例作出的變更(如修訂環境保護政策等),可能導致須調整生產方式或為符合該等法定標準而導致成本增加。

附屬公司

本公司附屬公司於2019年3月31日之主要業務詳情載於綜合財務報表附註8。

業績及股息

本集團之2019年財政年度業績載於本年報第58頁綜合損益表。

本公司已於2018年12月21日向股東派發中期股息每股港幣32仙(2018年:港幣26.5仙)。董事局已建議派發末期股息每股港幣25仙(2018年:港幣18.5仙)。待股東於應屆股東週年大會上批准後,末期股息港幣25仙將於2019年8月29日派付予於2019年8月19日名列於本公司股東名冊之股東。

董事局有意持續為股東帶來長期回報。於決定是否建議派發股息及釐定股息金額時,董事局會考慮多項因素,例如營運之財務業績、本集團之整體財務狀況、未來資金需求、業務營運及發展、整體市況、全體股東利益、法律規定以及董事局認為相關之其他情況。

暫停辦理股份過戶登記

本公司將由2019年8月5日至2019年8月8日(首尾兩天包括在內)暫停辦理股份過戶登記手續,以便釐定股東出席應屆股東週年大會的權利並於會上投票之資格,期間將不會辦理本公司股份過戶登記。為符合出席應屆股東週年大會之資格,股東最遲須於2019年8月2日下午4時30分前將所有過戶文件連同有關股票交回本公司股份過戶登記處香港分處之香港中央證券登記有限公司,地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。釐定股東投票權的記錄日期為2019年8月5日。

本公司將由2019年8月15日至2019年8月19日(首尾兩天包括在內)暫停辦理股份過戶登記手續,以便釐定股東有權獲派發截至2019年3月31日止年度之末期股息之資格,期間將不會辦理本公司股份過戶登記。為符合獲派發末期股息之資格,股東最遲須於2019年8月14日下午4時30分前將所有過戶文件連同有關股票交回本公司股份過戶登記處香港分處之香港中央證券登記有限公司,地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。

SHARE CAPITAL

Details of movements in the issued share capital of the Company during the 2019 Financial Year are set out in note 16 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the 2019 Financial Year are set out in note 17 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 March 2019, the distributable reserves of the Company amounted to approximately HK\$2,739 million (2018: HK\$2,372 million) comprising the share premium, share-based reserve and the retained earnings of the Company.

Under the Companies Law (Cap. 22) of the Cayman Islands, in addition to the retained earnings of the Company, the share premium and capital reserves of the Company are also available for distribution to the Shareholders provided that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which any such distribution is proposed to be paid.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles, or the laws of the Cayman Islands, being the jurisdiction in which the Company is incorporated, which oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of any business of the Company were entered into or existed during the 2019 Financial Year.

DONATIONS

During the year under review, the Group made charitable and other donation totalling approximately HK\$556,000 (2018: HK\$354,000).

PROPERTY, PLANT AND EQUIPMENT

Expenditure of approximately HK\$223 million (2018: HK\$170 million) was incurred during 2019 Financial Year primarily to expand the production capacity of the Group.

Details of movements in property, plant and equipment of the Group are set out in note 7 to the consolidated financial statements.

CAPITALISED INTERESTS

During the 2019 Financial Year, no interest had been capitalised (2018: Nil).

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's Shares during the 2019 Financial Year.

股本

本公司已發行股本於2019年財政年度期間之變動詳情載於綜合財務報表附註16。

儲備

本集團儲備於2019年財政年度期間之變動詳情載於綜合財務報表附註17。

可供分派儲備

於2019年3月31日，本公司之可供分派儲備總額約為2,739百萬港元（2018年：2,372百萬港元），包括本公司股份溢價、以股份為基準儲備及保留溢利。

根據開曼群島公司法第22章，除本公司之保留溢利外，本公司之股份溢價和資本儲備亦可向股東分派，惟於緊隨建議進行任何上述分派當日後，本公司必須仍有能力償還在日常業務中到期支付之欠款。

優先認購權

本公司之章程細則或本公司註冊成立地點開曼群島之法例並無關於優先認購權之規定，要求本公司須按比例向現有股東發行新股。

管理合約

本公司於2019年財政年度期間並無就整體業務或任何重要業務之管理及行政工作簽訂或存有任何合約。

捐款

本集團於回顧年度作出之慈善及其他捐款共約556,000港元（2018年：354,000港元）。

物業、廠房及設備

於2019年財政年度內，主要就擴充本集團產能支出約223百萬港元（2018年：170百萬港元）。

本集團物業、廠房及設備的變動詳情載於綜合財務報表附註7。

利息資本化

於2019年財政年度期間並無將利息資本化（2018年：無）。

購買、出售或贖回股份

於2019年財政年度，本公司或其附屬公司概無購買、出售或贖回本公司任何股份。

MAJOR CUSTOMERS AND SUPPLIERS

During the 2019 Financial Year, sales to the Group's five largest customers accounted for approximately 71.4% of the Group's total sales and sales to the Group's largest customer included therein amounted to approximately 43.2%. Purchases from the Group's five largest suppliers accounted for approximately 54.5% of the Group's total purchases and purchase from the Group's largest supplier included therein amounted to approximately 37.3%.

Except as disclosed below, none of the Directors, their associates or any Shareholders of the Company (which to the knowledge of the Directors had owned more than 5% of the Company's issued Shares) had any interests in the Group's five largest customers or suppliers noted above:-

Toray, a substantial shareholder of the Company, accounted for approximately 3.2% of the Group's total purchases. The purchase from Toray constituted continuing connected transactions, details of which are set out in note 32 to the consolidated financial statements.

FINANCIAL SUMMARY

A summary of the consolidated results and consolidated balance sheet of the Group for the last five financial years is set out on page 158 of this annual report.

DIRECTORS

The list of Directors during the 2019 Financial Year was as follows:

Executive Directors

Mr. WAN Wai Loi (*Chairman and Chief Executive Officer*)

Mr. TOU Kit Vai (*Chief Financial Officer*)

Mr. Toshiya ISHII

Non-executive Directors

Mr. CHOI Kin Chung (*resigned on 12 June 2019*)

Mr. LAU Yiu Tong (*re-designated as Non-executive Director with effect from 1 June 2019*)

Mr. TSANG Kang Po (*resigned with effect from 1 July 2018*)

Independent Non-executive Directors

Dr. CHAN Yue Kwong, Michael

Mr. NG Ching Wah

Mr. SZE Kwok Wing, Nigel

Note: Mr. Masaru Okutomi was appointed as executive Director and Vice Chairman and shall take effect on 1 July 2019.

Pursuant to article 130 of the Articles, at every AGM one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

主要客戶及供應商

於2019年財政年度，向本集團五大客戶作出之銷售約佔本集團銷售總額的71.4%，而當中向本集團最大客戶作出之銷售約佔其中的43.2%。向本集團五大供應商作出之採購約佔本集團採購總額的54.5%，而當中向本集團最大供應商作出之採購約佔其中的37.3%。

除以下披露外，本公司各董事、其聯繫人或任何股東（就董事所知擁有本公司已發行股份5%以上）概無擁有上述本集團五大客戶或供應商之任何權益：

本公司主要股東Toray佔本集團採購總額約3.2%。向Toray作出之採購構成持續關連交易，有關詳情載於綜合財務報表附註32。

財務概要

本集團於過去五個財政年度之綜合業績和綜合資產負債表概要載於本年報第158頁。

董事

於2019年財政年度期間之董事名單如下：

執行董事

尹惠來先生 (*主席兼行政總裁*)

杜結威先生 (*首席財務總監*)

石井俊哉先生

非執行董事

蔡建中先生 (*於2019年6月12日辭任*)

劉耀棠先生 (*自2019年6月1日起調任為非執行董事*)

曾鏡波先生 (*自2018年7月1日辭任*)

獨立非執行董事

陳裕光博士

伍清華先生

施國榮先生

附註：奧富勝先生獲委任為執行董事兼副主席，將於2019年7月1日生效。

根據章程細則第130條，於每屆股東週年大會上三分之一的當時在任董事（或倘董事人數並非三或三的倍數，則為最接近但不少於三分之一的人數）須輪席告退，惟每位董事（包括委任為特定任期的董事）須最少每三年輪席告退一次。

DIRECTORS (Cont'd)

Accordingly, Mr. Wan Wai Loi, Mr. Lau Yiu Tong and Mr. Ng Ching Wah will retire by rotation from the Board at the forthcoming AGM and will, being eligible, have offered themselves for re-election as Directors.

Pursuant to article 114 of the Articles, the Board shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting.

Accordingly, Mr. Masaru Okutomi, appointed as executive Director effective from 1 July 2019, will hold office until the forthcoming AGM and being eligible, has offered himself for re-election as Director.

PROFILES OF DIRECTORS

Profiles of the Directors are set out on pages 14 to 16 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors had entered into a service agreement with the Company for an initial term of two years, renewable thereafter until terminated by either party by giving at least six months' prior notice to another party in writing.

Each of the Independent Non-executive Directors and Non-executive Directors had been appointed for a term of two years and are renewable thereafter.

All Directors are subject to retirement by rotation in accordance with the Articles and the Listing Rules.

None of the Directors proposed for re-election at the forthcoming AGM had a service contract with the Company or any of its subsidiaries not determinable by the Company within one year without payment of compensation (other than statutory compensation).

董事(續)

因此，尹惠來先生、劉耀棠先生及伍清華先生將於應屆股東週年大會從董事局輪席告退，惟彼等合資格並願膺選連任。

根據章程細則第114條，董事局可不時及隨時委任任何人士出任董事，以填補臨時空缺或出任新增的董事職位。按上述方式委任的董事任期將於本公司下屆股東大會舉行時屆滿，屆時可於會上膺選連任。

因此，於2019年7月1日獲委任為執行董事的奧富勝先生任期將於應屆股東週年大會舉行時屆滿，屆時合資格並願膺選連任董事。

董事之簡介

董事之簡介詳列於本年報第14至16頁。

董事之服務合約

各執行董事已與本公司訂立初步為期兩年之服務協議，可予續期，直至其中一方向另一方發出不少於六個月事先書面通知終止協議為止。

各獨立非執行董事及非執行董事獲委任之任期為兩年，其後可予續期。

全體董事須根據章程細則及上市規則輪值退任。

擬於應屆股東週年大會上膺選連任之董事概無與本公司或任何附屬公司訂立任何本公司不可於一年內終止而毋須作出賠償(法定賠償除外)之服務合約。

REMUNERATION OF THE DIRECTORS

The remuneration of the Directors are reviewed and determined by the Remuneration Committee on the basis of each Director's experience, responsibility and the time commitment to the business of the Group.

Details of emoluments of every Director for the 2019 Financial Year are set out in note 34 to the consolidated financial statements.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transaction, arrangement, or contract of significance in relation to the business of the Group to which the Company or any of its subsidiaries was a party and in which a Director or his or her connected entity had a material interest, either directly or indirectly, subsisted at any time during or at the end of the 2019 Financial Year.

COMPETING INTEREST

None of the Directors had, either directly or indirectly, an interest in a business which caused or might cause any significant competition with the business of the Group and any other conflicts of interest which any such person had or might had with the Group during the year under review.

TAX RELIEF AND EXEMPTION

The Directors were not aware of any tax relief and exemption available to the Shareholders of the Company by reason of their holdings of the Shares.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the 2019 Financial Year was the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, every director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto.

董事薪酬

董事之薪酬由薪酬委員會按各董事之經驗、職責及於本集團業務所投放之時間而審閱與釐定。

各位董事於2019年財政年度之酬金詳情載於綜合財務報表附註34。

董事於交易、安排或合約的重大權益

於2019年財政年度末或年內任何時間，概無存續任何與本集團業務相關，而本公司或其任何附屬公司為訂約方及董事或其關連實體直接或間接擁有重大權益的重大交易、安排或合約。

競爭權益

於回顧年度內董事概無在與本集團業務構成或可能構成任何重大競爭的業務中直接或間接擁有任何權益，而任何該等人士與本集團亦無存在或可能存在任何其他利益衝突。

稅務減免與豁免

董事並不知悉任何本公司之股東因持有股份而可享有任何稅務減免與豁免。

購買股份或債券之安排

本公司、其控股公司或其任何附屬公司或同系附屬公司於2019年財政年度期間任何時間概無參與訂立任何安排，致使本公司董事可藉購入本公司或任何其他法人團體之股份或債券而獲益。

獲准許彌償條文

根據組織章程細則，各董事就其於履行職務或其他相關情況下可能蒙受或招致的一切損失或債務，均有權獲得本公司以其資產賠償。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2019, the interests and short positions of the Directors and chief executives (Note 1) of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (Note 1) 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 were as follows:

LONG POSITIONS IN SHARES

董事於股份和相關股份之權益及淡倉

於2019年3月31日，本公司董事及最高行政人員（附註1）於本公司或其任何相聯法團（附註1）的股份、相關股份及債券中，擁有須根據證券及期貨條例第352條須予存置的登記冊所記錄或須知會本公司及聯交所的權益及淡倉如下：

股份之好倉

Name of Directors/ Chief Executives 董事／最高行政人員姓名	Number of Issued Shares Held and Nature of Interests 持有已發行股份數目及權益性質					Approximate percentage of issued share capital of the Company 於本公司 已發行股本 之概約百分比
	Personal Interests (beneficial owner) 個人權益 (實益擁有人)	Family Interests (interests of spouse) 家屬權益 (配偶之權益)	Corporate Interests (interests of a controlled corporation) 法團權益 (於受控法團 之權益)	Trusts and similar interests 信託及 類似權益	Total Interests 權益總額	
Wan Wai Loi 尹惠來	10,295,000	1,030,000 (Note 2) (附註2)	–	–	11,325,000	0.78%
Lau Yiu Tong 劉耀棠	53,393,000	–	–	–	53,393,000	3.69%
Tou Kit Vai 杜結威	629,000	–	–	–	629,000	0.04%
Sze Kwok Wing, Nigel 施國榮	400,000	–	–	–	400,000	0.03%
Tsang Sian-Chung, Hubert 曾憲中	450,000 (Note 3) (附註3)	–	–	–	450,000	0.03%

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (Cont'd)

LONG POSITIONS IN SHARES (Cont'd)

Notes:

1. Within the meaning of Part XV of the SFO.
2. The Shares are held by Ms. Chiu Bo Lan, the spouse of Mr. Wan Wai Loi.
3. Mr. Tsang Sian-Chung, Hubert is the Chief Information Officer of the Company who was granted share options of the Company. A summary of Share Option Scheme is set out on pages 29 to 31 of this annual report.

Save as disclosed above, as at 31 March 2019, no Directors nor chief executives of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations 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.

At no time during the year under review were the rights to acquire benefits by means of the acquisition of Shares in the Company granted to any Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding 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 PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2019, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:-

董事於股份和相關股份之權益及淡倉(續)

股份之好倉(續)

附註：

1. 定義見證券及期貨條例第XV部。
2. 該等股份由尹惠來先生之配偶趙寶蘭女士持有。
3. 曾憲中先生為本公司之資訊總監，並獲授予本公司購股權。購股權計劃之概要載於本年報第29頁至第31頁。

除上文披露者外，於2019年3月31日，根據證券及期貨條例第352條規定須予存置的登記冊的記錄，又或須以其他方式向本公司及聯交所發出的通知，概無本公司董事或最高行政人員於本公司或其任何相聯法團的股份、相關股份及債券中，擁有任何權益或淡倉。

於回顧年度內任何時間，概無任何董事或彼等各自的配偶或未成年子女獲授可藉購入本公司股份而獲益的權利，或彼等行使任何此等權利；或本公司、其控股公司或其任何附屬公司概無參與任何安排，致令董事可於任何其他法人團體獲得此等權利。

主要股東及其他人士於股份和相關股份之權益及淡倉

於2019年3月31日，以下人士(本公司董事或最高行政人員除外)於本公司股份或相關股份中擁有根據本公司按證券及期貨條例第336條規定存置之登記冊所記錄之權益或淡倉：

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND
SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (Cont'd)
LONG POSITIONS IN SHARES

主要股東及其他人士於股份和相關股份之
權益及淡倉(續)
股份之好倉

Name 姓名／名稱	Capacity in which ordinary shares were held 於所持普通股之身份	Number of ordinary shares 普通股數目	Approximate percentage of issued share capital of the Company 於本公司已發行 股本之概約百分比
Toray	Beneficial Owner 實益擁有人	405,394,000 (L)	28.03%
Schroders Plc	Investment Manager 投資經理	124,909,000 (L)	8.64%
Lam Wing Tak 林榮德	Beneficial Owner 實益擁有人	14,566,000 (L)	
	Interest of Spouse 配偶權益	1,087,000 (L)	
	Founder of a discretionary trust 全權信託之創辦人	80,000,000 (L)	
		95,653,000 (Note 4) (附註4)	6.61%
Wong Bik Ha 黃碧霞	Beneficial Owner 實益擁有人	1,087,000 (L)	
	Interest of Spouse 配偶權益	14,566,000 (L)	
	Founder of a discretionary trust 全權信託之創辦人	80,000,000 (L)	
		95,653,000 (Note 4) (附註4)	6.61%

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (Cont'd)
LONG POSITIONS IN SHARES (Cont'd)

主要股東及其他人士於股份和相關股份之權益及淡倉(續)
 股份之好倉(續)

Name 姓名／名稱	Capacity in which ordinary shares were held 於所持普通股之身份	Number of ordinary shares 普通股數目	Approximate percentage of issued share capital of the Company 於本公司已發行股本之概約百分比
HSBC International Trustee Limited	Trustee 信託人	80,520,000 (Note 4) (附註4)	5.57%
BLWT Company Limited	Interest in controlled corporations 受控法團權益	80,000,000 (Note 4) (附註4)	5.53%
Fifth Element Enterprises Limited	Beneficial Owner 實益擁有人	80,000,000 (Note 5) (附註5)	5.53%

Notes:

4. Mr. Lam Wing Tak is the spouse of Ms. Wong Bik Ha, vice versa. BLWT Company Limited is wholly-owned by HSBC International Trustee Limited, the trustee of the family trust of Mr. Lam Wing Tak. For the purpose of the SFO, Mr. Lam Wing Tak is the founder of the family trust.

5. Fifth Element Enterprises Limited is wholly-owned by BLWT Company Limited.

附註：

4. 林榮德先生與黃碧霞女士互為配偶。HSBC International Trustee Limited為林榮德先生之家族信託之信託人，全資擁有BLWT Company Limited之權益。就證券及期貨條例而言，林榮德先生為家族信託之創辦人。

5. Fifth Element Enterprises Limited由BLWT Company Limited全資擁有。

SHARE OPTION SCHEME

Pursuant to the written resolutions of Shareholders passed on 27 April 2007, the Company adopted the Share Option Scheme subject to the terms and conditions therein.

Options enabling the exercise of 22,820,000 Shares were granted on 18 July 2007 ("1st Grant") and expired on 17 July 2017. Options enabling the exercise of 10,000,000 Shares were granted on 11 October 2013 ("2nd Grant") will expire on 10 October 2023. The closing price of the share of the Company immediately before the dates of the 1st Grant and the 2nd Grant were HK\$4.86 and HK\$10.06 per share respectively.

A. SUMMARY OF THE SHARE OPTION SCHEME

1. Purpose

The purpose of the Share Option Scheme is to provide the Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to eligible participants (as defined in paragraph 2 below).

2. Participants

The Board may grant options to any eligible participants, namely an employee, Director or Non-executive Director (including INED) of any Member of the Group.

"Member of the Group" means the Company, any holding company, subsidiaries or affiliates of the Company or other companies or associated companies of the Company which the Board determines will be subject to the Share Option Scheme.

3. Maximum number of Shares

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes must not in aggregate exceed 10% of the Shares in issue as at the date of Listing of the Shares on the Stock Exchange on 18 May 2007 (the "Listing Date"), representing 143,293,600 Shares or 30% of the Shares of the Company in issue from time to time.

購股權計劃

根據股東於2007年4月27日通過之書面決議案，本公司已採納購股權計劃，並受限於其所訂之條款及條件。

可行使購股權發行22,820,000股股份於2007年7月18日授出（「第一次授出」），已於2017年7月17日屆滿。可行使購股權發行10,000,000股股份於2013年10月11日授出（「第二次授出」），將於2023年10月10日屆滿。本公司股份於緊接第一次授出及第二次授出日期前之收市價分別為每股4.86港元及10.06港元。

A. 購股權計劃概要

1. 目的

購股權計劃之目的為使本公司能靈活地挽留、激勵、回饋、酬報、補償及／或提供利益予合資格參與者（定義見下文第2段）。

2. 參與者

董事局可向任何合資格參與者，包括本集團任何成員公司之僱員、董事或非執行董事（包括獨立非執行董事）授出購股權。

「本集團成員公司」指本公司、任何本公司之控股公司、附屬公司或聯屬公司或董事局認為符合購股權計劃之其他公司或本公司聯營公司。

3. 最高股份數目

根據購股權計劃及任何其他計劃可能授出之所有購股權獲行使而可發行之股份總數，合共不得超過於股份於2007年5月18日於聯交所上市日期（「上市日期」）已發行股份之10%，相當於143,293,600股股份或不時已發行本公司股份之30%。

SHARE OPTION SCHEME (Cont'd)

A. SUMMARY OF THE SHARE OPTION SCHEME (Cont'd)

4. Maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of the options granted to each eligible participant (including exercised and outstanding options) in any 12-month period must not exceed 1% of the Shares in issue at the date of grant of the options.

5. Time of exercise of options and duration of Share Option Scheme

(a) General vesting period

The general vesting period for options granted under the Share Option Scheme is 5 anniversary of grant date unless the Board specifies a different vesting period under the terms of the offer. The option period will not be more than 10 years from the date of grant.

An option may be exercised to the extent that it has vested and any performance conditions or targets set by the Board have been met.

(b) Duration of the Share Option Scheme

The duration of the Share Option Scheme shall be 10 years from the Listing Date.

6. Exercise price and payment on grant

(a) Exercise price

The exercise price for the Shares under the Share Option Scheme shall be the price determined by the Board and notified to the option holder which shall not be less than the highest of:

- (i) the average closing price of the Shares for the five business days immediately preceding the date of grant of the option as stated in the Stock Exchange's daily quotation sheets;
- (ii) the closing price of the Shares as stated on the Stock Exchange's daily quotations sheet of the Shares on the date of grant of the option; and
- (iii) the nominal value of the Shares.

(b) Payment on grant

Eligible Persons are not required to pay for the acceptance of an option granted to them.

7. Life of the Share Option Scheme

The Share Option Scheme was terminated automatically at midnight on the day immediately before the 10th anniversary of the Listing Date, in other words, the Share Option Scheme was terminated as at 17 May 2017.

購股權計劃(續)

A. 購股權計劃概要(續)

4. 每名參與者可獲授權益上限

在任何12個月期間，因合資格參與者行使獲授之購股權(包括已行使及尚未行使之購股權)而已經或將予發行之股份總數，不得超過購股權授出之日已發行股份之1%。

5. 行使購股權之時間及購股權計劃之有效期

(a) 一般歸屬期

根據購股權計劃授出購股權之一般歸屬期為授出日期5週年，除非董事局根據授予之條款指明另一歸屬期。購股權期間將不會超過授出日期起計10年。

購股權按已歸屬程度於達致任何由董事局釐定之表現條件或目標時行使。

(b) 購股權計劃之期限

購股權計劃之期限為上市日期起計10年。

6. 行使價及授出時付款

(a) 行使價

購股權計劃項下之股份行使價將由董事局釐定並通知購股權持有人，惟該價格不得低於以下各項之最高者：

- (i) 緊接購股權授出日期前五個營業日根據聯交所每日報價表所示股份之平均收市價；
- (ii) 於購股權授出日期根據聯交所每日報價表所示股份之收市價；及
- (iii) 股份之面值。

(b) 授出時付款

合資格人士毋須於接納授予彼等之購股權時付款。

7. 購股權計劃有效期

購股權計劃於緊接上市日期第10週年屆滿當日前一日凌晨起自動終止，換言之，購股權計劃已於2017年5月17日終止。

SHARE OPTION SCHEME (Cont'd)

B. OPTIONS GRANTED BY THE COMPANY

The share options issued under 1st Grant were fully exercised. The movement of 2nd Grant as at 31 March 2019 was as follows:

Date of Grant	Grantee	Exercise Price	Number of Share Options		Vesting Date	Percentage of total Share Options Granted	Number of Share Options Vested/to be Vested	Exercisable Period	As at				As at 31/03/2019
			Granted	Tranche					01/04/2018	Exercised	Lapsed	Forfeited	
授出日期	承授人	行使價	已授出購股權數目	批次	歸屬日期	佔已授出購股權總數的百分比	已歸屬/待歸屬購股權數目	行使期	於2018年4月1日	已行使	失效	沒收	於2019年3月31日
11/10/2013	Eligible Employees 合資格僱員	HK\$9.98 9.98港元	10,000,000	1st 第一批	11/10/2016	30%	3,000,000	11/10/2016 – 10/10/2023	9,050,000	-	-	-	9,050,000
				2nd 第二批	11/10/2019	35%	3,500,000	11/10/2019 – 10/10/2023					
				3rd 第三批	11/10/2022	35%	3,500,000	11/10/2022 – 10/10/2023					

The fair value of options of the 2nd Grant is approximately at an average of HK\$1.85 per Share on the basis of binomial model (the "Model"). The significant inputs into the Model were the closing price of the Share of the Company at the date of grant of HK\$9.98 per Share, annual risk-free interest rate of approximately 2.09%, an expected option life of approximate 10 years, expected volatility of 45% and annual dividend yield of 9%. HK\$1,695,000 amortised fair value of share options for the 2019 Financial Year was charged to the consolidated income statement (2018: HK\$1,696,000).

The Model was developed for use in estimating fair value of traded options that are fully transferable. The Model requires input of highly subjective assumptions, including the expected stock price volatility. Since the Company's share options have characteristics significantly different from those of traded options, and because change in the subjective input assumptions can materially affect the fair value estimate, the Model does not necessarily provide a reliable measure of the fair value of the share options.

Save as disclosed below, no option had been granted to the Directors, chief executives or substantial shareholders of the Company or their respective associates under the Share Option Scheme:

450,000 options were granted to Mr. Tsang Sian-Chung, Hubert, an employee who is also an associate of Mr. Tsang Kang Po, a non-executive Director of the Company who resigned with effect from 1 July 2018.

購股權計劃(續)

B. 本公司已授出之購股權

第一次授出發行的購股權已獲悉數行使。於2019年3月31日，第二次授出的變動列示如下：

根據二項式期權定價模式(「定價模式」)，第二次授出之購股權之公允值平均約為每股1.85港元。該定價模式主要基於本公司股份於授出購股權日期之收市價為每股9.98港元、每年約2.09%的無風險利率、約10年的預期購股權有效期、45%的預期引伸波幅及每年9%的股息回報率計算。於2019年財政年度，1,695,000港元購股權之經攤銷公允值已於綜合收益表內入賬(2018年：1,696,000港元)。

定價模式是為評估所買賣的可悉數轉讓期權的公允值而設。該定價模式涉及大量主觀假設，包括預期股價波動。由於本公司的購股權與所買賣的期權截然不同，加上主觀假設更改可能對公允值估計有重大影響，故此該定價模式不一定能對購股權的公允值作出可靠的評估。

除下文披露者外，本公司董事、最高行政人員或主要股東或彼等各自的聯繫人概無根據購股權計劃獲授購股權：

曾憲中先生獲授予450,000份購股權，其為一名僱員，亦為本公司非執行董事曾鏡波先生(自2018年7月1日辭任)的聯繫人。

CONTINUING CONNECTED TRANSACTIONS

Certain related party transactions set out in note 32 to the consolidated financial statements also constituted continuing connected transaction under the Listing Rules.

During the 2019 Financial Year, the Group had the following continuing connected transactions, which were subject to reporting, and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A.33 of the Listing Rules:

(1) SALE AND PURCHASE OF KNITTED FABRIC TO CRYSTAL GROUP

During the 2019 Financial Year, the Group conducted business pursuant to an agreement dated 29 March 2018 in relation to the sale and purchase of knitted fabric manufactured and owned by the Group to Crystal International Group Limited ("Crystal" together with its subsidiaries, referred to as "Crystal Group") with its term up to 31 March 2021 ("Crystal Group Sale and Purchase of knitted Fabric New Master Agreement"). The annual cap for each of the three years ended 31 March 2019, ending 31 March 2020 and 31 March 2021 shall be HK\$2,000 million. Details of the Crystal Group Sale and Purchase of knitted Fabric New Master Agreement were set out in the Company's announcement dated 29 March 2018.

During the 2019 Financial Year, the total transaction amount between Crystal Group and the Group was approximately HK\$1,109 million which was within the relevant annual cap.

According to the Listing Rules, by virtue of its shareholding in PCGT Limited, an indirect non-wholly-owned subsidiary of the Company, Crystal is a substantial shareholder (as defined in the Listing Rules) and hence a connected person of the Company at the subsidiary level. Crystal Group is therefore also regarded as connected person of the Company.

In accordance with Rule 14A.55 of the Listing Rules, the Independent Non-executive Directors of the Company reviewed the continuing connected transactions in the paragraph above and confirmed that the transactions were 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 relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Group as a whole.

持續關連交易

載於綜合財務報表附註32的若干關聯方交易亦構成上市規則下的持續關連交易。

於2019年財政年度期間，本集團有下列持續關連交易須根據上市規則第14A.33章遵守申報及公告規定惟可獲豁免遵守獨立股東批准：

(1) 向晶苑集團銷售及購買針織布

於2019年財政年度，本集團根據日期為2018年3月29日有關本集團向Crystal International Group Limited（「晶苑」，連同其附屬公司統稱為「晶苑集團」）銷售及購買本集團所製造及擁有的針織布的協議進行業務，年期直至2021年3月31日為止（「晶苑集團銷售與採購針織布新總目協議」）。截至2019年3月31日、2020年3月31日及2021年3月31日止三個年度各年之年度上限分別為2,000百萬港元。晶苑集團銷售與採購針織布新總目協議詳情載列於本公司日期為2018年3月29日的公告。

於2019年財政年度，晶苑集團與本集團之間的交易總額約為1,109百萬港元，有關金額並無超出相關年度上限。

根據上市規則，因晶苑為本公司間接非全資附屬公司PCGT Limited的股東，晶苑為本公司的主要股東（定義見上市規則）及因此為附屬公司層面的關連人士。晶苑集團亦視做本公司關連人士。

根據上市規則第14A.55條，本公司獨立非執行董事已審閱上述之持續關連交易並確認該等交易的訂立是：

- (i) 屬本集團的日常業務；
- (ii) 按照一般商務條款或更佳條款進行；及
- (iii) 根據有關交易的協議條款進行，而交易條款屬公平合理，並且符合本集團股東的整體利益。

CONTINUING CONNECTED TRANSACTIONS (Cont'd)

(1) SALE AND PURCHASE OF KNITTED FABRIC TO CRYSTAL GROUP (Cont'd)

Pursuant to Rule 14A.56 of the Listing Rules, the Company's external auditor, PricewaterhouseCoopers ("PwC"), was engaged to report on the Group's continuing connected 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. PwC had issued an unqualified letter containing findings and conclusions in respect of the continuing connected transactions disclosed by the Group in accordance with rule 14A.56 of the Listing Rules. A copy of the auditor's letter was provided by the Company to the Stock Exchange.

(2) SALE OF YARNS BY TORAY TO THE GROUP

During the 2019 Financial Year, the Group conducted business pursuant to an agreement dated 28 July 2017 in relation to sale of yarns by manufactured or owned by Toray Industries, Inc. ("Toray", together with its subsidiaries, "Toray Group") to the Group for a period ending 31 March 2020. The annual cap for each of the three years ended 31 March 2018 and 31 March 2019 and ending 31 March 2020 shall be HK\$230 million.

According to the Listing Rules, Toray is a substantial shareholder of the Company and hence a connected person of the Company. Toray Group is therefore also regarded as connected person of the Company.

During the 2019 Financial Year, the total transaction amount between Toray Group and the Group was approximately HK\$116 million which was within the annual cap.

In accordance with Rule 14A.55 of the Listing Rules, the Independent Non-executive Directors of the Company reviewed the continuing connected transactions in the paragraph above and confirmed that the transactions were 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 relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Group as a whole.

持續關連交易 (續)

(1) 向晶苑集團銷售及購買針織布 (續)

根據上市規則第14A.56條，本公司的外聘核數師羅兵咸永道會計師事務所（「羅兵咸永道」）獲聘遵照香港會計師公會發出的香港核證聘用準則第3000號（經修訂）的「歷史財務資料審計或審閱以外的核證聘用」，並參照《實務說明》第740號「關於香港上市規則所述持續關連交易的核數師函件」，就本集團的持續關連交易作出匯報。羅兵咸永道已根據上市規則第14A.56條發出載有本集團披露之持續關連交易的審驗結果的無保留意見函件。本公司已將該核數師函件副本呈交聯交所。

(2) TORAY向本集團銷售紗

於2019年財政年度，本集團根據日期為2017年7月28日有關Toray Industries, Inc.（「Toray」，連同其附屬公司統稱為「Toray集團」）向本集團銷售其生產或擁有的紗之協議進行業務，年期截至2020年3月31日為止。截至2018年3月31日、2019年3月31日及2020年3月31日止三個年度各年之年度上限分別為230百萬港元。

根據上市規則，由於Toray為本公司主要股東，故為本公司的關連人士。Toray集團亦視作本公司關連人士。

於2019年財政年度，Toray集團與本集團之間的交易總額約為116百萬港元，有關金額並無超出相關年度上限。

根據上市規則第14A.55條，本公司獨立非執行董事已審閱上述之持續關連交易並確認該等交易的訂立是：

- (i) 屬本集團的日常業務；
- (ii) 按照一般商務條款或更佳條款進行；及
- (iii) 根據有關交易的協議條款進行，而交易條款屬公平合理，並且符合本集團股東的整體利益。

CONTINUING CONNECTED TRANSACTIONS (Cont'd)**(2) SALE OF YARNS BY TORAY TO THE GROUP (Cont'd)**

Pursuant to Rule 14A.56 of the Listing Rules, the Company's external auditor, PwC, was engaged to report on the Group's continuing connected 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. PwC had issued an unqualified letter containing findings and conclusions in respect of the continuing connected transactions disclosed by the Group in accordance with rule 14A.56 of the Listing Rules. A copy of the auditor's letter was provided by the Company to the Stock Exchange.

(3) SALE OF FABRICS BY THE GROUP TO TORAY GROUP

During the 2019 Financial Year, the Group conducted business pursuant to an agreement dated 27 February 2019 in relation to sale of fabrics by the Group to Toray Group for a term of three financial years. The annual cap for each of the three financial years ending 31 March 2021 shall be HK\$100 million.

According to the Listing Rules, Toray is a substantial shareholder of the Company and hence a connected person of the Company. Toray Group is therefore also regarded as connected person of the Company.

During the 2019 Financial Year, the total transaction amount between Toray Group and the Group was approximately HK\$17 million which was within the annual cap.

In accordance with Rule 14A.55 of the Listing Rules, the Independent Non-executive Directors of the Company reviewed the continuing connected transactions in the paragraph above and confirmed that the transactions were 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 relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Group as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Company's external auditor, PwC, was engaged to report on the Group's continuing connected 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. PwC had issued an unqualified letter containing findings and conclusions in respect of the continuing connected transactions disclosed by the Group in accordance with rule 14A.56 of the Listing Rules. A copy of the auditor's letter was provided by the Company to the Stock Exchange.

持續關連交易 (續)**(2) TORAY向本集團銷售紗 (續)**

根據上市規則第14A.56條，本公司的外聘核數師羅兵咸永道獲聘遵照香港會計師公會發出的香港核證聘用準則第3000號（經修訂）的「歷史財務資料審計或審閱以外的核證聘用」，並參照《實務說明》第740號「關於香港上市規則所述持續關連交易的核數師函件」，就本集團的持續關連交易作出匯報。羅兵咸永道已根據上市規則第14A.56條發出載有本集團披露之持續關連交易的審驗結果的無保留意見函件。本公司已將該核數師函件副本呈交聯交所。

(3) 本集團向TORAY集團銷售布料

於2019年財政年度，本集團已根據日期為2019年2月27日有關本集團向Toray集團銷售布料之協議進行業務，年期為三個財政年度。截至2021年3月31日止三個財政年度各年之年度上限分別為100百萬港元。

根據上市規則，由於Toray為本公司主要股東，故為本公司的關連人士。Toray集團亦視作本公司關連人士。

於2019年財政年度，Toray集團與本集團之間的交易總額約為17百萬港元，有關金額並無超出相關年度上限。

根據上市規則第14A.55條，本公司獨立非執行董事已審閱上述之持續關連交易並確認該等交易的訂立是：

- (i) 屬本集團的日常業務；
- (ii) 按照一般商務條款或更佳條款進行；及
- (iii) 根據有關交易的協議條款進行，而交易條款屬公平合理，並且符合本集團股東的整體利益。

根據上市規則第14A.56條，本公司的外聘核數師羅兵咸永道獲聘遵照香港會計師公會發出的香港核證聘用準則第3000號（經修訂）的「歷史財務資料審計或審閱以外的核證聘用」，並參照《實務說明》第740號「關於香港上市規則所述持續關連交易的核數師函件」，就本集團的持續關連交易作出匯報。羅兵咸永道已根據上市規則第14A.56條發出載有本集團披露之持續關連交易的審驗結果的無保留意見函件。本公司已將該核數師函件副本呈交聯交所。

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with the CG Code contained in Appendix 14 to the Listing Rules. The members of the Audit Committee are Mr. Sze Kwok Wing, Nigel, Mr. Ng Ching Wah and Dr. Chan Yue Kwong, Michael (who are Independent Non-executive Directors). Mr. Sze Kwok Wing, Nigel, a Fellow of CPA Australia, is the chairman of the Audit Committee.

The Audit Committee had reviewed the financial statements of the Group for the 2019 Financial Year and discussed with the management and the auditor of the Company on the accounting principles and practices adopted by the Group and internal controls and financial reporting matters.

Pursuant to the recent development of CG Code contained in Appendix 14 to the Listing Rules, an amended and restated terms of reference for Audit Committee was effective from 1 January 2019.

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 36 to 50 of this annual report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Discussion on the Group's environmental policies and performance, relationships with its key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group will be provided in the Environmental, Social and Governance Report which will be published on the websites of the Company and the Stock Exchange no later than three months after the publication of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the latest practicable date prior to the issue of this annual report, there was sufficient public float of more than 25% of the issued shares of the Company as required under the Listing Rules.

AUDITOR

The consolidated financial statements for the 2019 Financial Year have been audited by PwC. A resolution to re-appoint PwC as auditor of the Company will be proposed for approval by the Shareholders of the Company at the forthcoming AGM.

On behalf of the Board

WAN Wai Loi

Chairman

Hong Kong, 20 June 2019

審核委員會

本公司已成立審核委員會（「審核委員會」），並定明符合上市規則附錄十四所載的企業管治守則的書面職權範圍。審核委員會之成員為施國榮先生、伍清華先生及陳裕光博士（彼等均為獨立非執行董事）。施國榮先生為澳洲註冊會計師公會資深會員，擔任審核委員會主席。

審核委員會已審閱本集團2019年財政年度的財務報表，並已與本公司管理層及核數師討論本集團所採納的會計原則及慣例，以及內部監控及財務申報事宜。

依據上市規則附錄十四所載企業管治守則的最新修訂，審核委員會經修訂及重列的「職權範圍」自2019年1月1日起生效。

企業管治

本公司所採納的主要企業管治常規載列於本年報第36頁至50頁企業管治報告中。

環境、社會以及管治報告

有關本集團環境政策及績效、與其關鍵持份者的關係以及對本集團有重大影響之相關法律法規合規情況的討論，將載於環境、社會以及管治報告，該報告將於本年報刊發不遲於三個月在本公司及聯交所網站登載。

充足公眾持股量

根據本公司可獲得之公開資料顯示及就董事所知，於刊發本年報前之最後實際可行日期，本公司已發行股份有足夠並超過上市規則規定25%之公眾持股量。

核數師

羅兵咸永道已審核2019年財政年度的綜合財務報表。於應屆股東週年大會上將提呈決議案，以取得本公司股東批准續聘羅兵咸永道為本公司核數師。

代表董事局

主席

尹惠來

香港，2019年6月20日

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board is committed to maintaining high standard of corporate governance to enhance transparency and accountability and to safeguard the interests of Shareholders of the Company. The Group reviews corporate governance practices from time to time to ensure that business activities and decision making processes are properly regulated.

A. CORPORATE GOVERNANCE PRACTICE OF THE COMPANY

The Company complied with the applicable code provisions and certain recommended best practices set out in the CG Code contained in Appendix 14 to the Listing Rules where suitable to the Company so as to enhance the corporate governance standard of the Company throughout the 2019 Financial Year.

Mr. Wan Wai Loi had served as the Chairman and the Chief Executive Officer of the Company during the year, hence the Company did not comply with the code provision A.2.1 of the CG Code which requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual. While the dual role arrangement has provided strong and consistent leadership and facilitated the implementation of the Group's business strategies, the Company will nevertheless review the structure from time to time in light of the prevailing circumstance.

B. THE BOARD

1. RESPONSIBILITIES OF THE BOARD

The Board is responsible for leadership and control of the Company, the Board is responsible for formulation of strategic, management and financial objectives of the Group and ensuring that Shareholders' interests are protected. Daily operations and administration of the Group are delegated to the Executive Directors and the management. The Board has established Board committees and has delegated various responsibilities to these committees as set out in their respective terms of reference. All relevant terms of reference are published on the websites of the Stock Exchange and the Company respectively.

The Company and the Board require each Director to keep abreast of the responsibilities as a Director of the Company and of the business and operating activities and development of the Group. Every Director is committed to devoting sufficient time and involvement in the affairs of the Board and material matters of the Company and serving the Board with such degree of care and due diligence given his own expertise, qualification and professionalism.

Executive Directors are responsible for managing different aspects or functions of the business of the Group. The Non-executive Directors advise on business strategies of the Group and review its financial and operational performance. The INEDs serve the Audit Committee, the Remuneration Committee and the Nomination Committee and provide independent reviews on the issues of strategic direction, development, performance and risk management of the Group.

董事局致力維持高水平的企業管治，以提升透明度與問責性，維護本公司股東之利益。本集團不時檢討企業管治常規，藉以確保業務活動及決策程序受到適當的規管。

A. 本公司的企業管治常規

本公司於2019年財政年度內一直遵守上市規則附錄十四所載的企業管治守則載列的適用守則條文與若干建議最佳常規，以提高本公司的企業管治標準。

尹惠來先生於年內擔任本公司主席兼行政總裁，故本公司未能遵守企業管治守則守則條文第A.2.1條（該條文規定主席與行政總裁的職能須分立且不應由同一人擔任）。儘管雙重職務安排已提供強大一致的領導及促進本集團實施業務策略，本公司仍會不時因應當前情況檢討有關架構。

B. 董事局

1. 董事局的責任

董事局負責領導及控制本公司。董事局負責制定本集團策略、管理和財務目標，以及確保股東的權益得以保障。本集團的日常營運及行政管理委派執行董事和管理層處理。董事局已成立董事委員會並將多項責任委派予該等委員會（如其各自之職權範圍所載）。所有有關職權範圍均於聯交所及本公司網站刊載。

本公司及董事局要求各董事清楚彼作為本公司董事之職責，以及了解本集團之業務和經營活動及發展。各董事均已承諾投入足夠時間及精神處理董事局事務及本公司重要事宜，並按照各自之專門知識、資歷及專業技能，以謹慎盡責之態度為董事局服務。

執行董事於本集團的業務上擔負不同的管理範疇或職責。非執行董事就本集團業務策略提供意見和審閱其財務和營運表現。獨立非執行董事出任審核委員會、薪酬委員會和提名委員會成員，並獨立審閱本集團的策略方針、發展、業績及風險管理事宜。

B. THE BOARD (Cont'd)

1. RESPONSIBILITIES OF THE BOARD (Cont'd)

All Directors had been updated and briefed relevant changes in legal and regulatory matters to ensure that they had a proper understanding of the operations and business of the Group and that they were fully aware of their responsibilities under applicable laws and regulations.

2. DELEGATION OF MANAGEMENT FUNCTION

The Board is responsible for making all major decisions of the Company, including approving and monitoring all major policies, overall strategies and budgets, internal control, risk management framework, significant financial and operational matters as well as nomination of directors. The day-to-day management and operation of the Company are delegated to the management team of the Company under the supervision of the Executive Directors. The Executive Directors normally meet on an informal basis and participate in senior management meetings on a regular basis to keep abreast of the latest operations and performance of the Group and to monitor and ensure the management carrying out all directions and strategies set by the Board appropriately.

3. COMPOSITION OF THE BOARD

Profiles of current Directors are set out on pages 14 to 16 of this annual report and are available on the website of the Company. The list of Directors during the 2019 Financial Year was as follows:

Executive Directors

Mr. WAN Wai Loi (*Chairman and Chief Executive Officer*)

Mr. TOU Kit Vai (*Chief Financial Officer*)

Mr. Toshiya ISHII

Non-executive Director

Mr. CHOI Kin Chung (*resigned on 12 June 2019*)

Mr. LAU Yiu Tong (*re-designated as Non-executive Director with effect from 1 June 2019*)

Mr. TSANG Kang Po (*resigned with effect from 1 July 2018*)

Independent Non-executive Directors

Dr. CHAN Yue Kwong, Michael

Mr. NG Ching Wah

Mr. SZE Kwok Wing, Nigel

Note: Mr. Masaru Okutomi was appointed as executive Director and Vice Chairman and shall take effect on 1 July 2019.

There is no financial, business, family or other material relationships among the Directors. The list of Directors and their roles and functions are published on the websites of the Stock Exchange and the Company respectively.

B. 董事局 (續)

1. 董事局的責任 (續)

每名董事皆獲得最新有關法例和監管事項的變動簡要提示，以確保彼等清楚了解本集團之營運及業務，且充分明了彼等於適用法律及法規下之責任。

2. 委派管理職能

董事局負責本公司的所有重大決策，包括批准及監督所有重大政策、整體策略及預算、內部監控、風險管理框架、重大財務及營運事宜以及提名董事。本公司的日常管理及營運委派本公司管理團隊處理並受執行董事監督。執行董事一般定期舉行非正式會議，並定期參與高級管理層之會議，以便掌握本集團近期之營運及表現，且監察及確保管理層恰當地執行董事局制定之所有指示及策略。

3. 董事局之組成

有關各現任董事的簡介載於本年報第14頁至第16頁及載於本公司網站。2019年財政年度的董事局名單如下：

執行董事

尹惠來先生 (*主席兼行政總裁*)

杜結威先生 (*首席財務總監*)

石井俊哉先生

非執行董事

蔡建中先生 (*於2019年6月12日辭任*)

劉耀棠先生 (*自2019年6月1日起調任為非執行董事*)

曾鏡波先生 (*自2018年7月1日辭任*)

獨立非執行董事

陳裕光博士

伍清華先生

施國榮先生

附註：奧富勝先生獲委任為執行董事兼副主席，將於2019年7月1日生效。

董事之間概無存有有關財務、業務、家屬或其他重大關係。董事名單與其職責和職能已刊載於聯交所及本公司網站。

B. THE BOARD (Cont'd)

3. COMPOSITION OF THE BOARD (Cont'd)

The composition of the Board is well-balanced with the Directors having sales and marketing experience and technical knowledge in textiles business, administrative and managerial experience in PRC factories and financial and accounting skill. Taking into account the nature and scope of business operations and development of the Group, such balance of skills, experience and diversity of perspectives is appropriate for effective decision making. The Board considers that the Non-executive Director and each of the INEDs bring their own relevant expertise to the Board.

As permitted under the Articles, the Company has arranged Directors and Officers Liability Insurance in respect of any legal actions which may be taken against Directors and management in execution and discharge of their duties or in relation thereto.

4. APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

The Board is empowered under the Articles to appoint any person as a Director either to fill a casual vacancy or as an additional member of the Board. Suitable candidates who are experienced and competent and able to fulfil fiduciary duties and duties of skill, care and diligence would be recommended to the Board.

If a Shareholder wishes to propose a person for election as a Director at the AGM, the Shareholder can deposit a written notice to that effect at the registered office of the Company for the attention of the Company Secretary. Procedures for shareholders to propose a person for election as a director are published on the website of the Company.

Each of the Executive Directors was appointed for an initial term of two years and each service agreement is renewable thereafter until terminated by either party by giving to the other party at least six months' prior notice in writing.

Each of the Independent Non-executive Directors and Non-executive Directors had been appointed for a term of two years and are renewable thereafter.

B. 董事局 (續)

3. 董事局之組成 (續)

董事局之均衡組成，有賴董事具備有關紡織業務之銷售及市場推廣經驗及技術知識、中國工廠之行政及管理經驗，以及財務及會計技能。鑑於本集團之業務營運與發展性質及規模，此等技能、經驗與觀點多元化的平衡對其決策效率而言實屬合適。董事局認為非執行董事及各獨立非執行董事均能將其本身之專業知識帶入董事局。

於章程細則允許下，本公司已為董事和管理層就履行其職責或相關事宜時可能承擔之法律行動安排董事和管理人員責任保險。

4. 董事委任、重選及罷免

董事局依照章程細則有權委任任何人士出任董事以補替臨時空缺或作為董事局新增成員。具豐富經驗及才能，有能力履行受託職責，有技能、謹慎及勤勉之合適候選人士將獲推薦予董事局。

若股東擬在股東週年大會上提名人士競選董事，彼可向本公司註冊辦事處遞交書面通知，抬頭註明公司秘書收。股東提名人士競選董事之程序已刊載於本公司網站。

各執行董事之委任初步為期兩年，其後各服務協議可予續期，直至其中一方向另一方發出不少於六個月事先書面通知終止協議為止。

各獨立非執行董事及非執行董事獲委任之任期為兩年，其後可予續期。

B. THE BOARD (Cont'd)

4. APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS (Cont'd)

All Directors are subject to retirement by rotation and are eligible for re-election pursuant to the Articles. Pursuant to the Articles, any Director appointed by the Board either to fill a casual vacancy or as an addition to the Board shall hold office only until the next following AGM and then be eligible for re-election at that AGM. In addition, at every AGM, one-third of the Directors, including the chairman, shall be subject to retirement by rotation and re-election by Shareholders at least once every three years. The Directors appointed by the Board who are subject to retirement and re-election as mentioned above shall be taken into account in calculating the total number of Directors for the time being but shall not be taken into account in calculating the number of Directors who are to retire by rotation. All Directors eligible for re-election shall have their biographical details made available to Shareholders to enable them to make an informed decision on their re-election.

Any appointment, resignation, removal or re-designation of Director shall be timely disclosed to Shareholders by announcement. Any reasons for resignation given by the Director shall also be included in such announcement.

5. INDUCTION AND CONTINUING DEVELOPMENT FOR DIRECTORS

Every newly appointed Director had been provided with comprehensive and tailored induction of business operation of the Group, including a site visit of our factory in China on the first occasion of his appointment.

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company from time to time updates the Directors on the latest development on the Listing Rules and other applicable regulatory requirements to ensure their contribution to the Board remains informed and relevant.

B. 董事局(續)

4. 董事委任、重選及罷免(續)

根據章程細則，全體董事須輪值退任並符合資格膺選連任。根據章程細則，董事局委任之任何董事（不論為填補臨時空缺或屬董事局新增成員）均僅留任至下屆股東週年大會為止，屆時將合資格於股東週年大會上膺選連任。此外，於每屆股東週年大會上，三分之一之董事（包括主席）均須至少每三年一次輪值退任及由股東重選。於計算當時董事總數時，將會計入按上文所述由董事局委任而須退任及膺選連任之董事，惟於計算將輪值退任董事人數時則不予計算。所有符合資格膺選連任之董事均須向股東披露個人履歷，以便股東於重選時作出知情決定。

任何董事委任、辭任、罷免或調任事宜均須以公告形式及時向股東披露。董事所提供任何辭任之理由亦須在該公告中註明。

5. 董事之入職介紹及持續發展

每名新委任董事均會獲得有關本集團業務營運的詳盡而有針對性的介紹，包括首次獲委任為董事時實地考察本集團於中國的廠房。

本公司鼓勵所有董事參與持續專業發展並更新其知識及技能。本公司不時向董事提供上市規則及其他適用監管規定的最新修訂，以確保其繼續在具備全面資訊及切合所需的情況下對董事局作出貢獻。

B. THE BOARD (Cont'd)

5. INDUCTION AND CONTINUING DEVELOPMENT FOR DIRECTORS (Cont'd)

According to the training records provided by the Directors, a summary of which during the 2019 Financial Year is as follows:

B. 董事局(續)

5. 董事之入職介紹及持續發展(續)

根據董事所提供的培訓記錄，於2019年財政年度期間的培訓記錄概要如下：

		Topics on training covered 培訓所涵蓋的主題		
		Corporate governance 企業管治	Listing Rules and regulatory updates 上市規則及法規更新	Risk and financial management 風險及財務管理
Executive Directors	執行董事			
Mr. WAN Wai Loi	尹惠來先生	B	B	B
Mr. TOU Kit Vai	杜結威先生	B	B	B
Mr. Toshiya ISHII	石井俊哉先生	B	B	B
Non-executive Directors	非執行董事			
Mr. CHOI Kin Chung (resigned on 12 June 2019)	蔡建中先生 (於2019年6月12日辭任)	B	B	-
Mr. LAU Yiu Tong (re-designated as Non-executive Director with effect from 1 June 2019)	劉耀棠先生 (自2019年6月1日起調任為 非執行董事)	B	B	B
Mr. TSANG Kang Po (resigned with effect from 1 July 2018)	曾鏡波先生 (自2018年7月1日辭任)	-	-	-
Independent Non-executive Directors	獨立非執行董事			
Dr. CHAN Yue Kwong, Michael	陳裕光博士	A, B	A, B	A, B
Mr. NG Ching Wah	伍清華先生	B	B	B
Mr. SZE Kwok Wing, Nigel	施國榮先生	B	B	B
Type of trainings		培訓類別		
A. Attending briefings, seminars, webinar or training courses		A. 參加簡介會、座談會、網絡研討會 或培訓課程		
B. Reading materials		B. 閱讀資料		

B. THE BOARD (Cont'd)

6. THE BOARD MEETINGS AND GENERAL MEETINGS

NUMBER OF MEETINGS

The Board met at least 4 times per year and additional meetings are convened when deemed necessary by the Board. The schedule of regular meetings for the whole year had been informed to each Director. The attendance record of the Directors is set out on page 42 of this annual report.

During the 2019 Financial Year, the Board held 4 meetings to approve interim and final results announcements, interim report and annual report, to consider dividend policy, to discuss significant issues and general operation of the Company.

The Company held the AGM on 9 August 2018. All proposed Shareholders' resolutions put forwarded were resolved by poll and were duly passed. The poll result of each resolution was set out in the Company's announcement released on the even date.

PRACTICE AND CONDUCT OF MEETINGS

Notice of Board meeting will be served to all Directors at least 14 days before the meeting. Notices and agenda of the Board meeting are prepared by the Company Secretary as delegated by the chairman. All Directors are given the opportunity to include any matters which they believe to be appropriate in the agenda of the Board meetings.

Agenda and relevant information of Board meeting with adequate background information and supporting analysis are made available to the Directors at least 3 days before the intended date of the Board meeting. All Directors are given separate and independent access to the Company's senior management for further information and enquiries. The Company Secretary and relevant senior management members attend all the meetings of the Board and Board committees to advise on corporate governance, statutory compliance and financial matters.

Any material matters that would have conflict of interest between the Directors or substantial Shareholders and the Company will be dealt with in the Board meeting. Pursuant to the Articles, a Director is not entitled to vote on (nor is counted in the quorum) any resolution of the Board in respect of any contract or arrangement or any other proposal whatsoever in which he or any of his associates (including any person who would be deemed to be an "associate" of the Directors under the Listing Rules) has any material interest except in certain special circumstances. The chairman of the Board meeting is required to ensure that each Director is aware of such requirement at the commencement of each Board meeting and declaration of interest is properly made in the Board meeting where conflicts of interest arise.

B. 董事局(續)

6. 董事局會議及股東大會

會議次數

董事局每年召開會議不少於4次，並於董事局認為需要時增開會議。全年定期會議時間表已通知各董事。董事出席會議記錄載於本年報第42頁。

於2019年財政年度期間，董事局舉行4次會議以批准中期與全年業績公告、中期報告與年報、商討派息政策、討論本公司重要事項及一般運作。

本公司已於2018年8月9日舉行一次股東週年大會。所有獲提呈之建議股東決議案已按投票表決方式議決並獲正式通過。各項決議案之表決結果載於本公司於同日刊發之公告。

會議常規及程序

召開董事局會議通告將會於會議舉行前不少於14天送呈全體董事。召開董事局會議通告及議程由主席委派公司秘書負責編製。全體董事皆有機會提出任何彼等認為合適商討之事項並將其列入董事局會議議程。

董事局會議議程及相關附有充足的背景資料及論據分析的資料會在擬召開的董事局會議日期前最少3天送呈各董事查閱。所有董事可各自單獨接觸本公司高級管理人員索取進一步的資訊與查詢。公司秘書與相關的高級管理層成員參與所有董事局會議及董事局轄下各委員會會議，就企業管治、遵守法則和財務事宜方面提供意見。

任何重要事項中存有董事或主要股東和本公司有利益衝突時，將在董事局會議上處理。根據章程細則規定，除若干特殊情況外，董事無權就彼或彼任何聯繫人(包括上市規則項下被視為董事「聯繫人」之任何人士)擁有任何重大權益之任何合約或安排或任何其他建議，就董事局決議案投票(或就此計入法定人數)。董事局會議的主席須於每次董事局會議舉行時確保每名董事均知悉有關規定，並於出現利益衝突時妥為向董事局申報其權益。

B. THE BOARD (Cont'd)

6. THE BOARD MEETINGS AND GENERAL MEETINGS (Cont'd)

PRACTICE AND CONDUCT OF MEETINGS (Cont'd)

Directors have access to advice and services of the Company Secretary and key officers of the Company in relation to the Board procedures. Draft minutes of the Board or Board committee meetings recorded in sufficient details, the matters considered by the participants of those meetings and decisions reached are forwarded to the participants for comments within a reasonable time after the meetings and final versions of minutes of Board or Board committee meetings are kept by the Company Secretary, which are open for inspection by any Directors at any reasonable time on reasonable notice.

Board members are provided with complete, adequate and timely information to allow the Directors to fulfil their duties properly. Directors may seek independent professional advice at the Company's expenses with the approval of the Board, if necessary.

ATTENDANCE OF MEETINGS

The attendance records of each Director at the meetings of the Board, the Audit Committee, Remuneration Committee, Nomination Committee and AGM during the 2019 Financial Year are set out as follows:

		Meetings attended/Meetings held 出席會議次數／舉行會議次數				
		Board 董事局	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	AGM 股東週年大會
Executive Directors	執行董事					
Mr. WAN Wai Loi (<i>Chairman and Chief Executive Officer</i>)	尹惠來先生 (主席兼行政總裁)	4/4	N/A不適用	1/1	1/1	1/1
Mr. TOU Kit Vai (<i>Chief Financial Officer</i>)	杜結威先生(首席財務總監)	4/4	N/A不適用	N/A不適用	N/A不適用	1/1
Mr. Toshiya ISHII	石井俊哉先生	4/4	N/A不適用	N/A不適用	N/A不適用	1/1
Non-executive Directors	非執行董事					
Mr. CHOI Kin Chung (<i>resigned on 12 June 2019</i>)	蔡建中先生 (於2019年 6月12日辭任)	2/4	N/A不適用	N/A不適用	N/A不適用	1/1
Mr. LAU Yiu Tong (<i>re-designated as Non-executive Director with effect from 1 June 2019</i>)	劉耀棠先生 (自2019年6月1日起 調任為非執行董事)	4/4	N/A不適用	1/1	1/1	0/1
Mr. TSANG Kang Po (<i>resigned with effect from 1 July 2018</i>)	曾鏡波先生 (自2018年 7月1日辭任)	1/1	N/A不適用	N/A不適用	N/A不適用	N/A不適用
INEDs	獨立非執行董事					
Dr. CHAN Yue Kwong, Michael	陳裕光博士	3/4	4/4	0/1	0/1	1/1
Mr. NG Ching Wah	伍清華先生	4/4	4/4	1/1	1/1	1/1
Mr. SZE Kwok Wing, Nigel	施國榮先生	4/4	3/4	1/1	1/1	1/1

B. 董事局(續)

6. 董事局會議及股東大會(續)

會議常規及程序(續)

董事有權要求本公司公司秘書和主要職員提供有關董事局程序的意見和服務。董事局或其轄下委員會會議草稿詳細記錄該等會議參與者所考慮的事項及達致的決定，並於會議後的合理時間內送呈會議草稿予議會者表達意見。董事局或其轄下委員會會議記錄最後定稿由公司秘書存檔。任何董事於合理時間內，發出合理通知後可查閱有關文件。

董事局向其成員提供完整、適當、及時之資料，以使董事能夠恰當地履行其職責。董事如有需要時，於得到董事局批准後，可尋求獨立專業意見，費用由本公司支付。

出席會議情況

各董事於2019年財政年度期間出席董事局、審核委員會、薪酬委員會、提名委員會會議及股東週年大會之記錄載列如下：

B. THE BOARD (Cont'd)

7. INEDS

The Board at all times met the requirements of the Listing Rules relating to the appointment of at least 3 INEDs with at least one INED possessing appropriate professional qualifications, or accounting or related financial management expertise throughout the 2019 Financial Year.

As at 31 March 2019, the Board comprised eight members with three INEDs. The number of INEDs met the minimum requirement prescribed under Rule 3.10A of the Listing Rules.

C. CHAIRMAN AND CHIEF EXECUTIVES

The Chairman of the Board provides leadership for the Board and is responsible for chairing the meetings, managing the operations of the Board and ensuring that all matters submitted for discussion are discussed by the Board in a timely and orderly manner. The Chief Executive Officer is responsible for leading the management team and overseeing the operations for the Group.

The Chairman and Chief Executive Officer of the Company are Mr. Wan Wai Loi, hence the Company did not comply with the code provision A.2.1 of the CG Code which requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

For the previous years, Mr. Wan has provided the Company with strong and consistent leadership and facilitated the implementation of the Group's business strategies in an efficient manner. The Company will nevertheless review the structure from time to time in light of the prevailing circumstance.

With the support of the Company Secretary, the Chairman ensures that all Directors were properly briefed on the issues arising at the Board meetings and provided with adequate information in a timely manner.

The Company received an annual written confirmation from each of the INEDs of their independence pursuant to Rule 3.13 of the Listing Rules and considered them to be independence of the management and free of any relationship that could materially interfere with the exercise of their independent judgements.

B. 董事局(續)

7. 獨立非執行董事

董事局於2019年財政年度期間所有時間均符合上市規則之規定，委任最少三名獨立非執行董事，而其中最少一名獨立非執行董事具備適當專業資格，或會計或有關財務管理之專業知識。

於2019年3月31日，董事局由八名成員組成，包括三名獨立非執行董事。獨立非執行董事人數符合上市規則第3.10A條規定之最低要求。

C. 主席及最高行政人員

董事局主席領導董事局及負責主持會議、管理董事局之運作及確保董事局及時有序地討論已提呈的所有待商討事宜。行政總裁負責領導管理團隊及監督本集團的營運。

本公司主席及行政總裁均由尹惠來先生擔任，故本公司未能遵守企業管治守則守則條文第A.2.1條(該條文規定主席與最高行政人員的職能須分立且不應由同一人擔任)。

於過往年度，尹先生為本公司提供強大一致的領導，有利於有效實施本集團的業務策略。然而，本公司仍會因應當時情況不時審視此架構。

在公司秘書協助下，主席確保於董事局會議上所有董事均適當知悉當前的事項，並適時獲得充足資料。

本公司已接獲各獨立非執行董事根據上市規則第3.13條之規定發出之年度獨立性書面確認函，並認同獨立非執行董事乃獨立於管理層，且並無任何足以嚴重干預彼等進行獨立判斷之關係。

D. BOARD COMMITTEES

The Board has established three main Board Committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, each chaired by different INED, to assist the Board in overseeing particular aspects of the Company's affairs. Board Committees report to the Board of their decisions and recommendations at the Board meetings.

The terms of reference (as revised) setting out the principles, procedures and arrangements of the Audit Committee, the Remuneration Committee and the Nomination Committee have been reviewed by the Board with reference to the CG Code and are published on the websites of the Stock Exchange and the Company respectively.

The Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances at the Company's expenses.

AUDIT COMMITTEE

The Audit Committee was established on 27 April 2007 with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are reviewing, overseeing and supervising the effectiveness of the Group's financial reporting process, risk management and internal control systems.

The members of the Audit Committee are Mr. Sze Kwok Wing, Nigel, Mr. Ng Ching Wah and Dr. Chan Yue Kwong, Michael. All of them are INEDs. Mr. Sze Kwok Wing, Nigel, a Fellow of CPA Australia, is the chairman of the Audit Committee.

The Audit Committee has reviewed the audited annual consolidated financial information of the Group for the 2019 Financial Year and the accounting principles and practices adopted by the Group with the management in conjunction with the auditor. The Annual Report for the 2019 Financial Year has been reviewed by the Audit Committee.

The Audit Committee held 4 meetings during 2019 Financial Year. The major work performed by the Audit Committee in respect of the 2019 Financial Year included approving the terms of engagement (including the remuneration) of the external auditor; reviewing the unaudited interim financial information and interim results announcement for the six months ended 30 September 2018; reviewing the audited annual consolidated financial information and final results announcement for the 2019 Financial Year; reviewing the work of the Group's internal audit department; assessing the effectiveness of the Group's systems of risk management and internal control and reviewing the effectiveness of the whistleblowing policy and the incidents reported through such channel. The attendance of the Directors for the Audit Committee meetings is set out in the table on page 42 of this annual report.

D. 董事局委員會

董事局已成立三個主要董事局委員會，即審核委員會、薪酬委員會及提名委員會，分別由不同獨立非執行董事出任主席，以協助董事局監督本公司事務之各項特定範疇。董事局委員會於董事局會議向董事局匯報其決定和建議。

審核委員會、薪酬委員會及提名委員會之原則、程序及安排之職權範圍(經修訂)已由董事局經參照企業管治守則審閱，並已刊載於聯交所及本公司網站。

董事局委員會獲提供充足資源以履行其職責，並於提出合理要求後，可於適當情況下尋求獨立專業意見，費用概由本公司承擔。

審核委員會

審核委員會於2007年4月27日成立，其書面職權範圍與企業管治守則相符。審核委員會之主要職責為檢討、管理及監督本集團之財務匯報程序、風險管理及內部監控系統的成效。

審核委員會之成員為施國榮先生、伍清華先生及陳裕光博士。彼等均為獨立非執行董事。施國榮先生，澳洲註冊會計師公會資深會員，為審核委員會主席。

審核委員會已和管理層聯同核數師審閱本集團2019年財政年度之經審核年度綜合財務資料及本集團所採納之會計原則及常規。2019年財政年度之年報已由審核委員會審閱。

審核委員會於2019年財政年度期間舉行了4次會議。審核委員會於2019年財政年度已履行之主要職務包括批准外聘核數師之聘任條款(包括酬金)、審閱截至2018年9月30日止六個月之未經審核中期財務資料及中期業績公告、審閱2019年財政年度經審核全年綜合財務資料及全年業績公告、審閱本集團內部審計部之工作、評估本集團之風險管理系統與內部監控系統之成效及審閱檢舉政策之成效與透過此渠道檢舉之事件。董事出席審核委員會會議記錄載於本年報第42頁之表內。

D. BOARD COMMITTEES (Cont'd)**AUDIT COMMITTEE (Cont'd)**

The Audit Committee has reviewed the scope and results of the audit and its cost effectiveness and the independence and objectivity of the Company's external auditor.

The fees in respect of audit and non-audit services provided by the Company's external auditor during the years under review (and the previous year) are as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Audit Services	審核服務	2,852	2,836
Non-audit Services	非審核服務		
– Tax consultation services	– 稅務顧問服務	96	280

The Audit Committee has undertaken a review of all non-audit services provided by the Company's external auditor and concluded that such services did not affect the independence of the external auditor.

The Audit Committee recommended the Board about re-appointment of PricewaterhouseCoopers as the Company's external auditor for the ensuing year and the related resolutions shall be put forth in the forthcoming AGM.

NOMINATION COMMITTEE

The Nomination Committee was established on 27 April 2007 with written terms of reference in compliance with the CG Code. The primary duties of the Nomination Committee are to make recommendations to the Board on appointment of Directors with due regard to diversity of the Board and management of the Board succession.

The majority members of the Nomination Committee are INEDs. As at the date of the report, the members of the Nomination Committee are Mr. Ng Ching Wah; Dr. Chan Yue Kwong, Michael, Mr. Sze Kwok Wing, Nigel and Mr. Wan Wai Loi. Mr. Ng Ching Wah, an INED, is the chairman of the Nomination Committee.

D. 董事局委員會(續)**審核委員會(續)**

審核委員會已檢討審核之範疇、結果及成本效益，以及本公司外聘核數師的獨立性和客觀性。

於回顧年度(及去年)，本公司外聘核數師所提供的審核及非審核服務之費用如下：

審核委員會已檢討本公司外聘核數師所提供之全部非審核服務，認為該等服務並不影響外聘核數師之獨立性。

審核委員會向董事局建議重新聘任羅兵咸永道會計師事務所為本公司下年度之外聘核數師，並建議於應屆股東週年大會提呈有關決議。

提名委員會

提名委員會於2007年4月27日成立，其書面職權範圍與企業管治守則相符。提名委員會之主要職責為就委任董事，適當考慮董事局多元化及董事局繼任之管理向董事局提供建議。

提名委員會之大部份成員均為獨立非執行董事。於本報告日期，提名委員會之成員為伍清華先生、陳裕光博士、施國榮先生及尹惠來先生。獨立非執行董事伍清華先生為提名委員會主席。

D. BOARD COMMITTEES (Cont'd)**NOMINATION COMMITTEE (Cont'd)**

The Nomination Committee met once during the 2019 Financial Year and reviewed the implementation of the board diversity policy ("the Policy"). The Policy sets out the approach to achieve diversity on the Board. In reviewing and assessing the Board composition, the Nomination Committee will consider a number of factors, including but not limited to educational background, professional qualifications, skills, industry experience, age, gender and ethnic origin, subject to the actual situation of the Company and relevant provisions under the applicable laws. Restrictions like age, gender and ethnic origin will not be set when short-listing the candidates. The major work performed by the Nomination Committee in respect of the 2019 Financial Year included assessing the independence of the INEDs and making recommendations in line with the Policy on re-election of the Directors of the Company to be subject to rotation requirements at the forthcoming AGM (including the new director(s) appointed by the Board who is subject to re-election requirement under rule 114 of the Articles. The attendance of the Directors for the Nomination Committee meeting is set out in the table on page 42 of this annual report.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 27 April 2007 with written terms of reference in compliance with the CG Code. The primary duties of the Remuneration Committee are to review and determine the terms of remuneration packages, bonuses and other compensation payable to Directors and senior management of the Group with reference to the nature of their works, complexity of their responsibilities and performances and to make recommendations to the Board. No director is allowed to take part in any discussion about his own remuneration.

The majority members of the Remuneration Committee are INEDs. As at the date of report, the members of the Remuneration Committee are Dr. Chan Yue Kwong, Michael; Mr. Sze Kwok Wing, Nigel, Mr. Ng Ching Wah and Mr. Wan Wai Loi. Dr. Chan Yue Kwong, Michael, an INED, is the chairman of the Remuneration Committee.

The Remuneration Committee met once during the 2019 Financial Year. The major work performed by the Remuneration Committee for the 2019 Financial Year included reviewing the remunerations of the Directors and senior management with reference to the remuneration levels of directors and senior management of comparable listed companies. The attendance of the Directors for the Remuneration Committee meeting is set out in the table on page 42 of this annual report.

Details of the remunerations of the Directors disclosed pursuant to Section 161 of Hong Kong Companies Ordinance and Appendix 16 of the Listing Rules are set out in note 34 to the consolidated financial statements. Executive Directors' remunerations shall from time to time be determined by the Remuneration Committee with reference to the Directors' duties and responsibilities.

D. 董事局委員會(續)**提名委員會(續)**

提名委員會於2019年財政年度期間舉行了1次會議並檢討了董事局多元性政策(「該政策」)的實施情況。該政策訂定方向以實現董事局多元性。在檢討及評估董事局的組成時，提名委員會將作多方面考慮，包括但不限於教育背景、專業資格、技能、行業經驗、年齡、性別及種族，以及基於本公司之實際情況及根據適用法律之有關係文。篩選候選人名單時，將不會設置如年齡、性別和種族的規限。提名委員會於2019年財政年度已履行之主要職務包括評估獨立非執行董事之獨立性，以及於應屆股東週年大會上根據輪值規定重選本公司董事(包括獲董事局委任須遵守章程細則第114條項下之重選規定之新董事)連任之事宜依據該政策作出建議。董事出席提名委員會會議記錄載於本年報第42頁之表內。

薪酬委員會

薪酬委員會於2007年4月27日成立，其書面職權範圍與企業管治守則相符。薪酬委員會之主要職責為參照本集團董事及高級管理人員之工作性質、職責的複雜性和表現，審閱及釐定付予彼等之薪酬組合條款、花紅及其他應付酬金，並就此向董事局提出建議。任何董事不可參與討論其個人薪酬。

薪酬委員會之大部份成員均為獨立非執行董事。於本報告日期，薪酬委員會之成員為陳裕光博士、施國榮先生、伍清華先生及尹惠來先生。獨立非執行董事陳裕光博士為薪酬委員會主席。

薪酬委員會於2019年財政年度期間舉行了1次會議。薪酬委員會於2019年財政年度已履行之主要職務包括參照可比較上市公司之董事及高級管理人員薪酬水平以審閱董事及高級管理人員酬金。董事出席薪酬委員會會議記錄載於本年報第42頁之表內。

依照香港公司條例第161條及上市規則附錄十六而披露之董事酬金資料詳列於綜合財務報表附註34。執行董事酬金則由薪酬委員會參照董事之職責及責任釐定。

E. CORPORATE GOVERNANCE FUNCTIONS

The Board should be responsible for performing corporate governance duties as follows:

- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (e) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

F. COMPANY SECRETARY

Ms. Chan Sau Yee was appointed as Company Secretary on 23 November 2017 being a full-time employee of the Company to report directly to the Board. The Directors have access to the advice and services of the Company Secretary to ensure the Board procedures, and all applicable law, rules and regulations, are followed. During the 2019 Financial Year, the Company Secretary complied with Rule 3.29 of the Listing Rules by taking no less than 15 hours of relevant professional training.

G. DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the standard of Model Code as set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiries of all Directors, all current Directors confirmed that they had complied with the required standard set out in such Code throughout the 2019 Financial Year.

E. 企業管治功能

董事局應負責履行如下企業管治職責：

- (a) 制定及檢討本公司的企業管治政策及常規並提出建議；
- (b) 檢討及監察董事及高級管理人員的培訓及持續專業發展；
- (c) 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- (d) 制定、檢討及監察僱員及董事適用的操守準則及合規手冊（如有）；及
- (e) 檢討本公司遵守企業管治守則的情況及在企業管治報告內的披露。

F. 公司秘書

陳秀儀女士於2017年11月23日獲委任為公司秘書，為本公司之全職僱員，其直接向董事局匯報。董事可獲取公司秘書之意見及服務以確保遵從董事局程序及所有適用法例、規則及規例。於2019年財政年度，公司秘書透過參加不少於15小時的有關專業培訓遵守上市規則第3.29條。

G. 董事的證券交易

本公司已採納上市規則附錄十所載的標準守則的準則，作為其內部有關董事所進行證券交易的行為守則。在向全體董事作出特定查詢後，全體現任董事已確認，彼等於2019年財政年度內已遵守標準守則所載準則。

H. DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Board acknowledged its responsibility for preparing the Company's financial statements for 2019 Financial Year which gave a true and fair view of financial position of the Group and in accordance with statutory requirements and applicable accounting standards. The Company's interim report and annual report were prepared and published in accordance with statutory requirements and Hong Kong Financial Reporting Standards in a timely manner required under the Listing Rules. Directors were provided with adequate information to enable them to make an informed assessment of financial and other information on matters for their approval. Furthermore, Directors were provided with monthly updates on the Group's performance to enable them to discharge their duties.

The statement of the external auditor of the Company regarding its reporting responsibility to Shareholders on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 51 to 57 of this annual report.

I. RISK MANAGEMENT AND INTERNAL CONTROL

The Group has established risk management and internal control systems to safeguard shareholders' investment and assets of the Group. The Board acknowledges its responsibility for the risk management and internal control systems of the Group. From time to time and at least annually, the Board, through the Audit Committee, reviews the effectiveness of the risk management and internal control systems of the Group in order to ensure that they meet with the ever changing business environment as well as the requirements under the Listing Rules. To enhance the objectiveness and credibility of the review, an independent consultancy firm has been engaged to periodically conduct the appraisal of the adequacy and effectiveness of the Group's risk management and internal control system.

During the year ended 31 March 2019, the Board, assisted by the Audit Committee, assessed the effectiveness of the risk management and internal control system of the Group by reviewing the investigation results of management report and internal audits, and considered that the risk management and internal control system of the Group for the year ended 31 March 2019 was effective and adequate.

The Group has in place the sound and effective internal controls to safeguard shareholders' investment and assets of the Group. The Company has from time to time reviewed effectiveness of internal control systems and adopts corresponding measures. Certain management committees were set up to set policies and monitor potential internal control weakness in order to ensure that they meet with the dynamic and ever changing business environment.

H. 董事的財務報告責任

董事局知悉其有編製本公司2019年財政年度財務報表的責任且賬目須真實而公平地反映本集團的財政狀況，並根據法定規定與適用會計準則編製。本公司中期報告及年報乃根據上市規則要求按法定規定及香港財務報告準則而適時編製與刊發。董事獲提供適當資料，以便彼等就批准的事項作出財務和其他資料的知情決定。此外，董事每月獲提供本集團的表現之更新資料，以使彼等履行其職責。

本公司外聘核數師就其對本集團綜合財務報表向股東承擔之申報責任作出之聲明載於本年報第51頁至第57頁之獨立核數師報告。

I. 風險管理及內部監控

本集團已設立風險管理及內部監控系統，以保障股東的投資和本集團的資產。董事局知悉其負責本集團風險管理及內部監控系統。董事局不時（至少每年一次）透過審核委員會檢討本集團風險管理及內部監控系統之有效性，以確保系統能應付瞬息萬變之商業環境以及符合上市規則規定。為加強檢討之客觀性及可信度，本集團已委聘一家獨立顧問公司對本集團風險管理及內部監控系統之充足性及有效性定期進行評估。

於截至2019年3月31日止年度，董事局在審核委員會的協助下，透過檢討管理層報告及內部審計之調查結果，評估本集團風險管理及內部監控系統之有效性，並認為截至2019年3月31日止年度，本集團風險管理及內部監控系統屬有效及充足。

本集團已設立穩健及有效的內部監控，以保障股東的投資和本集團的資產。本公司不時檢討內部監控系統之有效性並採納相應措施。本公司亦已成立若干管理委員會以制訂政策及監察潛在內部監控問題，以確保系統能應付瞬息萬變之商業環境。

I. RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

During the 2019 Financial Year, the Board has reviewed effectiveness of the Group's internal control systems, including financial, operational and compliance controls and risk management functions, adequacy of resources, training programmes, budget, qualifications and experience of staff of the Company's accounting and financial reporting function, through the Internal Audit Department and the Audit Committee with assistance of an international independent risk consulting firm.

The Company has established a whistleblowing policy and system which enables employees to raise concern, in confidence, about the possible improprieties in any matter relating to the Company, reported case will be assessed with due care, with top management oversight and for valid compliant, appropriate action will be taken to address the concern.

J. COMMUNICATION WITH SHAREHOLDERS

The Board recognises the importance of continuing communications with Shareholders and strives to ensure timeliness, completeness and accuracy of information disclosure to Shareholders and to protect the interests of Shareholders.

The Board has established a shareholders' communication policy and reviews it on a regular basis to ensure its effectiveness. As a channel to further promote effective communication, the Group maintains a website allowing Shareholders to access updates on the Company's particulars where the Company's announcements, financial information, shareholders' communication policy and other information are posted.

The Board maintains an on-going dialogue with Shareholders through general meeting of the Company to communicate with Shareholders. The chairman of the Board, the representative of each committee and the external auditor attend the general meeting to answer any questions from Shareholders. A separate resolution shall be proposed at general meeting on each substantially separate issue. A Shareholder is permitted to appoint any number of proxies to attend and vote in his stead.

To promote effective communication, the Company maintains a website, www.pacific-textiles.com, where information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are available for public access.

I. 風險管理及內部監控(續)

於2019年財政年度內，董事局透過內部審計部及審核委員會並在國際獨立風險顧問公司的協助下，檢討本集團內部監控系統之有效性，包括財務監控、運作監控及合規監控以及風險管理功能，本公司會計及財務匯報職能方面的資源運用、培訓課程、預算、員工的資歷及經驗。

本公司訂有檢舉政策及系統，可讓僱員就與本公司有關之任何事宜之可能不當行為以保密方式提出關注，所報告個案將在最高管理層監督下獲審慎評估，並將就獲證實投訴採取適當行動以解決有關關注。

J. 與股東溝通

董事局明了與股東維持溝通的重要性，並致力確保能適時向股東披露完整準確的資料及保障股東的利益。

董事局已制定股東通訊政策，並定期檢討以確保其成效。本集團已設立網站，以作為增進有效溝通之渠道，讓股東查閱本公司最新資料，而本公司之公告、財務資料、股東通訊政策及其他資料皆於網站刊登。

董事局通過本公司股東大會作為與股東溝通的橋樑，與股東保持持續對話。董事局主席、各委員會代表及外部核數師均出席股東大會，回答股東之任何提問。本公司須就各項實質上個別事項於股東大會上個別提呈決議案。股東可委派任何數目之代表出席大會及代其投票。

本公司設立網站www.pacific-textiles.com以增進有效溝通。公眾可於該網站查閱有關本公司業務發展及營運之資料及更新情況、財務資料、公司管治常規及其他資料。

K. SHAREHOLDERS' RIGHTS

PROCEDURES FOR CONVENING AN EXTRAORDINARY GENERAL MEETING

Any two or more shareholders or any one shareholder which is a recognised clearing house (or its nominee(s)), holding not less than one-tenth of the paid-up capital of the Company may, in accordance with requirements and procedures set out in the Articles of the Company, make a written requisition to the Board to convene an extraordinary general meeting of the Company and put forward proposals at the meeting. The objects of the meeting must be stated in the written requisition which must be signed by the requisitioner(s) and deposited at the Company's principal place of business in Hong Kong.

There are no provisions allowing Shareholders to put forward new resolutions at general meetings under Cayman Islands law or the Articles of the Company. Shareholders who wish to put forward a resolution may request the Company to convene an extraordinary general meeting in accordance with procedures set out above.

NOTICE OF GENERAL MEETINGS

Notice of all general meetings shall be sent to Shareholders in accordance with the Articles and the requirements of Listing Rules. Notice for AGM and all other general meetings shall be sent at least 20 clear business days and 10 clear business days prior to the meeting respectively.

VOTING BY POLL

At any general meetings, the chairman may exercise his power under the Articles to put each resolution set out in the notice to be voted by way of poll, explain detailed procedures for conducting a poll and answer any questions from Shareholders on voting by poll. The results of the poll, if any, will be published on the websites of the Stock Exchange and the Company respectively.

PROCEDURES FOR RAISING ENQUIRIES

Shareholders should direct their questions about their shareholdings to the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited (Address: 17M/F., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong and Telephone: (852) 2862 8555).

Shareholders who have any questions for the Board may send written enquiries together with their detailed contact information, such as postal address or e-mail address, by post to the Company's principal place of business in Hong Kong or by e-mail to ir@pacific-textiles.com.

The Board also encourages Shareholders to attend general meetings to make enquiries directly.

CONSTITUTIONAL DOCUMENTS

The Articles is published on the website of the Stock Exchange and the Company respectively. During the 2019 Financial Year, there was no change to the Articles of the Company.

K. 股東權利

召開股東特別大會之程序

根據本公司章程細則列明之規定及程序，任何兩名或以上持有本公司不少於十分之一繳足股本之股東或任何一名（為一間認可結算所（或其代名人））持有本公司不少於十分之一繳足股本之股東，可向董事局書面要求召開本公司股東特別大會，並於會上提呈議案。召開會議之目的必須列明於有關書面要求內，並由提出該請求之人士簽署及送達本公司之香港主要營業地點。

開曼群島法例或本公司章程細則並未規定股東可在股東大會上提呈新決議案。有意提呈決議案之股東可按上述程序要求本公司召開股東特別大會。

股東大會通告

所有股東大會之通告將根據章程細則及上市規則之規定寄發予股東。股東週年大會通告及所有其他股東大會通告須分別在大會舉行前不少於足20個營業日及不少於足10個營業日寄發。

以投票方式表決

於任何股東大會上，主席可行使章程細則賦予之權力，就通告內之各項決議案提呈以投票方式進行表決、解釋以投票方式進行表決之詳細程序以及回答股東有關以投票方式進行表決的任何提問。投票方式表決的結果（如有）將於聯交所及本公司網站登載。

提出查詢之程序

股東如對其名下持有之股份有任何疑問，應向本公司股份過戶登記處香港分處香港中央證券登記有限公司（地址：香港灣仔皇后大道東183號合和中心17M樓；電話：(852) 2862 8555）提出。

股東如欲向董事局提出任何查詢，可將書面查詢連同其詳細聯絡資料（如郵寄地址或電郵地址）郵寄至本公司之香港主要營業地點，或電郵至 ir@pacific-textiles.com。

董事局亦鼓勵股東出席股東大會，直接提出查詢。

憲章文件

章程細則已刊發於聯交所及本公司網站。於2019年財政年度內，本公司的章程細則並無任何變動。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

TO THE SHAREHOLDERS OF PACIFIC TEXTILES HOLDINGS LIMITED

(incorporated in Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Pacific Textiles Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 58 to 157, which comprise:

- the consolidated balance sheet as at 31 March 2019;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

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 2019, 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

致互太紡織控股有限公司股東

(於開曼群島註冊成立之有限公司)

意見

我們已審計的內容

互太紡織控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第58至157頁的綜合財務報表，包括：

- 於2019年3月31日的綜合資產負債表；
- 截至該日止年度的綜合損益表；
- 截至該日止年度的綜合全面收益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表附註，包括主要會計政策概要。

我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會頒佈的香港財務報告準則真實而中肯地反映了貴集團於2019年3月31日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為擬備。

意見的基礎

我們已根據香港會計師公會頒佈的香港審計準則進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的意見提供基礎。

獨立性

根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他道德責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. We considered "Revenue recognition" as a key audit matter that was 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 this matter.

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。我們認為「收入確認」乃關鍵審計事項，是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不對該事項提供單獨的意見。

Key Audit Matter

關鍵審計事項

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

Revenue Recognition

收入確認

Refer to note 2.22 for the Group's accounting policies on revenue recognition and note 5 for the analysis of revenue from sales of goods for the year ended 31 March 2019.

有關 貴集團採用的對收入確認的會計政策，請參閱附註2.22。有關截至2019年3月31日止年度銷售貨品所得收入的分析，請參閱附註5。

Revenue from sales of goods for the year ended 31 March 2019 amounted to HK\$6,119,081,000. The Group has operations in several geographical locations, and derives revenue from sales to multiple customers.

截至2019年3月31日止年度銷售貨品所得收入為6,119,081,000港元。貴集團於多個地區經營業務，並從多個客戶銷售取得收入。

Revenue is recognised when the control of the products has transferred, being when the products are delivered to the customers, the customers have full discretion over the price to sell the products and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the products have been shipped to the specified location and the risks of obsolescence and loss have been transferred to the customers.

當產品的控制權轉移至客戶（即交付產品予客戶時），而客戶對銷售產品的價格擁有絕對酌情權，且並無可能影響客戶接納產品的未履約義務時，貴集團確認收入。當產品付運至指定地點，且陳舊及損失風險已轉移至客戶時，則落實交付。

We understood, evaluated and tested management's key internal controls that are present in the Group's sales process from end-to-end.

我們已了解、評估及驗證管理層對 貴集團銷售過程中的關鍵內部監控。

We tested samples of sales transactions against sales orders, shipping documents, invoices and other supporting documents. To the extent that those sales have been settled, we also reviewed bank remittance advices and/or bank statements in support of the payments made by the customers.

我們已針對銷售訂單、裝運單據、發票及其他支持性文件對銷售交易作出抽樣測試。倘該等銷售已結算，我們亦會審閱支持客戶付款的銀行匯款通知書及／或銀行賬單。

Furthermore, we tested sales transactions that took place shortly before and after the balance sheet date to assess whether sales transactions were recognised in the correct reporting periods.

此外，我們已測試於緊接資產負債表日期前後發生的銷售交易，以評估銷售交易是否於正確的報告期間確認。

KEY AUDIT MATTERS (Cont'd)

關鍵審計事項 (續)

Key Audit Matter
關鍵審計事項

How our audit addressed the Key Audit Matter
我們的審計如何處理關鍵審計事項

Revenue Recognition
收入確認

We focused on this area due to the large volume of revenue transactions derived from sales to multiple customers in different geographical locations such that we have incurred significant time and resources in carrying out our work in this area.

我們關注該領域是因為源自在不同地區向多個客戶銷售的收入交易量大，故我們為進行於該領域的工作花費了大量時間及資源。

Our work also included testing of a sample of revenue-related journal entries by inquiring management of their nature and inspecting the relevant supporting documents.

我們的工作還包括通過詢問管理層日誌性質及查閱相關支持性文件對收入相關日誌的樣本進行測試。

We found that the Groups' sales transactions being tested were recognised in a manner consistent with the Group's accounting policy for revenue recognition.

我們認為 貴集團被測試的銷售交易已按與 貴集團的收入確認會計政策一致的方式確認。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION

The directors 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 identified above 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.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE 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 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

其他信息

董事須對其他信息負責。其他信息包括年報內的所有信息，綜合財務報表及我們對此發表的核數師報告除外。

我們對綜合財務報表的意見並不涵蓋其他信息，我們不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀前述定義的其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為本其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及審核委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部監控負責。

在擬備綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會須負責監督貴集團的財務報告過程。

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. We report our opinion 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 HKSA's 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 HKSA's, we exercise professional judgment 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.
- 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.

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響使用者依賴該等綜合財務報表所作出的經濟決定，則有關的錯誤陳述被視作重大。

在根據香港審計準則進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部監控，以設計適當的審計程序，但目的並非對貴集團內部監控的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

- 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.

核數師就審計綜合財務報表承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則須在核數師報告中提請注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於截至核數師報告日期止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責集團審計的方向、監督和執行。我們對審計意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出的內部監控的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

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

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 Leung Po Wah, Pauline.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 20 June 2019

核數師就審計綜合財務報表承擔的責任(續)

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是梁寶華。

羅兵咸永道會計師事務所
執業會計師

香港，2019年6月20日

FINANCIAL INFORMATION

財務資料

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2019

綜合損益表

截至2019年3月31日止年度

		Note	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
		附註		
Revenue	收入	5	6,119,081	6,098,153
Cost of sales	銷售成本	23	(5,058,180)	(5,150,991)
Gross profit	毛利		1,060,901	947,162
Other income and other gains/(losses) – net	其他收入及其他收益／(虧損) – 淨額	22	183,223	116,131
Impairment loss on trade receivables	應收賬款減值虧損		(2,722)	–
Distribution and selling expenses	分銷及銷售開支	23	(65,864)	(94,178)
General and administrative expenses	一般及行政開支	23	(191,996)	(142,250)
Operating profit	經營溢利		983,542	826,865
Finance income	財務收入	25	11,673	8,583
Finance costs	財務成本	25	(14,166)	(16,921)
Share of profits of associates	分佔聯營公司之溢利	9	34,738	34,520
Gain on disposal of certain interest in an associate	出售一間聯營公司若干權益之 收益	9	–	396
Profit before income tax	所得稅前溢利		1,015,787	853,443
Income tax expense	所得稅開支	26	(145,528)	(130,101)
Profit for the year	年度溢利		870,259	723,342
Profit attributable to:	下列人士應佔溢利：			
Equity holders of the Company	本公司權益持有人		861,780	744,035
Non-controlling interests	非控制性權益		8,479	(20,693)
			870,259	723,342
Earnings per share attributable to equity holders of the Company for the year (expressed in HK\$ per share)	年內本公司權益持有人 應佔每股盈利 (以每股港元列示)			
– basic	– 基本	27	0.60	0.51
– diluted	– 攤薄	27	0.60	0.51

The accompanying notes are an integral part of these consolidated financial statements.

隨附之附註乃此等綜合財務報表不可或缺之部分。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2019

綜合全面收益表

截至2019年3月31日止年度

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Profit for the year	年度溢利	870,259	723,342
Other comprehensive income: <i>Items that have been or may be reclassified to profit or loss:</i>	其他全面收入： <i>已或可能重新分類至損益的項目：</i>		
Currency translation differences	外幣換算差額	(212,734)	252,605
Total comprehensive income for the year	年度全面收入總額	657,525	975,947
Attributable to:	下列人士應佔：		
Equity holders of the Company	本公司權益持有人	650,781	995,943
Non-controlling interests	非控制性權益	6,744	(19,996)
		657,525	975,947

The accompanying notes are an integral part of these consolidated financial statements.

隨附之附註乃此等綜合財務報表不可或缺之部分。

FINANCIAL INFORMATION

財務資料

CONSOLIDATED BALANCE SHEET

As at 31 March 2019

綜合資產負債表

於2019年3月31日

			2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
		Note 附註		
ASSETS	資產			
Non-current assets	非流動資產			
Land use rights	土地使用權	6	115,321	48,323
Property, plant and equipment	物業、廠房及設備	7	1,520,210	1,562,062
Interests in associates	於聯營公司之權益	9	320,572	313,011
Available-for-sale financial assets	可供出售金融資產	10	-	853
Financial assets at fair value through other comprehensive income	按公允值計入其他全面收入的金融資產	10	853	-
Deferred income tax assets	遞延所得稅資產	19	15,843	9,487
Prepayments for land use rights and property, plant and equipment	土地使用權和物業、廠房及設備的預付款項	13	28,497	112,636
			2,001,296	2,046,372
Current assets	流動資產			
Inventories	存貨	11	947,353	1,068,184
Trade and bills receivables	應收賬款及票據	12	735,882	916,500
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	13	63,676	78,467
Amounts due from associates	應收聯營公司款項	9	52,799	49,092
Derivative financial instruments	衍生金融工具	14	8,339	16,284
Current income tax recoverable	可收回即期所得稅		-	11,110
Short-term bank deposits	短期銀行存款	15	-	43,875
Cash and cash equivalents	現金及現金等值項目	15	720,892	622,826
			2,528,941	2,806,338
Total assets	資產總值		4,530,237	4,852,710
EQUITY	權益			
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益			
Share capital	股本	16	1,446	1,446
Share premium	股份溢價	16	1,453,188	1,453,188
Reserves	儲備	17	1,824,977	1,902,944
			3,279,611	3,357,578
Non-controlling interests	非控制性權益		(9,972)	(16,716)
Total equity	權益總額		3,269,639	3,340,862

CONSOLIDATED BALANCE SHEET (Cont'd)

As at 31 March 2019

綜合資產負債表(續)

於2019年3月31日

		Note	2019	2018
		附註	2019年	2018年
			HK\$'000	HK\$'000
			千港元	千港元
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	借貸	18	146,225	146,169
Deferred income tax liabilities	遞延所得稅負債	19	39,889	34,494
Other non-current payable	其他應付非流動款項	21	22,934	20,148
			209,048	200,811
Current liabilities	流動負債			
Borrowings	借貸	18	300,000	313,264
Trade and bills payables	應付賬款及票據	20	568,485	781,651
Accruals and other payables	應計項目及其他應付款項	21	160,636	199,865
Derivative financial instruments	衍生金融工具	14	225	924
Current income tax liabilities	即期所得稅負債		22,204	15,333
			1,051,550	1,311,037
Total liabilities	負債總額		1,260,598	1,511,848
Total equity and liabilities	權益及負債總額		4,530,237	4,852,710

The accompanying notes are an integral part of these consolidated financial statements.

隨附之附註乃此等綜合財務報表不可或缺之部分。

The consolidated financial statements were approved by the Board of Directors on 20 June 2019 and were signed on its behalf:

董事局已於2019年6月20日批准綜合財務報表並代表董事局簽署：

Wan Wai Loi
尹惠來
Director
董事

Tou Kit Vai
杜結威
Director
董事

FINANCIAL INFORMATION

財務資料

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2019

綜合權益變動表

截至2019年3月31日止年度

	Note 附註	Attributable to equity holders of the Company 本公司權益持有人應佔				Non- controlling interests 非控制性權益 HK\$'000 千港元	Total 總額 HK\$'000 千港元
		Share capital 股本 HK\$'000 千港元 (Note 16) (附註16)	Share premium 股份溢價 HK\$'000 千港元 (Note 16) (附註16)	Reserves 儲備 HK\$'000 千港元 (Note 17) (附註17)	Sub-total 小計 HK\$'000 千港元		
Balance at 1 April 2017	於2017年4月1日之結餘	1,446	1,453,188	1,722,534	3,177,168	3,280	3,180,448
Comprehensive income:	全面收入：						
Profit for the year	年度溢利	-	-	744,035	744,035	(20,693)	723,342
Other comprehensive income:	其他全面收入：						
Currency translation differences	外幣換算差額	-	-	251,908	251,908	697	252,605
Total other comprehensive income, net of tax	其他全面收入總額， 扣除稅項	-	-	251,908	251,908	697	252,605
Total comprehensive income	全面收入總額	-	-	995,943	995,943	(19,996)	975,947
Transactions with owners:	與擁有人交易：						
Share-based compensation	以股份為基礎之酬金	-	-	1,696	1,696	-	1,696
Dividends	股息	-	-	(817,229)	(817,229)	-	(817,229)
Total transactions with owners	與擁有人交易總額	-	-	(815,533)	(815,533)	-	(815,533)
Balance at 31 March 2018	於2018年3月31日之結餘	1,446	1,453,188	1,902,944	3,357,578	(16,716)	3,340,862
Balance at 1 April 2018	於2018年4月1日之結餘	1,446	1,453,188	1,902,944	3,357,578	(16,716)	3,340,862
Comprehensive income:	全面收入：						
Profit for the year	年度溢利	-	-	861,780	861,780	8,479	870,259
Other comprehensive income:	其他全面收入：						
Currency translation differences	外幣換算差額	-	-	(210,999)	(210,999)	(1,735)	(212,734)
Total other comprehensive income, net of tax	其他全面收入總額， 扣除稅項	-	-	(210,999)	(210,999)	(1,735)	(212,734)
Total comprehensive income	全面收入總額	-	-	650,781	650,781	6,744	657,525
Transactions with owners:	與擁有人交易：						
Share-based compensation	以股份為基礎之酬金	-	-	1,695	1,695	-	1,695
Dividends	股息	-	-	(730,443)	(730,443)	-	(730,443)
Total transactions with owners	與擁有人交易總額	-	-	(728,748)	(728,748)	-	(728,748)
Balance at 31 March 2019	於2019年3月31日之結餘	1,446	1,453,188	1,824,977	3,279,611	(9,972)	3,269,639

The accompanying notes are an integral part of these consolidated financial statements.

隨附之附註乃此等綜合財務報表不可或缺之部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2019

綜合現金流量表

截至2019年3月31日止年度

			2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Cash flow from operating activities	經營活動所得現金流量			
Cash generated from operations	營運產生之現金	29(a)	1,221,162	742,123
Interest paid	已付利息		(8,010)	(7,346)
Hong Kong profits tax paid	已付香港利得稅		(45,149)	(115,756)
PRC tax paid	已付中國稅項		(85,100)	(46,826)
PRC dividends withholding tax paid	已付中國預扣稅		-	(7,410)
			1,082,903	564,785
Cash flow from investing activities	投資活動所得現金流量			
Purchases of property, plant and equipment	購置物業、廠房及設備		(210,346)	(148,835)
Increase in prepayment for land use rights	土地使用權預付款項增加		(9,278)	(8,985)
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備之所得款項	29(b)	14,462	6,848
Dividends received from associates	收取聯營公司之股息	9(a)	21,683	20,435
Placement of short-term bank deposits	存入短期銀行存款	15	-	(31,392)
Release of short-term bank deposits	解除短期銀行存款	15	43,875	73,823
Interest income received	已收利息收入		11,615	8,234
			(127,989)	(79,872)
Cash flow from financing activities	融資活動所得現金流量			
Repayment of bank borrowings	償還銀行借貸		(513,264)	(188,437)
New bank borrowings	新借銀行借貸		500,000	30,000
Dividends paid	已派付股息		(730,444)	(817,229)
			(743,708)	(975,666)
Net increase/(decrease) in cash and cash equivalents	現金及現金等值項目增加／(減少)淨額		211,206	(490,753)
Cash and cash equivalents at 1 April	於4月1日之現金及現金等值項目		622,826	995,538
Currency translation differences	外幣換算差額		(113,140)	118,041
Cash and cash equivalents at 31 March	於3月31日之現金及現金等值項目	15	720,892	622,826

The accompanying notes are an integral part of these consolidated financial statements.

隨附之附註乃此等綜合財務報表不可或缺之部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1 GENERAL INFORMATION

Pacific Textiles Holdings Limited (the "Company") and its subsidiaries (together, the "Group") are principally engaged in manufacturing and trading of textile products. Its production bases are located in the People's Republic of China (the "PRC") and Vietnam.

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is P.O. Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands.

The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in Hong Kong Dollars ("HK\$"), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 20 June 2019.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basis of preparation and principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied for all of the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements have been prepared under the historical cost basis, except for financial assets at fair value through other comprehensive income and financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss measured at fair value.

1 一般資料

互太紡織控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要從事紡織產品之製造及貿易。其生產基地位於中華人民共和國(「中國」)及越南。

本公司是於開曼群島註冊成立之有限公司。其註冊地址為P.O. Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands。

本公司股份於香港聯合交易所有限公司主板上市。

除另有說明外，此等綜合財務報表以港元(「港元」)呈報。此等綜合財務報表於2019年6月20日經董事局批准刊發。

2 編製基準與主要會計政策概要

編製此等綜合財務報表所採納之編製基準與主要會計政策載於下文。除另有說明外，此等政策已於所有呈報年度貫徹應用。

2.1 編製基準

本集團綜合財務報表乃按照香港會計師公會(「香港會計師公會」)頒佈的所有適用香港財務報告準則(「香港財務報告準則」)編製。綜合財務報表乃根據歷史成本基準編製，惟按公允值計入其他全面收入的金融資產及按公允值計入損益之金融資產與金融負債(包括衍生金融工具)乃按公允值計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2 編製基準與主要會計政策概要(續)

2.1 Basis of preparation (Cont'd)

2.1 編製基準(續)

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

編製財務報表乃符合香港財務報告準則所規定使用的若干主要會計估計。此亦要求管理層在運用本集團會計政策時行使其判斷。有關於綜合財務報表中涉及高度判斷或複雜程度的範疇，或有重要假設及估計的範疇披露於附註4。

(a) *New standards, amendments to standards and interpretation to existing standards adopted by the Group*

(a) 本集團已採納之新訂準則、準則修訂及現行準則之詮釋

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2018:

本集團於2018年4月1日開始之年度報告期間首次應用以下準則及修訂：

Amendments to HKFRS 1 and HKAS 28	Annual improvements 2014–2016 cycle	香港財務報告準則第1號及香港會計準則第28號(修訂本)	2014年至2016年週期之年度改進
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions	香港財務報告準則第2號(修訂本)	以股份為基礎的支付交易的分類及計量
Amendments to HKFRS 4	Applying HKFRS 9 financial instruments with HKFRS 4 insurance contracts	香港財務報告準則第4號(修訂本)	對香港財務報告準則第4號保險合約應用香港財務報告準則第9號金融工具
HKFRS 9	Financial instruments	香港財務報告準則第9號	金融工具
HKFRS 15	Revenue from contracts with customers	香港財務報告準則第15號	來自客戶合約之收入
Amendments to HKFRS 15	Clarifications to HKFRS 15	香港財務報告準則第15號(修訂本)	香港財務報告準則第15號之澄清
Amendments to HKAS 40	Transfers of investment property	香港會計準則第40號(修訂本)	轉移投資物業
HK(IFRIC)-Int 22	Foreign currency transactions and advance consideration	香港(國際財務報告詮釋委員會)詮釋—第22號	外幣交易及預付代價

The impact of the adoption of HKFRS 9 Financial Instruments ("HKFRS 9") and HKFRS 15 Revenue from Contracts with Customers ("HKFRS 15") are disclosed in Note 2.2.

採納香港財務報告準則第9號金融工具(「香港財務報告準則第9號」)及香港財務報告準則第15號來自客戶合約之收入(「香港財務報告準則第15號」)之影響披露於附註2.2。

Apart from aforementioned HKFRS 9 and HKFRS 15, the other standards did not have material impact on the Group's accounting policies and did not require any adjustments.

除上述香港財務報告準則第9號及香港財務報告準則第15號外，其他準則概無對本集團會計政策造成重大影響亦毋須作出任何調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2.1 Basis of preparation (Cont'd)**

(b) *New standards and amendments to standards that have been issued but are not effective*

The following new and amended standards and interpretations have been issued but are not effective for the financial year beginning on 1 April 2018 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after		於以下日期 或之後開始 之年度 期間生效
Amendments to Annual Improvements Project	Annual improvements 2015–2017 cycle	1 April 2019	年度改進項目 (修訂本)	2015年至2017年週期之年度改進
Amendments to HKFRS 9	Prepayment features with negative compensation	1 April 2019	香港財務報告準則第9號 (修訂本)	具負值補償之預付特徵
Amendments to HKAS 19	Plan amendment, curtailment or settlement	1 April 2019	香港會計準則第19號 (修訂本)	計劃修訂、縮減或結清
Amendments to HKAS 28	Long-term interests in associates and joint ventures	1 April 2019	香港會計準則第28號 (修訂本)	於聯營公司及合營企業之長期權益
HKFRS 16	Leases	1 April 2019	香港財務報告準則第16號	租賃
HK(IFRIC)-Int 23	Uncertainty over income tax treatments	1 April 2019	香港(國際財務報告詮釋委員會)一詮釋第23號	有關所得稅處理之不確定性
Conceptual Framework for Financial Reporting 2018	Revised conceptual framework for financial reporting	1 April 2020	2018年財務報告概念框架	經修訂財務報告概念框架
Amendments to HKFRS 3 (Revised)	Definition of a business	1 April 2020	香港財務報告準則第3號 (修訂本)	業務之定義
Amendments to HKAS 1 & HKAS 8	Definition of Material	1 April 2020	香港會計準則第1號及香港會計準則第8號 (修訂本)	重大之定義
HKFRS 17	Insurance contracts	1 April 2021	香港財務報告準則第17號	保險合約
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined	香港財務報告準則第10號及香港會計準則第28號 (修訂本)	投資者與其聯營公司或合營企業之間的資產出售或出繳

2 編製基準與主要會計政策概要(續)**2.1 編製基準(續)**

(b) *已頒佈但未生效之新訂準則及準則修訂*

下列為已頒佈之新訂及經修訂準則以及詮釋，但並未於2018年4月1日開始之財政年度生效且本集團並未提早採納：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2.1 Basis of preparation (Cont'd)**

(b) *New standards and amendments to standards that have been issued but are not effective (Cont'd)*

The Group's assessment of the impact of these new standards and interpretations is set out below:

HKFRS 16, "Leases"

Nature of change

HKFRS 16 will result in almost all leases being recognised on the consolidated balance sheet by lessees as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

Impact

Based on management's initial assessment, the initial adoption of HKFRS 16 in the future will result in an increase in the right-of-use assets and the lease liabilities, which is expected to result in an increase in both assets and liabilities in the consolidated balance sheet. The adoption will also front-load the expense recognition in the consolidated income statement over the period of the leases, as a result of the combination of the interest expenses arising from the lease liabilities and the amortisation of the right-of-use assets as compared to the rental expenses under existing standard.

The overall impact on profit before income tax will not be affected significantly, except interest expense on lease liability will be included in "finance costs", which are currently a part of rental expenses recognised. The payment for lease liability will be mostly reflected in financing cash flow, with the interest portion recognised as interests paid.

Date of adoption by Group

The Group will apply the standard from 1 April 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for leases will be measured at the amount of the lease liability on adoption.

There are no other HKFRSs or HK(IFRIC) interpretations that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2 編製基準與主要會計政策概要(續)**2.1 編製基準(續)**

(b) *已頒佈但未生效之新訂準則及準則修訂(續)*

下列載述本集團評估該等新準則及詮釋的影響：

香港財務報告準則第16號，「租賃」

變動性質

在經營租賃及融資租賃之間的差異遭取消的情況下，香港財務報告準則第16號將導致承租人的近乎所有租賃均在綜合資產負債表中確認。根據新訂準則，以資產(租賃項目的使用權)及金融負債繳納租金均獲確認，惟期限較短及價值較低租賃不在此列。

影響

根據管理層的初步評估，於日後首次採納香港財務報告準則第16號將導致使用權資產及租賃負債增加，預期這將導致綜合資產負債表中資產及負債均會增加。對比現行準則下的租金開支，由於租賃負債產生的利息支出與使用權資產的攤銷相結合，故採用新準則亦將在租賃期內將開支確認提早計入綜合收益表中。

所得稅前溢利不會受重大影響，惟現時確認為租金開支一部份的租賃負債利息開支將會計入「財務成本」。支付租賃負債將主要於融資現金流量中反映，利息部份則確認為已付利息。

本集團的採納日期

本集團將於2019年4月1日起應用該準則。本集團擬應用簡化過渡方法，並不會重列首次採納前的年度之比較金額。租賃使用權資產將按租賃負債於採納時之金額計量。

概無其他尚未生效但預期將會對當前或未來申報期間的實體及可見將來交易造成重大影響的香港財務報告準則或香港(國際財務報告詮釋委員會)詮釋。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2.2 Changes in accounting policies**

This note explains the impact of the adoption of HKFRS 9 “Financial Instruments” and HKFRS 15 “Revenue from Contracts with Customers” on the Group’s financial statements.

2.2(a) Impact on the consolidated financial statements

The Group elected to adopt HKFRS 9 and HKFRS 15 without restating comparatives. The reclassifications and the adjustments are therefore not reflected in the consolidated balance sheet as at 31 March 2018, but are recognised in the opening consolidated balance sheet on 1 April 2018.

綜合財務報表附註(續)

2 編製基準與主要會計政策概要(續)**2.2 會計政策變動**

本附註解釋採納香港財務報告準則第9號「金融工具」及香港財務報告準則第15號「來自客戶合約之收入」對本集團財務報表的影響。

2.2(a) 對綜合財務報表之影響

本集團選擇採納香港財務報告準則第9號及香港財務報告準則第15號時不重列可資比較資料。因此重新分類及調整並未於2018年3月31日的綜合資產負債表中反映，但於2018年4月1日的年初綜合資產負債表中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2 編製基準與主要會計政策概要(續)

2.2 Changes in accounting policies (Cont'd)

2.2 會計政策變動(續)

2.2(b) HKFRS 9 Financial Instruments

2.2(b) 香港財務報告準則第9號金融工具

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments and impairment of financial assets.

香港財務報告準則第9號取代香港會計準則第39號有關確認、分類及計量金融資產及金融負債、終止確認金融工具及金融資產減值的條文。

(i) Classification and measurement

(i) 分類及計量

On 1 April 2018 (the date of initial application of HKFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories. The main effects resulting from this reclassification are as follows:

於2018年4月1日(香港財務報告準則第9號首次採納日期),本集團管理層已評估本集團所持有金融資產的業務模式,並已將其金融工具分類為香港財務報告準則第9號之適當類別。重新分類產生的主要影響如下:

		Available-for sale financial assets 可供出售金融資產 HK\$'000 千港元	Financial assets at fair value through other comprehensive income 按公允值計入其他全面收入的金融資產 HK\$'000 千港元
Closing balance as at 31 March 2018 – HKAS 39	於2018年3月31日年終結餘 – 香港會計準則第39號	853	–
Reclassify investments from available-for-sale financial assets to financial assets at fair value through other comprehensive income	將投資由可供出售金融資產重新分類為按公允值計入其他全面收入的金融資產	(853)	853
Opening balance as at 1 April 2018 – HKFRS 9	於2018年4月1日年初結餘 – 香港財務報告準則第9號	–	853

Other financial assets, which were previously classified as loan and receivables category under HKAS 39, are now classified as financial assets at amortised cost and have no impact on their measurement.

過往根據香港會計準則第39號分類為貸款及應收款項類別之其他金融資產現時已分類為按攤銷成本列賬的金融資產,而其計量方式並無受到影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2.2 Changes in accounting policies (Cont'd)***2.2(b) HKFRS 9 Financial Instruments (Cont'd)**(ii) Impairment of financial assets*

The Group has four types of financial assets at amortised cost subject to HKFRS 9's new expected credit loss model:

- Trade and bills receivables;
- Other receivables (excluding prepayments);
- Amounts due from associates; and
- Short term bank deposits and cash and cash equivalents.

The Group was required to revise its impairment methodology under HKFRS 9 for each of these classes of financial assets.

While cash and cash equivalents and short-term bank deposits are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

For other receivables, management considers that their credit risk has not increased significantly since initial recognition with reference to the counterparty historical default rate and current financial position. The impairment provision is determined based on the 12-month expected credit losses which is immaterial.

Trade and bills receivables and amounts due from associates

The Group applies the simplified approach to measure the expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade and bills receivables and amounts due from associates.

The adoption of the simplified expected loss approach under HKFRS 9 has not resulted in any additional impairment loss for trade receivables and amounts due from associates as at 1 April 2018.

Impairment losses on trade receivables is presented within operating profit from 1 April 2018.

2 編製基準與主要會計政策概要(續)**2.2 會計政策變動(續)***2.2(b) 香港財務報告準則第9號金融工具(續)**(ii) 金融資產減值*

根據香港財務報告準則第9號中新的預期信貸虧損模式，本集團有四類按攤銷成本列賬的金融資產：

- 應收賬款及票據；
- 其他應收款項(預付款項除外)；
- 應收聯營公司款項；及
- 短期銀行存款以及現金及現金等值項目。

根據香港財務報告準則第9號，本集團須修訂各類金融資產的減值方法。

儘管現金及現金等值項目以及短期銀行存款亦須遵守香港財務報告準則第9號的減值要求，但已確認的減值虧損並不重大。

就其他應收款項而言，管理層認為其信貸風險自初始確認後並未因參考對手方歷史違約率及當前財務狀況而大幅增加。按12個月預期信貸虧損釐定的減值撥備並不重大。

應收賬款及票據以及應收聯營公司款項

本集團應用香港財務報告準則第9號所訂明的簡化方法計量預期信貸虧損，該規定允許對所有應收賬款及票據以及應收聯營公司款項採用整個生命期的預期虧損撥備。

於2018年4月1日，採用香港財務報告準則第9號規定的簡化預期虧損方法並未導致應收賬款及應收聯營公司款項產生任何額外減值虧損。

自2018年4月1日起應收賬款減值虧損於經營溢利內列報。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Changes in accounting policies (Cont'd)

2.2(c) HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 replaces HKAS 18 Revenue, which resulted in changes in accounting policies that relate to timing of revenue recognition and presentation of contract liabilities.

The adoption of HKFRS 15 does not have a significant impact on when the Group recognises revenue from sales of goods.

As a result of the changes in the Group's accounting policies, certain reclassifications are not reflected in the consolidated balance sheet as at 31 March 2018, but are recognised in the opening consolidated balance sheet on 1 April 2018.

The following table shows the adjustment recognised for individual line item. Line items that were not affected by the changes have not been included.

The impact of the reclassifications are as follows:

		Receipt in advance 預收款項 HK\$'000 千港元	Contract liabilities 合約負債 HK\$'000 千港元
Closing balance as at 31 March 2018 – HKAS 18	於2018年3月31日年終結餘－ 香港會計準則第18號	5,179	–
Reclassifying receipts in advance to contract liabilities	將預收款項重新分類至合約負債	(5,179)	5,179
Opening balance as at 1 April 2018 – HKFRS 15	於2018年4月1日年初結餘－ 香港財務報告準則第15號	–	5,179

As at 31 March 2019, contract liabilities of HK\$794,000 represented receipt in advance from customers. These items were included in accruals and other payables (Note 21).

2 編製基準與主要會計政策概要(續)

2.2 會計政策變動(續)

2.2(c) 香港財務報告準則第15號來自客戶合約之收入

香港財務報告準則第15號取代香港會計準則第18號收入，其導致關乎收入確認時間及合約負債呈列的會計政策變動。

採納香港財務報告準則第15號對本集團何時確認銷售貨品所得收入並無重大影響。

由於本集團會計政策的變動，若干重新分類並未於2018年3月31日的綜合資產負債表中反映，但於2018年4月1日的年初綜合資產負債表中確認。

下表列示就各單獨項目確認的調整。並無載入不受變動影響的項目。

重新分類的影響如下：

於2019年3月31日，794,000港元的合約負債指預收客戶款項。此等項目計入應計項目及其他應付款項(附註21)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2.3 Subsidiaries***2.3.1 Consolidation*

Subsidiaries are entities (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the aggregate fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of profit or loss.

綜合財務報表附註(續)

2 編製基準與主要會計政策概要(續)**2.3 附屬公司***2.3.1 綜合賬目*

附屬公司指本集團對其具有控制權之實體(包括結構性實體)。當本集團因為參與該實體而承擔可變回報之風險或享有可變回報之權利,並有能力透過其對該實體之權力影響此等回報時,本集團即控制該實體。附屬公司自控制權轉移至本集團之日起綜合入賬。附屬公司自控制權終止之日起停止綜合入賬。

(a) 業務合併

本集團應用收購法為業務合併列賬。收購附屬公司之轉讓代價為向被收購方前擁有人轉讓之資產、產生之負債及本集團所發行股本權益之公允值總額。所轉讓代價包括或然代價安排產生之任何資產或負債之公允值。收購相關成本於產生時列為開支。在業務合併中所收購可識別之資產以及所承擔之負債及或有負債,首先以其於收購日期之公允值計量。本集團根據逐項收購基準按公允值或非控制性權益佔被收購方之可識別資產淨值之已確認金額之比例,確認任何於被收購方之非控制性權益。非控制性權益之所有其他組成部分按收購日期之公允值計量,惟香港財務報告準則規定按其他計量基準計量者除外。

所轉讓代價、被收購方之任何非控制性權益數額及任何先前於被收購方之權益在收購日期之公允值,超過購入可識別資產淨值之公允值之數額記錄為商譽。如所轉讓代價、確認之非控制性權益及先前持有之權益計量之總和低於購入附屬公司資產淨值之公允值(於議價購買之情況下),則將該差額直接在綜合損益表中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2 編製基準與主要會計政策概要(續)

2.3 Subsidiaries (Cont'd)

2.3 附屬公司(續)

2.3.1 Consolidation (Cont'd)

2.3.1 綜合賬目(續)

(a) Business combinations (Cont'd)

(a) 業務合併(續)

Intra-Group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

集團內公司之間之交易、結餘及交易之未變現收益予以對銷。未變現虧損亦予以對銷。附屬公司報告之數額已按需要作出改變，以確保與本集團會計政策相符。

(b) Changes in ownership interests in subsidiaries without change in control

(b) 不涉及控制權變動之於附屬公司擁有權益變動

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

並無導致失去控制權之非控制性權益交易入賬列作權益交易—即與擁有人以彼等作為擁有人身份進行之交易。任何已付代價公允值與有關應佔所收購附屬公司資產淨值賬面值之間之差額均計入權益。出售非控制性權益之收益或虧損亦計入權益。

(c) Disposal of subsidiaries

(c) 出售附屬公司

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

倘本集團不再擁有控制權，於該實體之任何保留權益按其失去控制權當日之公允值重新計量，而賬面值變動則於損益內確認。就隨後入賬列作一間聯營公司、合營公司或金融資產之保留權益而言，此公允值即初步賬面值。此外，先前於其他全面收入內確認與該實體有關之任何金額按猶如本集團已直接出售有關資產或負債之方式入賬。這可能意味著先前在其他全面收入內確認之金額重新分類至損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2.3 Subsidiaries (Cont'd)***2.3.2 Separate financial statements*

Interests in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividends received and receivable.

Impairment testing of the interests in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the financial statements of the investee's net assets including goodwill.

2.4 Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Interests in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition and the investor's share of movements in other comprehensive income of the investee in other comprehensive income. The Group's interests in associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the aggregate fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the consolidated statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its investments in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

綜合財務報表附註(續)

2 編製基準與主要會計政策概要(續)**2.3 附屬公司(續)***2.3.2 獨立財務報表*

於附屬公司之權益乃以成本減減值入賬。成本亦包括投資之直接應佔費用。附屬公司之業績由公司按已收及應收股息入賬。

當收到於附屬公司之投資之股息時，如股息超過附屬公司在宣派股息期間之總全面收入，或在獨立財務報表之投資賬面值超過被投資方資產淨值(包括商譽)在財務報表之賬面值時，必須對有關投資進行減值測試。

2.4 聯營公司

聯營公司是指本集團對其有重大影響力而無控制權之所有實體，通常附帶有20%至50%投票權之股權。於聯營公司權益以權益會計法入賬。根據權益法，投資初始以成本確認，賬面值可予增減，以確認投資公司於收購日期後應佔所投資公司之損益及投資者應佔所投資公司其他全面收入之其他全面收入變動。本集團於聯營公司之權益包括於收購時識別之商譽。在購買一間聯營公司之所有權權益時，購買成本與本集團享有之聯營公司可識別資產和負債之公允值總額之任何差額入賬列作商譽。

如於一間聯營公司之所有權權益被削減但仍保留重大影響力，僅按比例將之前在其他全面收入中確認之數額重新分類至損益(如適當)。

本集團應佔購買後利潤或虧損於綜合損益表內確認，而其應佔購買後之其他全面收入變動則於其他全面收入內確認，並相應調整投資賬面值。如本集團應佔一間聯營公司之虧損等於或超過其在該聯營公司之投資，包括任何其他無抵押應收款，本集團不會確認進一步虧損，除非本集團對聯營公司已產生法律或推定債務或已代聯營公司作出付款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2 編製基準與主要會計政策概要(續)

2.4 Associates (Cont'd)

The Group determines at each reporting date whether there is any objective evidence that the investments in associates are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of profit of an associate" in the consolidated statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. The financial information of associates has been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Gain or losses on dilution of equity interest in associates are recognised in the consolidated statement of profit or loss.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors collectively, who make strategic decisions.

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the group entity operates (the "functional currency"). The consolidated financial statements are presented in HK\$, which is the Company's functional and the Group's presentation currency.

2.4 聯營公司(續)

本集團在每個報告日期釐定是否有客觀證據證明聯營公司投資已減值。如投資已減值，本集團計算減值，數額為聯營公司可收回數額與其賬面值之差額，並在綜合損益表中緊鄰「分佔一間聯營公司之溢利」確認有關數額。

本集團與其聯營公司之間之上下游交易產生之損益，以無關連投資公司於聯營公司之權益為限，在本集團之財務報表確認。除非交易提供證據顯示所轉讓資產減值，否則未變現虧損予以對銷。聯營公司之財務資料已按需要作出改變，以確保與本集團採用之會計政策一致。

於聯營公司之股權所產生之攤薄盈虧於綜合損益表確認。

2.5 分部呈報

報告經營分部之基準與向首席經營決策者所提供之內部報告所採用之基準貫徹一致。首席經營決策者負責分配資源和評估經營分部之表現，其為作出策略決定之執行董事全體。

2.6 外幣換算

(a) 功能及呈列貨幣

本集團各實體之財務報表所列項目，均以集團實體經營所在主要經濟環境之貨幣（「功能貨幣」）計量。綜合財務報表乃以本公司之功能貨幣及本集團之呈列貨幣港元呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2.6 Foreign currency translation (Cont'd)***(b) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of profit or loss within "finance income" or "finance costs". All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss within "other income and other gains/(losses) – net".

Changes in the fair value of monetary securities denominated in foreign currency classified as financial assets at fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the securities and other changes in the carrying amount of the securities. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as financial assets at fair value through other comprehensive income, are included in other comprehensive income.

綜合財務報表附註(續)

2 編製基準與主要會計政策概要(續)**2.6 外幣換算(續)***(b) 交易及結餘*

外幣交易按交易或項目重新計量日之匯率換算為功能貨幣。結算該等交易及按年結日之匯率換算以外幣列值之貨幣資產及負債所產生外匯盈虧均於綜合損益表確認。

借貸、現金及現金等值項目有關之匯兌盈虧在綜合損益表內之「財務收入」或「財務成本」中列報。所有其他匯兌盈虧於綜合損益表「其他收入及其他收益／(虧損)－淨額」中呈列。

分類為按公允值計入其他全面收入的金融資產之外幣列值貨幣證券之公允值變動，分析為證券攤銷成本變動產生之換算差額及證券賬面值之其他變動。攤銷成本變動相關之換算差額乃於損益確認，而賬面值其他變動則於其他全面收入確認。

非貨幣金融資產及負債(例如按公允值計入損益之權益)之換算差額乃於損益中確認為公允值損益之一部分。分類為按公允值計入其他全面收入的金融資產之權益等非貨幣金融資產之換算差額於其他全面收入入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2 編製基準與主要會計政策概要(續)

2.6 Foreign currency translation (Cont'd)

2.6 外幣換算(續)

(c) *Group companies*

(c) *集團公司*

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

集團旗下所有實體(當中不持有嚴重通脹經濟之貨幣)之功能貨幣倘有別於呈列貨幣,則其業績及財務狀況須按以下方式換算為呈列貨幣:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

- (i) 每份資產負債表內所呈列資產及負債按該結算日之收市匯率換算;
- (ii) 每份損益表所列收益及開支按平均匯率換算,除非此平均匯率不足以合理反映於交易日期適用匯率之累計影響,則在此情況下,收益及開支按交易日期之匯率換算;及
- (iii) 所有由此產生之匯兌差額均確認為其他全面收入。

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

收購海外實體時產生之商譽及公允值調整視為該海外實體之資產及負債處理,並按收市匯率換算。所產生匯兌差額均計入其他全面收入。

2.7 Leasehold land and land use rights

2.7 租賃土地及土地使用權

The up-front prepayments made for leasehold land interests and land use rights are accounted for as operating leases. They are expensed in the consolidated statement of profit or loss on a straight-line basis over the periods of the lease or the land use right. When there is impairment, the impairment is expensed in the consolidated statement of profit or loss.

就租賃土地權益及土地使用權作出之前期預付款項按經營租約列賬,並於該租約年期或按土地使用權以直線法在綜合損益表支銷,或倘出現減值,則於綜合損益表支銷減值。

2.8 Property, plant and equipment

2.8 物業、廠房及設備

Land and buildings comprise mainly factories and offices. Leasehold land interests classified as finance leases and all other property, plant and equipment other than construction in progress are stated at historical cost less depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

土地及樓宇主要包括廠房及辦公室。分類為融資租賃之租賃土地權益與所有其他物業、廠房及設備(在建工程除外)乃按歷史成本減折舊及減值虧損(如有)列賬。歷史成本包括收購項目直接產生之開支。成本亦可包括從權益中轉撥之有關利用外幣購買物業、廠房及設備之合資格現金流量套期產生之任何收益/虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.8 Property, plant and equipment (Cont'd)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the period in which they are incurred.

Leasehold land interests classified as finance leases commence amortisation from the time when the land interest becomes available for its intended use. Amortisation on leasehold land classified as finance lease and depreciation on other assets other than construction in progress are calculated using the straight-line method to allocate their costs (less estimated residual values, if any) over their estimated useful lives at the annual rates, as follows:

Leasehold land classified as finance lease	Over the remaining lease term (2%)
Buildings	4% – 5%
Plant and machinery	10% – 20%
Leasehold improvements	20% – 33% or shorter of the lease terms
Furniture and equipment	20% – 33%
Motor vehicles	20% – 25%
Computer software	10%

The assets' useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Construction in progress represents buildings, plant and machinery and leasehold improvements, furniture and equipment on which construction work has not been completed. It is carried at cost which includes construction expenditures and other direct costs less any impairment losses. On completion, construction in progress is transferred to the appropriate categories of property, plant and equipment at cost less accumulated impairment losses if any. No depreciation is provided for construction in progress until the asset is completed and available for use.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised within in the consolidated statement of profit or loss.

綜合財務報表附註(續)

2 編製基準與主要會計政策概要(續)

2.8 物業、廠房及設備(續)

只有當與項目相關之日後經濟利益有可能流入本集團及能可靠地計算項目成本之情況下，往後成本方會計入資產之賬面值或確認為獨立資產(按適用情況)。替換部分之賬面值予以取消確認。所有其他維修及保養於其產生期間在綜合損益表支銷。

分類為融資租賃之租賃土地權益，自土地權益可供其擬定用途時開始攤銷。分類為融資租賃之租賃土地之攤銷及其他資產(在建工程除外)以直線法計算折舊，以根據年率按其估計可使用年期攤銷成本(減去估計剩餘價值(如有))如下：

分類為融資租賃之租賃土地	剩餘租賃期內(2%)
樓宇	4% – 5%
廠房及機器	10% – 20%
租賃物業裝修	20% – 33%或較短租期
傢具及設備	20% – 33%
汽車	20% – 25%
電腦軟件	10%

資產之可使用年期會於每個結算日檢討及(倘適用)作出調整。

倘資產之賬面值超過其估計可收回金額，則資產之賬面值將即時撇減至其可收回金額。

在建工程指建設工程尚未完成之樓宇、廠房及機器及租賃物業裝修、傢具及設備，乃按成本(包括工程開支及其他直接成本)減任何減值虧損列賬。完成時，在建工程會按成本減累計減值虧損(如有)轉撥至適當類別之物業、廠房及設備。在建工程於資產落成及可投入使用時方就折舊撥備。

出售盈虧按比較所得款項與賬面值釐定，並於綜合損益表中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2 編製基準與主要會計政策概要(續)

2.9 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9 非金融資產之減值

倘事件或情況變動顯示賬面值或不可收回，須作攤銷之資產亦會作減值檢討。在資產賬面值高於可收回數額時須將差額確認為減值虧損。可收回數額即資產公允值減銷售成本與使用價值兩者當中之較高者。為評估減值，資產按獨立可識別現金流量之最低水平（現金產生單位）分類。商譽以外之非金融資產若出現減值，則須於各報告日期評估會否撥回減值。

2.10 Financial assets

2.10 金融資產

2.10.1 Accounting policies applied from 1 April 2018

2.10.1 自2018年4月1日起應用的會計政策

(i) Classification

The Group classifies its financial assets in the following measurement categories:

(i) 分類

本集團將其金融資產按以下計量類別分類：

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

- 隨後將按公允值計量（計入其他全面收入或計入損益）；及
- 將按攤銷成本計量。

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

該分類取決於實體管理金融資產及現金流量合約期之業務模式。

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

就按公允值計量的資產而言，其收益及虧損將於損益或其他全面收入列賬。就債務工具投資而言，將取決於本集團有否於初始確認時不可撤回地選擇將股本投資以按公允值計入其他全面收入之方式入賬。

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

本集團僅會於管理債務投資之業務模式改變時方將該等資產重新分類。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2.10 Financial assets (Cont'd)***2.10.1 Accounting policies applied from 1 April 2018 (Cont'd)**(ii) Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group 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 that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of comprehensive income.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the consolidated statement of comprehensive income when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

綜合財務報表附註(續)

2 編製基準與主要會計政策概要(續)**2.10 金融資產(續)***2.10.1 自2018年4月1日起應用的會計政策(續)**(ii) 確認及終止確認*

常規購買及出售金融資產在交易日確認，交易日指本集團承諾購買或出售該資產之日。當從金融資產收取現金流量之權利已到期或已轉讓，而本集團已實質上將所有權之所有風險和報酬轉讓時，金融資產即終止確認。

(iii) 計量

初始確認時，本集團按金融資產的公允值加(倘並非按公允值計入損益的金融資產)直接歸屬於收購金融資產的交易成本計量該金融資產。按公允值計入損益的金融資產的交易成本於綜合全面收益表列作開支。

債務工具

債務工具之後續計量取決於本集團管理資產之業務模式及該資產之現金流量特徵。本集團將其債務工具分類為三種計量類別：

- 攤銷成本：持作收回合約現金流量之資產，倘該等現金流量僅指支付之本金及利息，則按攤銷成本計量。後續按攤銷成本計量且並非對沖關係一部份之債務投資的收益或虧損於資產終止確認或減值時於綜合全面收益表確認。該等金融資產的利息收入採用實際利率法計入財務收入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2 編製基準與主要會計政策概要(續)

2.10 Financial assets (Cont'd)

2.10 金融資產(續)

2.10.1 Accounting policies applied from 1 April 2018 (Cont'd)

2.10.1 自2018年4月1日起應用的會計政策(續)

(iii) Measurement (Cont'd)

(iii) 計量(續)

Debt instruments (Cont'd)

債務工具(續)

- Fair value through other comprehensive income: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (OCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the consolidated statement of comprehensive income and recognised in 'other income and gains – net'. Interest income from these financial assets is included in finance income using the effective interest rate method.
- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or financial assets at fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the consolidated statement of comprehensive income within "other income and gains – net" in the period in which it arises. Interest income from these financial assets is included in the "finance income".
- 按公允值計入其他全面收入：持作收合同約現金流量及出售金融資產之資產，倘該等資產現金流量僅指支付本金及利息，則按公允值計入其他全面收入(其他全面收入)計量。賬面值之變動乃計入其他全面收入，惟於損益確認之減值收益或虧損、利息收入及匯兌盈虧除外。金融資產終止確認時，先前於其他全面收入確認之累計收益或虧損由權益重新分類至綜合全面收益表並於「其他收入及收益－淨額」確認。該等金融資產的利息收入採用實際利率法計入財務收入。
- 按公允值計入損益：未達攤銷成本標準或未按公允值計入其他全面收入的資產按公允值計入損益計量。後續按公允值計入損益計量且並非對沖關係一部份的債務投資的收益或虧損於損益確認，並於產生期間在「其他收入及收益－淨額」內以淨值呈列。該等金融資產的利息收入計入「財務收入」。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2.10 Financial assets (Cont'd)***2.10.1 Accounting policies applied from 1 April 2018 (Cont'd)**(iii) Measurement (Cont'd)**Equity instruments*

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the consolidated statement of comprehensive income. Dividends from such investments continue to be recognised in the consolidated statement of comprehensive income as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in "other gains/(losses), net" in the consolidated statement of comprehensive income as applicable.

(iv) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and financial assets at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and bills receivables and amounts due from associates, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

綜合財務報表附註(續)

2 編製基準與主要會計政策概要(續)**2.10 金融資產(續)***2.10.1 自2018年4月1日起應用的會計政策(續)**(iii) 計量(續)**權益工具*

本集團按公允值後續計量所有權益投資。倘本集團管理層選擇於其他全面收入列報權益投資之公允值收益及虧損，概無後續重新分類公允值收益及虧損至綜合全面收益表。當本集團有權收取股息付款時，該等投資之股息繼續於綜合全面收益表確認為其他收入。

按公允值計入損益之金融資產的公允值變動於綜合全面收益表的「其他收益／(虧損)」確認(如適用)。

(iv) 減值

本集團按前瞻性原則，對按攤銷成本列賬的金融資產及按公允值計入其他全面收入的金融資產相關的預期信貸虧損進行評估。所採用的減值方法取決於信貸風險是否大幅增加。

就應收賬款及票據以及應收聯營公司款項而言，本集團採用香港財務報告準則第9號允許的簡化方法，其中要求整個生命期的預期虧損須自初始確認應收款項時確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2 編製基準與主要會計政策概要(續)

2.10 Financial assets (Cont'd)

2.10 金融資產(續)

2.10.2 Accounting policies applied until 31 March 2018

2.10.2 於2018年3月31日前應用的會計政策

The Group has applied HKFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policies.

本集團追溯應用香港財務報告準則第9號，但選擇不重列比較資料。因此，所提供的比較資料繼續根據本集團過往的會計政策入賬。

(i) Classification

The Group classifies its financial assets in the following categories: available-for-sale financial assets, financial assets at fair value through profit or loss, and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) 分類

本集團將其金融資產按以下類別分類：可供出售金融資產、按公允值計入損益之金融資產，以及貸款及應收款項。分類取決於購入金融資產之目的。管理層在初始確認時釐定其金融資產分類。

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(a) 按公允值計入損益之金融資產

按公允值計入損益之金融資產指持作買賣之金融資產。金融資產若在購入時主要用作在短期內出售，則分類為此類別。衍生工具除非被指定為對沖，否則亦分類為持作買賣。倘預期於12個月內結算之資產分類為流動資產；否則，分類為非流動資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2.10 Financial assets (Cont'd)***2.10.2 Accounting policies applied until 31 March 2018 (Cont'd)**(i) Classification (Cont'd)**(b) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise trade and bills receivables, deposits and other receivables, amount due from associates and cash and bank balances in the consolidated balance sheet.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the balance sheet date.

綜合財務報表附註(續)

2 編製基準與主要會計政策概要(續)**2.10 金融資產(續)***2.10.2 於2018年3月31日前應用的會計政策(續)**(i) 分類(續)**(b) 貸款及應收款項*

貸款及應收款項為附帶固定或待定付款而並無活躍市場報價之非衍生金融資產，均列入流動資產，惟到期日為結算日起計超過12個月後償還或預期會償還之款項，則歸類為非流動資產。本集團之貸款及應收款項包括綜合資產負債表所列之應收賬款及應收票據、按金及其他應收款項、應收聯營公司款項以及現金及銀行結餘。

(c) 可供出售金融資產

可供出售金融資產乃指定為此類別或並無歸類為任何其他類別之非衍生金融工具。除非投資到期或管理層擬在結算日後12個月內出售有關投資，否則列為非流動資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2 編製基準與主要會計政策概要(續)****2.10 Financial assets (Cont'd)****2.10 金融資產(續)***2.10.2 Accounting policies applied until 31 March 2018 (Cont'd)**2.10.2 於2018年3月31日前應用的會計政策(續)**(ii) Recognition and measurement**(ii) 確認與計量*

Regular way of purchases and sales of financial assets are recognised on the trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

常規購買及出售金融資產在交易日確認－交易日指本集團承諾購買或出售該資產之日。對於並非按公允值計入損益之所有金融資產，其投資初始按其公允值加交易成本確認。按公允值計入損益之金融資產，初始按公允值確認，而交易成本則在綜合損益表支銷。當從投資收取現金流量之權利已到期或已轉讓，而本集團已實質上將所有權之所有風險和報酬轉讓時，金融資產即終止確認。可供出售金融資產及按公允值計入損益之金融資產其後按公允值列賬。貸款及應收款項其後利用實際利率法按攤銷成本列賬。

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the consolidated statement of profit or loss within "other income and other gains/(losses) – net" in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the consolidated statement of profit or loss as part of other income when the Group's right to receive payments is established.

來自「按公允值計入損益之金融資產」類別之公允值變動所產生之收益或虧損，列入產生期間綜合損益表內之「其他收入及其他收益／(虧損)－淨額」中。來自按公允值計入損益之金融資產之股息收入，當本集團收取有關款項之權利確定時，在綜合損益表內確認為部分其他收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2.10 Financial assets (Cont'd)***2.10.2 Accounting policies applied until 31 March 2018 (Cont'd)**(ii) Recognition and measurement (Cont'd)*

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated statement of profit or loss as "other income and other gains/(losses) – net".

Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated statement of profit or loss as part of other income. Dividends on available-for-sale equity instruments are recognised in the consolidated statement of profit or loss as part of other income when the Group's right to receive payments is established.

*(iii) Impairment**(a) Assets carried at amortised cost*

The Group assesses at the end of each balance sheet date whether there is objective evidence that a financial asset or Group of financial assets is impaired. A financial asset or a Group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or Group of financial assets that can be reliably estimated.

綜合財務報表附註(續)

2 編製基準與主要會計政策概要(續)**2.10 金融資產(續)***2.10.2 於2018年3月31日前應用的會計政策(續)**(ii) 確認與計量(續)*

分類為可供出售之貨幣性及非貨幣性證券之公允值變動在其他全面收入中確認。

當分類為可供出售之證券出售或出現減值時，其於權益確認之累計公允值調整將列入綜合損益表「其他收入及其他收益／(虧損)－淨額」。

可供出售證券利用實際利率法計算之利息在綜合損益表內確認為部分其他收益。至於可供出售權益工具之股息，當本集團收取有關款項之權利確定時，在綜合損益表內確認為部分其他收益。

*(iii) 減值**(a) 以攤銷成本列賬之資產*

本集團於每個結算日評估是否存在客觀證據證明某項金融資產或某個金融資產組別出現減值。只有當存在客觀證據證明於首次確認資產後發生一宗或多宗事件導致出現減值(「虧損事項」)，而該宗虧損事項(或該等虧損事項)對該項或該組金融資產之估計未來現金流量構成之影響可以合理估計，有關金融資產或金融資產組別才算出現減值及產生減值虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2 編製基準與主要會計政策概要(續)

2.10 Financial assets (Cont'd)

2.10 金融資產(續)

2.10.2 Accounting policies applied until 31 March 2018 (Cont'd)

2.10.2 於2018年3月31日前應用的會計政策(續)

(iii) Impairment (Cont'd)

(iii) 減值(續)

(a) Assets carried at amortised cost (Cont'd)

(a) 以攤銷成本列賬之資產(續)

Evidence of impairment may include indications that the debtors or a Group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

減值虧損之證據可包括債務人或一組債務人遇上嚴重財政困難、逾期或拖欠償還利息或本金、債務人很有可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流量有可計量之減少，例如與違約有相互關連之拖欠情況或經濟狀況改變。

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss. If a loan investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

就貸款及應收款項種類而言，損失金額乃根據資產賬面值與按金融資產原實際利率折現而估計未來現金流量(不包括仍未產生之未來信用損失)之現值兩者之差額計量。資產賬面值予以削減，而損失金額則在綜合損益表確認。如貸款投資有浮動利率，計量任何減值虧損之折現率為按合約釐定之當前實際利率。在實際應用中，本集團可利用可觀察之市價，按工具之公允值計量減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2.10 Financial assets (Cont'd)***2.10.2 Accounting policies applied until 31 March 2018 (Cont'd)**(iii) Impairment (Cont'd)**(a) Assets carried at amortised cost (Cont'd)*

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of profit or loss.

(b) Assets classified as available-for-sale

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a Group of financial assets is impaired.

For investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the profit and loss. Impairment losses recognised in the statement of profit or loss on equity instruments are not reversed through the consolidated statement of profit or loss.

綜合財務報表附註(續)

2 編製基準與主要會計政策概要(續)**2.10 金融資產(續)***2.10.2 於2018年3月31日前應用的會計政策(續)**(iii) 減值(續)**(a) 以攤銷成本列賬之資產(續)*

如在後繼期間，減值虧損之數額減少，而此減少可客觀地聯繫至確認減值後才發生之事件(例如債務人之信用評級有所改善)，則之前已確認之減值虧損可在綜合損益表轉回。

(b) 分類為可供出售資產

本集團在每個結算日評估是否有客觀證據證明某項金融資產或某個金融資產組別已經減值。

至於分類為可供出售之投資，證券公允值大幅度或長期跌至低於其成本值，亦是資產已經減值之證據。若可供出售金融資產存在此等證據，累計虧損—按購買成本與當時公允值之差額，減該金融資產之前在損益確認之任何減值虧損計量—自權益中剔除並在損益中確認。在損益表確認之權益工具之減值虧損不會透過綜合損益表轉回。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2 編製基準與主要會計政策概要(續)****2.11 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.11 抵銷金融工具

當有法定可執行權力可抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產和結算負債時，金融資產與負債可互相抵銷，並在資產負債表報告其淨額。該法定可強制執行權利不得依賴未來事項而定。在一般業務過程中以及倘本集團或對手方出現違約、無償債能力或破產時，也必須具有法律約束力。

2.12 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

2.12 衍生金融工具

衍生工具初始按於衍生工具合約訂立日之公允值確認，其後按其公允值重新計量。確認所產生之收益或虧損之方法取決於該衍生工具是否指定作套期工具，如指定為套期工具，則取決於其所套期項目之性質。

Derivative instruments which do not qualify for hedge accounting are accounted for at fair value through profit or loss. Changes in the fair value of these derivative instruments are recognised immediately in the consolidated statement of profit or loss.

不符合採用對沖會計法入賬之衍生工具按公允值計入損益。該等衍生工具之公允值的變動，即時於綜合損益表中確認。

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.13 存貨

存貨以成本與可變現淨值之較低者列賬。成本以加權平均法釐定。製成品及在製品之成本包括原料、直接勞工、其他直接成本及相關生產間接費用(按正常營運能力計算)，而不包括借款成本。可變現淨值為日常業務過程中之估計售價減適用之變動銷售開支。

2.14 Trade, bills and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

2.14 應收賬款、應收票據及其他應收款項

應收賬款為在日常營運活動中就貨品銷售或提供服務而應收客戶之款項。如應收賬款及其他應收款項之收回預期在一年或以內(如仍在正常經營週期中，則可較長時間)，則其被分類為流動資產；否則分類為非流動資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2 編製基準與主要會計政策概要(續)****2.14 Trade, bills and other receivables (Cont'd)**

Trade, bills and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.14 應收賬款、應收票據及其他應收款項(續)

應收賬款、應收票據及其他應收款項初步按公允值確認，其後則按實際利率法以攤銷成本扣除減值撥備計量。

2.15 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand and deposits held at call with banks.

2.15 現金及現金等值項目

在綜合現金流量表中，現金及現金等值項目包括手持現金及活期銀行存款。

2.16 Share capital

Shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16 股本

股份分類為權益。直接歸屬於發行新股或購股權之新增成本在權益中列為所得款之減少(扣除稅項)。

When any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to owners of the company until the shares are cancelled or reissued.

如任何集團公司購入本公司之權益股本(庫存股)，所支付之代價，包括任何直接所佔之新增成本(扣除所得稅)，自歸屬於本公司權益持有者之權益中扣除，直至股份被註銷或重新發行為止。

2.17 Trade, bills and other payables

Trade, bills and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade, bills and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

2.17 應付賬款、應付票據及其他應付款項

應付賬款、應付票據及其他應付款項為在日常營運活動中自供應商購買貨品或服務而應支付之義務。如應付賬款、應付票據及其他應付款項之支付日期為一年或以內(如仍在正常經營週期中，則可較長時間)，則其被分類為流動負債；否則分類為非流動負債。

Trade, bills and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

應付賬款、應付票據及其他應付款項初步按公允值確認，其後以實際利率法按攤銷成本計量。

2.18 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

2.18 借貸

借貸初步按公允值扣除所產生之交易成本確認。借貸其後按攤銷成本列賬；所得款項(扣除交易成本)與贖回價值間任何差額乃以實際利率法按借款期於綜合損益表確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2 編製基準與主要會計政策概要(續)****2.18 Borrowings (Cont'd)**

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.19 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries and associates and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2.18 借貸(續)

倘部分或全部融資很可能將被提取，則設立貸款融資時支付之費用確認為貸款之交易費用。在此情況下，費用遞延至貸款被提取為止。如沒有證據證明部分或全部融資很可能將被提取，則該費用資本化為流動資金服務之預付款，並於有關融資期間攤銷。

借貸分類為流動負債，惟本集團有無條件權利遞延償還負債日期至結算日後最少12個月者除外。

2.19 即期及遞延所得稅

期內之稅項支出包括即期和遞延稅項。除了在其他全面收入或直接權益中確認之項目相關者外，稅項在綜合損益表中確認。在該情況下，稅項亦分別在其他全面收入或直接權益中確認。

即期所得稅費用根據本公司附屬公司與聯營公司及合營公司營運及產生應課稅收入之國家於結算日已頒佈或實質頒佈之稅務法例計算。管理層就適用稅務法例詮釋所規限之情況定期評估納稅申報表之狀況，並在適當情況下根據預期須向稅務機關支付之稅款設定撥備。

遞延所得稅是以負債法就資產與負債之稅基與財務報表內之賬面值間之暫時差額確認。然而，倘遞延所得稅因初次確認一項交易(業務合併除外)之資產或負債而產生，而交易時並無對會計或應課稅溢利或虧損造成影響，則該等遞延所得稅不予計算。遞延所得稅乃按於結算日已經頒佈或實質頒佈，及預期在有關遞延所得稅資產變現或遞延所得稅負債清償時適用之稅率(及法例)釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2 編製基準與主要會計政策概要(續)****2.19 Current and deferred income tax (Cont'd)**

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on taxable temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.20 Employee benefits*(a) Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) Retirement benefits

The Group participates in various defined contribution retirement benefit schemes. A defined contribution plan is a retirement benefit scheme under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

2.19 即期及遞延所得稅(續)

遞延所得稅資產僅於可能出現日後應課稅溢利抵銷暫時差額時方會確認。

遞延所得稅按投資於附屬公司及聯營公司所產生之應課稅暫時差額作出撥備，惟本集團可控制撥回暫時差額之時間且暫時差額在可見未來不會撥回之遞延所得稅負債除外。一般而言，本集團無法控制聯營公司之暫時性差異之撥回。只有當有協議賦予本集團在可見未來控制暫時差額之撥回之能力時，與聯營公司未分配溢利所產生之應課稅暫時差額有關的遞延稅務負債方不會確認。

當有法定可執行權力將即期稅項資產與即期稅項負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對有意向以淨額基準結算所得稅結餘之應課稅主體或不同應課稅主體徵收之所得稅時，則可將遞延所得稅資產與負債互相抵銷。

2.20 僱員福利*(a) 僱員假期福利*

僱員可享有之年假之權利於該等假期累計予僱員時確認。本集團就僱員截至結算日止所提供服務而享有之年假之估計負債作出撥備。僱員可享有之病假及產假於休假時方予確認。

(b) 退休福利

本集團推行多項定額供款退休福利計劃。定額供款計劃為本集團向獨立實體作出定額供款之退休福利計劃。倘有關基金並無足夠資產就僱員於現時及過往期間所提供服務支付所有僱員福利，本集團並無法律或推定責任作出進一步供款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2 編製基準與主要會計政策概要(續)

2.20 Employee benefits (Cont'd)

2.20 僱員福利(續)

(b) Retirement benefits (Cont'd)

The schemes are generally funded through payments to state/trustee-administered funds. The Group pays contributions to publicly or privately administered funds on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) 退休福利(續)

計劃一般透過向國家／受託人管理之基金作出供款撥資。本集團按強制性、合約或自願基準向公共或私人管理基金作出供款。一經作出供款後，本集團並無進一步付款責任。供款於到期應付時確認為僱員福利支出。預付供款在可取得退回現金或可扣減日後付款之情況下確認為資產。

(c) Share-based compensation

Equity-settled share-based payment transactions

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

(c) 以股份為基礎之酬金

以權益結算以股份為基礎之交易

本集團實行以權益結算以股份為基礎之酬金計劃，根據該計劃，以本集團之權益工具(購股權)作為實體取得僱員服務之代價。授出購股權所相應獲得之僱員服務公允值確認為開支。列為開支之總額乃參考已授購股權之公允值釐定：

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

- 包括任何市場表現條件(例如實體股份價格)；
- 不包括任何服務和非市場表現歸屬條件(例如盈利能力、銷售增長目標和職工在某特定時期內留任實體)之影響；及
- 包括任何非歸屬條件影響(例如要求僱員儲蓄)。

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit or loss, with a corresponding adjustment to equity.

非市場歸屬條件包括在預期歸屬購股權數目之假設。支銷之總金額於歸屬期間確認，歸屬期間為達成所有特定歸屬條件之期間。於各結算日，該實體根據非市場歸屬條件修訂預期歸屬購股權數目之估計。彼會於損益表確認修訂原來估計(如有)之影響，並相應調整股本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2.20 Employee benefits (Cont'd)***(c) Share-based compensation (Cont'd)**Equity-settled share-based payment transactions (Cont'd)*

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

Share-based payment transactions among group entities

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to the subsidiary. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent equity accounts.

(d) Bonus plan

The expected cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

2.21 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

綜合財務報表附註(續)

2 編製基準與主要會計政策概要(續)**2.20 僱員福利(續)***(c) 以股份為基礎之酬金(續)**以權益結算以股份為基礎之交易(續)*

於購股權獲行使時，本公司會發行新股。扣除任何直接應佔交易成本所收取之所得款項計入股本(面值)及股份溢價。

集團內以股份為基礎之交易

本公司向本集團附屬公司之職工授予其權益工具之購股權，被視為附屬公司資本投入。收取職工服務之公允值，參考授出日之公允值計量，並在歸屬期內確認，作為對附屬公司投資之增加，並相對應對母公司權益賬戶之權益貸記。

(d) 花紅計劃

倘本集團因僱員提供之服務而產生現有法律或推定責任，而責任金額能可靠估算時，則將花紅計劃之預計成本確認為負債入賬。

2.21 撥備

倘本集團須就過去事件承擔現有法律或推定責任，而有可能須產生資源流出以履行該責任，並能可靠估計金額，則會確認撥備。日後營運虧損不予確認撥備。

倘出現多項類似責任，會否導致資源流出以履行責任之可能性乃於整體考慮該責任類別後確定。即使同一責任類別中任何一項可能流出資源之機會不大，仍會確認撥備。

撥備採用反映當時市場對金錢時間價值之評估及該責任之特定風險之稅前貼現率，計算預期須履行責任之開支現值作為計量準則。因時間流逝而產生之撥備增加確認為利息開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2 編製基準與主要會計政策概要(續)****2.22 Revenue and income recognition****2.22 收入及收益確認***(a) Sales of goods**(a) 銷售貨品*

Accounting policies applied from 1 April 2018

自2018年4月1日起應用的會計政策

The Group is principally engaged in the manufacturing and trading of textile products. Revenue are recognised when control of the product to has transferred, being when the products are delivered to the customers, the customer has accepted the products and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the products have been shipped to the specified location and the risk of obsolescence and loss have been transferred to the customers.

本集團主要從事紡織產品之製造及貿易。當產品的控制權轉移至客戶(即交付產品予客戶時)，而客戶已接納產品，且並無可能影響客戶接納產品的未履約義務時，本集團確認收入。當產品付運至指定地點，且陳舊及損失風險已轉移至客戶時，則落實交付。

Revenue from sales of goods is recognised based on the price specified for each order, net of the provision for customer claims. Accumulated experience is used to estimate and provide for the claims and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Provision for customer claims (included in accruals and other payables) is recognised for expected volume claims payable to customers in relation to sales made until the end of the reporting period.

銷售貨品的收入乃基於每份訂單各自的價格扣除客戶申索撥備確認。於估計申索及作出撥備時運用以往累積的經驗，而僅會於大額撥回極不可能發生時方會確認收入。客戶申索撥備(計入應計項目及其他應付款項)乃就於報告期末為止作出的銷售有關預期應付予客戶的大額申索確認。

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

應收款項於交付貨品時確認，原因為僅在付款日期到期前才需經過一段時間予以確認，而該階段的代價為無條件。

A contract liability (applicable from 1 April 2018) is recognised when a customer pays consideration before the Group recognises the related revenue. The Group recognised its down payments from customers under other payables and accruals as receipt in advance from customers (applicable until 31 March 2018) in the consolidated balance sheet.

合約負債(自2018年4月1日起適用)於客戶在本集團確認相關收入之前支付代價時確認。本集團將收取客戶之訂金於綜合資產負債表之其他應付款項及應計費用下確認為預收客戶款項(於2018年3月31日前適用)。

Accounting policies applied until 31 March 2018

於2018年3月31日前應用的會計政策

Sales of goods are recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when a Group's entity has delivered products to the customer; the customer has accepted the products and collectability of the related receivables is reasonably assured.

銷售貨品於收入金額能可靠計量、日後可能有經濟利益流入實體，且本集團實體已向客戶交付產品；客戶已接納有關產品並可合理確定收回相關應收款項時確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**2.22 Revenue and income recognition (Cont'd)***(b) Sub-contracting income*

The Group provides ad-hoc sub-contracting service to customers. Sub-contracting income is recognised when the services are rendered.

(c) Handling income

The Group provides handling service for purchases of raw materials on behalf. Handling income is recognised when the services are rendered.

(d) Rental income

Rental income under operating leases is recognised on a straight-line basis over the lease periods.

2.23 Interest income

Interest income on financial assets at amortised cost calculated using effective interest method is recognised in consolidated statement of profit or loss. Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

2.24 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.25 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss on a straight-line basis over the period of the lease.

綜合財務報表附註(續)

2 編製基準與主要會計政策概要(續)**2.22 收入及收益確認(續)***(b) 分包收入*

本集團按特定情況向客戶提供分包服務。分包收入於提供服務時確認。

(c) 處理收入

本集團就代為購買原材料提供處理服務。處理收入於提供服務時確認。

(d) 租金收入

經營租約之租金收入乃按租約期間以直線法來確認。

2.23 利息收入

按攤銷成本計量之金融資產的利息收入採用實際利率法計算，並於綜合損益表確認。持有作現金管理用途的金融資產所賺取的利息收入列報為財務收入。利息收入按實際利率應用於金融資產賬面總值計算。

2.24 股息收入

股息收入在收取款項之權利確定時確認。

2.25 租賃

凡擁有權的絕大部分風險及回報由出租人保留的租賃，均列作經營租賃。根據經營租賃(扣除出租人給予的任何優惠)作出的付款，於租期內以直線法於損益表扣除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2 編製基準與主要會計政策概要(續)

2.26 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group has complied with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the consolidated statement of profit or loss on a straight-line basis over the expected lives of the related assets.

2.27 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

2.28 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2.26 政府補貼

當能夠合理地保證政府補貼將可收取，且本集團已符合所有附帶條件時，將政府提供之補助按其公允值確認入賬。

與成本有關之政府補貼遞延入賬及確認，並配合按擬補償之成本所需期間計入綜合損益表中。

與購買物業、廠房及設備有關之政府補貼列入非流動負債作為遞延政府補貼，並按有關資產之預計年期以直線法在綜合損益表列賬。

2.27 或有負債

或有負債指可能因過往事件而產生之可能責任，而有關責任存在須透過一項或多項並非本集團完全控制範圍內無法肯定之日後事件發生與否方能確定。或有負債亦指因過往事件而產生之現有責任，由於可能不需要流出經濟資源或責任金額無法可靠計量而未有確認。

或有負債不予確認，惟會於綜合財務報表內披露。倘資源流出之可能性有變，以致可能流出資源，則將確認為撥備。

2.28 股息分派

分派予本公司股東之股息於本公司股東或董事(倘適用)批准股息之期間，在本集團之綜合財務報表確認為負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT**3.1 Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

*(a) Market risk**(i) Foreign exchange risk*

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollars ("US\$"), Renminbi ("RMB") and Vietnamese Dongs ("VND"). The Group manages its foreign exchange risks by performing regular review and monitoring its foreign exchange exposure. The Group hedges certain of its exposure to reduce the risk involved as appropriate.

As HK\$ is pegged to US\$, management believes that the exchange rate risk for translations between HK\$ and US\$ do not have material impact to the Group.

The Group mainly operates in Hong Kong, the PRC, Macau and Vietnam. Except for certain cash and bank balances and certain inter-company receivables denominated in foreign currencies, transactions are mainly conducted in the functional currency of the respective group entity. The foreign currency risk arising from recognised assets and liabilities is considered by the Directors to be minimal.

The Group uses forward currency contracts to economically hedge part of its foreign exchange risk. These forward currency contracts do not qualify for hedge accounting and are accounted for at fair value through profit or loss.

3 財務風險管理**3.1 財務風險因素**

本集團業務面臨多種財務風險：市場風險（包括外匯風險、現金流量及公允價值利率風險）、信貸風險及流動資金風險。本集團之整體風險管理專注於金融市場之不可預測性，並尋求將對本集團財務表現之潛在不利影響降至最低。

*(a) 市場風險**(i) 外匯風險*

本集團涉及多種貨幣之外匯風險，主要為美元（「美元」）、人民幣（「人民幣」）及越南盾（「越南盾」）。本集團透過定期審閱和不斷監察所承受外匯風險以管理其外匯風險。本集團對沖若干外匯風險以減低所涉及之風險（如適用）。

由於港元與美元掛鈎，管理層認為港元與美元換算的匯率風險不會對本集團產生重大影響。

本集團主要於香港、中國、澳門及越南營運。除了若干現金及銀行結餘與若干內部公司應收款項以外幣計算，交易主要以各集團實體之功能貨幣進行。董事認為已確認資產與負債所產生之外幣風險極小。

本集團採用遠期貨幣合約經濟對沖其部分外匯風險。該等遠期貨幣合約不符合採用對沖會計法入賬，而按公允值計入損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(a) Market risk (Cont'd)

(i) Foreign exchange risk (Cont'd)

The table below illustrates the sensitivity as at the end of the reporting period to a reasonably possible change in the respective exchange rates against the functional currency of the respective group entities, with all other variables held constant, to the profit for the year ended 31 March 2019, mainly as a result of net foreign exchange impact on translation of cash and bank balance, trade and bills receivables, deposits and other receivables, trade and bills payables and accruals and other payables denominated in these foreign currencies.

		Change in exchange rate 匯率變動	Impact on post-tax profit 除稅後溢利之影響 HK\$'000 千港元
2019	2019年		
If US\$ strengthens/weakens against RMB	倘美元對人民幣升值／貶值	+1%/-1%	2,053 higher/lower 增加／減少
If US\$ strengthens/weakens against VND	倘美元對越南盾升值／貶值	+1%/-1%	659 lower/higher 減少／增加
If RMB strengthens/weakens against HK\$	倘人民幣對港元升值／貶值	+1%/-1%	1,425 lower/higher 減少／增加
2018	2018年		
If US\$ strengthens/weakens against RMB	倘美元對人民幣升值／貶值	+1%/-1%	2,807 higher/lower 增加／減少
If US\$ strengthens/weakens against VND	倘美元對越南盾升值／貶值	+1%/-1%	843 lower/higher 減少／增加
If RMB strengthens/weakens against HK\$	倘人民幣對港元升值／貶值	+1%/-1%	1,468 lower/higher 減少／增加

(ii) Cash flow and fair value interest rate risk

Except for bank deposits and bank loans, details of which are disclosed in Note 15 and Note 18 respectively, the Group has no other significant interest-bearing assets or liabilities.

The Group's bank deposits and bank loans are subject to variable rates which expose the Group to cash flow interest rate risk. The Group manages its interest rate risk by performing regular reviews and continually monitoring its interest rate exposures. The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外匯風險(續)

下表闡釋於報告期末的各集團實體之功能貨幣各匯率的合理可能變動(其他所有變量保持不變)對截至2019年3月31日止年度溢利的敏感度分析, 主要因換算以該等外幣計值的現金及銀行結餘、應收賬款及票據、按金及其他應收款項、應付賬款及票據以及應計項目及其他應付款項的外匯影響淨值而產生。

(ii) 現金流量及公允價值利率

風險除銀行存款及銀行貸款(其詳情分別載列於附註15及附註18)外, 本集團並無其他重大計息資產或負債。

本集團之銀行存款及銀行貸款按浮動利率計息, 此令本集團面對現金流量利率風險。本集團透過定期審閱及不斷監察其利率所承受風險以管理其利率風險。本集團並無利用任何利率掉期交易以對沖其所承受之利率風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(a) Market risk (Cont'd)

(ii) Cash flow and fair value interest rate risk (Cont'd)

If the market interest rates for cash and bank balance and bank loans had been 50 basis points (2018: 50 basis points) higher/lower with all other variables held constant, the Group's profit for the year ended 31 March 2019 would have been approximately HK\$2,104,000 (2018: HK\$1,767,000) higher/lower.

(b) Credit risk

Credit risk arises from trade and bills receivables, deposits and other receivables, amounts due from associates, derivative financial instruments and cash and bank balances.

(i) Risk management

Substantially all of the cash and bank balances, as detailed in Note 15, are held in major financial institutions located in Hong Kong, the PRC, Macau and Vietnam; all derivative financial instruments are also entered into with major financial institutions, which management believes are of high credit quality. Management does not expect any losses arising from non-performance by these financial institutions.

The Group monitors the outstanding debts from its customers individually due to the concentration of credit risk. Management assesses the credit quality of the customers, taking into account its financial position, past experience and other factors. The compliance with credit limits by customers is regularly monitored by management.

(ii) Impairment of financial assets

Trade and bills receivables and amount due from associates

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade and bills receivables. To measure the expected credit losses, trade and bills receivables has been grouped based on shared credit risk characteristics and trade and bills receivables by due date.

綜合財務報表附註(續)

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 現金流量及公允價值利率(續)

倘現金及銀行結餘及銀行貸款之市場利率上升/下降50基點(2018年:50基點),而其他可變因素維持不變,本集團截至2019年3月31日止年度溢利將增加/減少約2,104,000港元(2018年:1,767,000港元)。

(b) 信貸風險

信貸風險來自應收賬款及票據、按金與其他應收賬款、應收聯營公司款項、衍生金融工具及現金及銀行結餘。

(i) 風險管理

誠如附註15所詳列,幾乎所有現金及銀行結餘存放於香港、中國、澳門及越南之主要金融機構;所有衍生金融工具均由管理層認為屬高信貸質素之主要金融機構訂立。管理層預期不會出現任何因該等金融機構不履約而產生之虧損。

由於信貸風險集中,本集團個別監察其客戶的未清償債務。管理層考慮財政狀況、過往經驗及其他因素而評估客戶之信貸質素。管理層會定期監察客戶符合信貸限額的情況。

(ii) 金融資產減值

應收賬款及票據以及應收聯營公司款項

本集團採用香港財務報告準則第9號簡化方法計量預期信貸虧損,並就所有應收賬款及票據使用整個生命期的預期虧損撥備。為計量預期信貸虧損,應收賬款及票據已按照共同信貸風險特徵及應收賬款及票據到期日分組。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(b) Credit risk (Cont'd)

(ii) Impairment of financial assets (Cont'd)

Trade and bills receivables and amount due from associates (Cont'd)

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 March 2018 or 1 April 2018 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group has identified the Gross Domestic Products of the countries in which it sells its goods and services to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

According to above mentioned consideration, the Group assessed the loss allowance of trade and bills receivables past due for less than 60 days are immaterial, whereas full provision was provided for trade and bills receivables past due over 60 days.

Impairment losses on trade receivables is presented as provision for impairment of trade receivables within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Previous accounting policy for impairment of trade receivables

In prior years, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment.

綜合財務報表附註(續)

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 金融資產減值(續)

應收賬款及票據以及應收聯營公司款項(續)

預期虧損比率乃分別根據2018年3月31日或2018年4月1日前12個月期間的銷售付款組合以及有關期間內相應過往信貸虧損而得出。已對過往虧損比率作出調整以反映影響客戶償付應收款項能力的宏觀經濟因素的當前及前瞻性資料。

本集團將其銷售貨品及服務國家的國內生產總值識別為最相關因素，並據以根據該等因素的預期變動調整過往虧損比率。

基於上述考量，本集團評定逾期少於60日的應收賬款及票據虧損撥備為並不重大，至於逾期起過60日的應收賬款已悉數撥備。

應收賬款減值虧損於經營溢利內列報為應收賬款減值撥備。後續收回先前已撤銷的款項於同一項目記賬。

過往有關應收賬款減值的會計政策

於過往年度，應收賬款減值乃根據已產生虧損模式評估。已知無法收回的個別應收款項藉由直接扣減賬面值而撤銷。其他應收款項乃進行集體評估以確定是否有客觀證據顯示已發生減值但尚未識別。就該等應收款項而言，估計減值虧損於另一項減值撥備確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(b) Credit risk (Cont'd)

(ii) Impairment of financial assets (Cont'd)

Previous accounting policy for impairment of trade receivables (Cont'd)

The Group considered that there was evidence of impairment if any of the following indicators were present:

- (i) significant financial difficulties of the debtor, and
- (ii) default or late payments (more than 60 days overdue).

Receivables for which an impairment provision was recognised were written off against the provision when there was no expectation of recovering additional cash.

Other financial assets at amortised cost

The directors of the Group consider the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis. To assess whether there is a significant increase in credit risk the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. Especially the following indicators are incorporated.

- actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the company's ability to meet its obligations;
- actual or expected significant changes in the operating results of the company;
- significant changes in the expected performance and behavior of the company, including changes in the payment status of the third party.

綜合財務報表附註(續)

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 金融資產減值(續)

過往有關應收賬款減值的會計政策(續)

如出現以下任何指標，則本集團認為存在減值跡象：

- (i) 債務人出現重大財政困難；及
- (ii) 拖欠或延遲付款(逾期超過60日)。

當預期不會收回額外現金時，則以撥備撇銷有關已確認減值撥備的應收款項。

按攤銷成本列賬的其他金融資產

本集團董事在初始確認資產時考慮違約的可能性，並持續評估信貸風險有否顯著增加。在評估信貸風險有否顯著增加時，本集團將資產於報告日期的違約風險與初始確認日期的違約風險加以比較。尤其需考慮以下指標。

- 預期導致公司履行責任能力出現重大變動的業務、財務或經濟狀況的實際或預期重大不利變動；
- 公司經營業績的實際或預期重大變動；
- 公司預期表現及行為的重大變動，包括第三方的付款狀況變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Cont'd)**3.1 Financial risk factors (Cont'd)***(b) Credit risk (Cont'd)**(ii) Impairment of financial assets (Cont'd)**Other financial assets at amortised cost (Cont'd)*

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categories a receivable for write off when a debtor fails to make contractual payments/repayable demanded greater than 365 days past due. Where the receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Other financial assets at amortised cost include certain deposits, and other receivables. These financial assets are considered to be low credit risk primarily because they had no history of default and the counterparties had a strong capacity to meet their contractual cash flow obligations in the near term. The Group was assessed that the expected credit losses for these receivables are immaterial under 12 months expected losses method. Thus, the loss allowance provision recognised for these balances is close to zero.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through adequate committed credit facilities.

The Group's primary cash requirements are for additions and upgrades to property, plant and equipment, purchases of land, capital injections into subsidiaries, and payments for purchases and operating expenses. The Group finances its working capital requirements through funds generated from its operations, bank loans and other borrowings.

The Group's policy is to monitor current and expected liquidity requirements regularly to ensure it maintains sufficient cash and cash equivalents and has available funding through adequate amount of committed credit facilities to meet its working capital requirements.

3 財務風險管理(續)**3.1 財務風險因素(續)***(b) 信貸風險(續)**(ii) 金融資產減值(續)**按攤銷成本列賬的其他金融資產(續)*

倘無合理的收回預期，例如債務人未能與本集團制訂還款計劃，則會撇銷金融資產。當債務人未能支付合約款項／須償還款項被催繳超過365天，本集團即將應收款項分類為撇銷。倘應收款項已被撇銷，本集團仍會繼續採取強制活動嘗試收回到期應收款項。倘收回款項，該款項會於損益中確認。

按攤銷成本列賬的其他金融資產包括若干按金及其他應收款項。此等金融資產被視為信貸風險低，主要因為其並無違約記錄且對手方有強大能力應付短期內的合約現金流量責任。本集團評定根據12個月預期虧損方法，應收賬款的預期信貸虧損並不重大。因此，就該等結餘確認之虧損準備撥備接近零。

(c) 流動性風險

審慎之流動性風險管理，意味著維持充足之現金並通過充足之信貸額度獲得資金。

本集團之現金需求主要用於添置及更新物業、廠房及設備、土地購買、附屬公司注資以及支付採購費用及營運開支。本集團通過營運產生之資金、銀行貸款及其他借款以撥付營運資金需求。

本集團之政策為定期監察現時及預期流動資金要求，從而確保本集團有足夠之現金及現金等值項目及通過充足之信貸額度獲得資金，以滿足營運資金需求。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(c) Liquidity risk (Cont'd)

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated balance sheet date to the contractual maturity date. The amounts disclosed in the tables are the contractual undiscounted cash flows.

		2019 2019年 On demand 按要求 HK\$'000 千港元	2019 2019年 Within 1 year 1年內 HK\$'000 千港元	2019 2019年 Over 1 year 1年以上 HK\$'000 千港元	2019 2019年 Total 總計 HK\$'000 千港元
Bank loans	銀行貸款	300,000	-	-	300,000
Loan from a non-controlling interest of a subsidiary	一間附屬公司非控制性權益提供貸款	-	-	146,225	146,225
Trade and bills payables	應付賬款及票據	-	568,485	-	568,485
Derivative financial instruments	衍生金融工具	-	225	-	225
Accruals and other payables	應計項目及其他應付款項	-	53,210	-	53,210
		300,000	621,920	146,225	1,068,145

		2018 2018年 On demand 按要求 HK\$'000 千港元	2018 2018年 Within 1 year 1年內 HK\$'000 千港元	2018 2018年 Over 1 year 1年以上 HK\$'000 千港元	2018 2018年 Total 總計 HK\$'000 千港元
Bank loans	銀行貸款	283,264	30,256	-	313,520
Loan from a non-controlling interest of a subsidiary	一間附屬公司非控制性權益提供貸款	-	-	146,169	146,169
Trade and bills payables	應付賬款及票據	-	781,651	-	781,651
Derivative financial instruments	衍生金融工具	-	924	-	924
Accruals and other payables	應計項目及其他應付款項	-	83,088	-	83,088
		283,264	895,919	146,169	1,325,352

The table below summarises the maturity analysis of the Group's bank loans with repayable on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts included interest payments computed using contractual rates. As a result, these amounts were greater than the amounts disclosed in the "on demand" time band in the maturity analysis contained above.

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動性風險(續)

下表為按相關到期組別列示本集團於綜合結算日至合約到期日之剩餘期間之財務負債情況之分析。於表中披露之金額為合約性未折算現金流量。

下表概括根據貸款協議所列之既定還款時間表，本集團包含按要求償還條款之銀行貸款之到期分析。該等款項包括以合約利率計算之利息付款。因此，該等款項超過上文所載到期分析中「按要求」時間範圍內所披露之款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(c) Liquidity risk (Cont'd)

Taking into account the Group's financial position, the Directors do not consider that it is probable that the banks will exercise their discretions to demand immediate repayment. The Directors believe that such loans will be repaid in accordance with the scheduled repayment date as set out in the loan agreements.

Maturity Analysis – bank borrowings subject to a repayable on demand clause based on scheduled repayments (including related interest payable):

		On demand 按要求 HK\$'000 千港元	Less than 1 year 1年內 HK\$'000 千港元	Between 1 and 2 years 1至2年 HK\$'000 千港元	Between 2 and 5 years 2至5年 HK\$'000 千港元	Over 5 year 5年以上 HK\$'000 千港元	Total 總計 HK\$'000 千港元
31 March 2019	2019年3月31日	-	304,400	-	-	-	304,400
31 March 2018	2018年3月31日	-	233,787	89,161	-	-	322,948

The table below analyses the Group's derivative financial instruments which will be settled on a gross basis into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動性風險(續)

計及本集團之財務狀況，董事並不認為銀行有可能行使其權利以要求即時還款。董事認為該等貸款將根據貸款協議內所列之既定還款時間表還款。

到期分析－根據既定還款時間表包含按要求償還條款之銀行借貸(包括相關應付利息)：

下表為按相關到期組別列示本集團結算日至合約到期日之剩餘期間之以毛額基準結算之衍生金融工具之分析。於表中披露之金額為合約性未折算現金流量。

		Less than 1 month 少於1個月 HK\$'000 千港元	Between 1 and 3 months 1至3個月 HK\$'000 千港元	Between 3 months and 1 year 3個月至1年 HK\$'000 千港元	Over 1 year 1年以上 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 March 2019:	於2019年3月31日：					
Forward currency contracts:	遠期貨幣合約：					
Inflow	流入	225	924	7,190	-	8,339
Outflow	流出	-	(225)	-	-	(225)
At 31 March 2018:	於2018年3月31日：					
Forward currency contracts:	遠期貨幣合約：					
Inflow	流入	2,203	4,894	9,187	-	16,284
Outflow	流出	(232)	(692)	-	-	(924)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, draw down or repay debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total debt divided by total capital. Total debt includes borrowings and bills payables as shown in the consolidated balance sheet, and total capital is the amount of "equity" as shown in the consolidated balance sheet. The gearing ratios were as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Borrowings	借貸	446,225	459,433
Bills payables	應付票據	22,727	21,113
Total debt	債務總額	468,952	480,546
Total capital	資本總額	3,269,639	3,340,862
Gearing ratio	資本負債比	14.3%	14.4%

The slight decrease in gearing ratio was mainly due to the slight decrease in bank borrowings in the current year.

3 財務風險管理(續)

3.2 資金風險管理

本集團之資金管理目標為保障本集團能繼續營運，以為股東提供回報，同時兼顧其他股權持有人之利益，並維持最佳之資本結構以減低資金成本。為了維持或調整資本結構，本集團可能會調整向股東派付之股息金額、向股東發還資金、發行新股、提取或償還債務。

與其他同業相同，本集團以資本負債比率監察資本。此比率按照債務總額除以資本總額計算。債務總額包括綜合資產負債表所列之借貸及應付票據以及資本總額為綜合資產負債表所列之「權益」。資本負債比率如下：

資本負債比率輕微下降主要乃由於本年度的銀行借貸稍為減少。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 31 March 2019, by level of inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value at 31 March 2019.

3 財務風險管理(續)

3.3 公允價值估計

下表載列按計量公允價值所用估值技術輸入值等級分析本集團於2019年3月31日以公允價值列賬之金融工具。輸入值按以下三個公允價值層級分類：

- 相同資產或負債在活躍市場之報價(未經調整)(第1層)。
- 除了第1層所包括之報價外，該資產或負債之可觀察之其他輸入，可為直接(即例如價格)或間接(即源自價格)(第2層)。
- 資產或負債並非依據可觀察市場數據之輸入(即非可觀察輸入)(第3層)。

下表列示本集團於2019年3月31日按公允價值計量之資產及負債。

		Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Assets	資產				
Derivative financial instruments	衍生金融工具	-	8,339	-	8,339
- Forward foreign currency contracts (Note 14)	- 遠期外匯合約 (附註14)				
Financial assets at fair value through other comprehensive income (Note 10)	按公允價值計入其他全面收入的金融資產 (附註10)	853	-	-	853
- Club debentures	- 會籍債券				
		853	8,339	-	9,192
Liabilities	負債				
Derivative financial instruments	衍生金融工具	-	225	-	225
- Forward foreign currency contracts (Note 14)	- 遠期外匯合約 (附註14)				
		-	225	-	225

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.3 Fair value estimation (Cont'd)

The following table presents the Group's assets and liabilities that are measured at fair value at 31 March 2018.

		Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Assets	資產				
Derivative financial instruments	衍生金融工具				
– Forward foreign currency contracts (Note 14)	– 遠期外匯合約 (附註14)	–	16,284	–	16,284
Available-for-sale financial assets (Note 10)	可供出售金融資產 (附註10)				
– Club debentures	– 會籍債券	853	–	–	853
		853	16,284	–	17,137
Liabilities	負債				
Derivative financial instruments	衍生金融工具				
– Forward foreign currency contracts (Note 14)	– 遠期外匯合約 (附註14)	–	924	–	924
		–	924	–	924

There were no transfers between levels during the years ended 31 March 2019 and 2018.

The fair values of financial instruments traded in active markets are based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the closing bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

3 財務風險管理(續)

3.3 公允價值估計(續)

下表列示本集團於2018年3月31日按公允價值計量之資產及負債。

截至2019年及2018年3月31日止年度各層級之間並無轉撥。

在活躍市場買賣的金融工具的公允價值根據結算日的市場報價列賬。當報價可即時和定期從證券交易所、交易商、經紀、業內人士、定價服務者或監管代理獲得，而該等報價代表按公平交易基準進行的實際和常規市場交易時，該市場被視為活躍。本集團持有的金融資產的市場報價為收市買方報價。此等工具包括在第1層。

沒有在活躍市場買賣的金融工具(例如場外衍生工具)的公允價值利用估值技術釐定。估值技術儘量利用可觀察市場數據(如有)，儘量少依賴主體的特定估計。如計算一金融工具的公允價值所需的所有重大輸入為可觀察數據，則該金融工具列入第2層。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.3 Fair value estimation (Cont'd)

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment of interests in associates

Management regularly reviews the recoverability of the Group's interests in associates, in particular when they consider objective evidence of impairment exists, such as the quoted market value of listed associate fell below its carrying amount or significant adverse changes in the market environment. Appropriate impairment for estimated irrecoverable amounts is recognised in the statement of profit or loss when there is objective evidence that the asset is impaired.

In determining the recoverable amounts of interest in associates, management considered the higher of the value in use and fair value less cost to disposal. In determining value-in-use, an entity estimates either: (a) its share of the present value of the estimated future cash flows expected to be generated by the associates and proceeds on disposal, or (b) the present value of estimated future cash flows expected to arise from dividends to be received and proceeds on disposal. Any impairment loss is recognised by writing down the interests in associates. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

綜合財務報表附註(續)

3 財務風險管理(續)

3.3 公允價值估計(續)

如一項或多項重大輸入並非根據可觀察市場數據，則該金融工具列入第3層。

用以估值金融工具的特定估值技術包括：

- 同類型工具的市場報價或交易商報價。
- 遠期外匯合約的公允價值利用結算日的遠期匯率釐定，而所得價值折算至現值。

4 重大會計估計及判斷

估計及判斷會持續評估，並根據過往經驗及其他因素作出，包括於有關情況下被認為屬合理之日後事項預測。

本集團作出有關日後之估計及假設。作出之會計估計顧名思義地甚少與相關實際結果相同。存有重大風險或會導致須對下一個財政年度資產及負債賬面值作出重大調整之估計及假設論述如下。

(a) 聯營公司之權益減值

管理層定期檢討本集團於聯營公司之權益的可收回程度，彼等尤其會考慮減值的客觀證據，如上市聯營公司之市場報價跌至低於其賬面值或市場環境之重大不利變動。當有客觀證據證明資產出現減值時，則於損益表內確認估計不可收回金額之適當減值。

在釐定於聯營公司之權益的可收回金額時，管理層已考慮使用價值與公允價值減出售成本兩者中的較高者。在釐定使用價值時，實體估計：(a)其應佔聯營公司預期將產生之估計未來現金流量之現值及出售所得款項，或(b)將收取之股息預期將產生之估計未來現金流量之現值及出售所得款項。任何減值虧損將透過撇減於聯營公司之權益予以確認。確認之減值虧損撥回以該項投資其後所增加之可收回金額為限。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

(b) Income taxes, deferred taxes and other taxes

The Group is subject to income taxes in the jurisdictions where its subsidiaries operate. Significant judgement is required in determining provisions for income taxes. There are certain transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

The Group is also exposed to other taxes and duties. Significant judgement is required in determining these provisions. Where the final outcomes of these matters differ from the actual results, such difference will impact the provisions made and the earnings stated in the statement of profit or loss.

Recognition of deferred tax assets, which principally relate to tax losses, depends on the expectation of future taxable profit that will be available against which tax losses can be utilised. The outcome of their actual utilisation may be different. Management has performed an assessment on the recoverability of these deferred tax assets and consider that the realisation of these tax losses probable and no impairment provision is required as at year end.

(c) Provision for impairment of trade and other receivables

The Group makes provision for impairment of receivables based on assumptions about risk of default and expected loss rates (Note 3.1(b)). The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the balance sheet date.

(d) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions in response to severe industry cycle. Management reassesses these estimates at each balance sheet date.

綜合財務報表附註(續)

4 重大會計估計及判斷(續)

(b) 所得稅、遞延稅項及其他稅項

本集團須在其附屬公司營運所在司法權區繳納所得稅。於釐定所得稅撥備時須作出重大判斷。存在若干交易及計算無法確定最終稅款。本集團按是否須繳納額外稅項確認預計稅務審核事宜的負債。倘該等事宜的最終稅務結果有異於最初記錄的數額，有關差額將會影響釐定有關數額期間的即期及遞延所得稅資產及負債。

本集團還須繳納其他稅項與關稅。於釐定該等撥備時須作出重大判斷。倘該等事宜的最終稅務結果有異於實際結果，則有關差額將會影響有關撥備和於損益表上之盈利。

遞延稅項資產之確認主要涉及稅項虧損，視乎獲得可動用稅項虧損抵扣的未來應課稅溢利之預期而定。實際動用結果可能有所不同。管理層於年末對此等遞延所得稅資產的收回成數作出評估，認為此等稅務虧損有可能實現，故毋須作出減值撥備。

(c) 應收賬款及其他應收款項之減值撥備

本集團基於有關違約風險及預虧損比率的假設作出應收款項減值撥備(附註3.1(b))。本集團作出此等假設時運用判斷並基於本集團過往記錄、現行市況及於結算日的前瞻性估計挑選減值計算的輸入數據。

(d) 存貨可變現淨值

存貨之可變現淨值乃按日常業務過程中之估計售價減估計完成成本及出售開支計算。該等估計乃按現行市況及製造及銷售類似性質產品之過往經驗作出。這可能因客戶口味轉變及競爭對手因應嚴峻行業週期而作出之行動而大幅變化。管理層於每個結算日重新評估該等估計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

(e) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. These estimates are based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charge where useful lives are less than previously estimated lives, it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore depreciation expense in the future periods.

(f) Impairment of property, plant and equipment, leasehold land and land use rights

Property, plant and equipment, leasehold land and land use rights are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on the higher of value-in-use calculations or fair values less cost to disposal. These calculations require the use of judgements and estimates.

Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell or net present value of future cash flows which are estimated based upon the continued use of the assets in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's reported balance sheet and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the statement of profit or loss.

4 重大會計估計及判斷(續)

(e) 物業、廠房及設備之可使用年期

本集團管理層釐定物業、廠房及設備之估計可使用年期及相關折舊支出。該等估計乃根據類似性質及功能之物業、廠房及設備之實際可使用年期的過往經驗作出。管理層將於可使用年期少於早前估計時增加折舊支出，並撤銷或撤減已廢棄或售出之技術上陳舊或非策略性資產。實際經濟年期可能有別於估計可使用年期。定期作出之檢討可能導致可折舊年期出現變動，因而導致日後折舊開支有變。

(f) 物業、廠房及設備、租賃土地及土地使用權減值

物業、廠房及設備、租賃土地及土地使用權於出現顯示可能無法收回賬面值之事件或狀況變化時檢討有否減值。可收回金額乃按使用價值或公允價值減出售成本之較高者釐定。此等計算需要作出判斷及估計。

管理層須就資產減值之情況作出判斷，特別是：(i)評估有否發生可能顯示有關資產價值可能無法收回之事件；(ii)評估資產之可收回金額能否支持其賬面值，可收回金額為公允價值減出售成本，或估計於業務中持續使用該資產可產生之日後現金流量淨現值之較高者；及(iii)評估編製現金流量預測時所用適當主要假設，包括該等現金流量預測是否按適當比率貼現。管理層評估減值時所選用假設(包括現金流量預測所用貼現率或增長率假設)如有任何變化，均可能對減值檢測中所用淨現值造成重大影響，以致對本集團報告資產負債表及營運業績造成重大影響。倘所預測表現及因此作出之日後現金流量預測出現重大負面變動，則或須於損益表作出減值支出。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

5 SEGMENT INFORMATION

The chief operating decision-maker ("CODM") has been identified as the executive directors of the Company collectively, who review the Group's internal reporting in order to assess performance and allocate resources.

As all of the Group's business operations relate to the manufacturing and trading of textile products with similar economic characteristics, the executive directors review the performance of the Group as a single segment, which covers operations conducted by subsidiaries in Hong Kong, Macau, the PRC and Vietnam. The executive directors review resources allocation and assess performance of the Group on a regular basis based on the following financial information:

5 分部資料

首席經營決策者已被確認為本公司執行董事，彼審閱本集團之內部呈報，以評估表現並分配資源。

由於本集團所有業務均與製造及買賣具有類似經濟特性的紡織品有關，執行董事按照單一分部(包括於香港、澳門、中國與越南的附屬公司所經營的業務)審閱本集團之表現。執行董事亦基於以下財務資料，定期審閱本集團的資源分配及進行表現評估：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Revenue (recognised at a point in time)	收入(於特定時間點確認)	6,119,081	6,098,153
Gross profit	毛利	1,060,901	947,162
Gross profit margin (%)	毛利率(%)	17.3%	15.5%
Operating expenses	經營開支	260,582	236,428
Operating expenses/Revenue (%)	經營開支/收入(%)	4.3%	3.9%
EBITDA (Note (i))	利息、稅項、折舊及攤銷前溢利 (附註(i))	1,176,897	1,025,868
EBITDA/Revenue (%)	利息、稅項、折舊及攤銷前 溢利/收入(%)	19.2%	16.8%
Finance income	財務收入	11,673	8,583
Finance costs	財務成本	14,166	16,921
Depreciation and amortisation (included in cost of sales and operating expenses)	折舊與攤銷(計入銷售成本及經營開支)	158,617	164,087
Share of profits of associates	分佔聯營公司溢利	34,738	34,520
Gain on disposal of certain interest in an associate	出售一間聯營公司若干權益之收益	-	396
Income tax expense	所得稅開支	145,528	130,101
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	861,780	744,035
Net profit margin (%)	純利率(%)	14.1%	12.2%
Total assets	資產總值	4,530,237	4,852,710
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益	3,279,611	3,357,578
Cash and bank balances	現金與銀行結餘	720,892	666,701
Borrowings	借貸	446,225	459,433
Inventories	存貨	947,353	1,068,184
Inventory turnover days (Note (ii))	存貨週轉日數(附註(ii))	73	73
Trade and bills receivables	應收賬款及票據	735,882	916,500
Trade and bills receivables turnover days (Note (iii))	應收賬款及票據週轉日數(附註(iii))	49	56
Trade and bills payables	應付賬款及票據	568,485	781,651
Trade and bills payables turnover days (Note (ii))	應付賬款及票據週轉日數(附註(ii))	49	61

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

5 SEGMENT INFORMATION (Cont'd)

Notes:

- (i) EBITDA is defined as profit for the year before finance income, finance costs, income tax expense, depreciation and amortisation.
- (ii) The turnover days are calculated by the simple average of the beginning of the year and the end of the year balances over cost of sales.
- (iii) The turnover days are calculated by the simple average of the beginning of the year and the end of the year balances over revenue.

A reconciliation of EBITDA to total profit before income tax is provided as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
EBITDA	利息、稅項、折舊及攤銷前溢利	1,176,897	1,025,868
Depreciation	折舊	(155,190)	(160,625)
Amortisation	攤銷	(3,427)	(3,462)
Finance income	財務收入	11,673	8,583
Finance costs	財務成本	(14,166)	(16,921)
Profit before income tax	所得稅前溢利	1,015,787	853,443

The Group's revenue represents sales of goods. An analysis of revenue by geographical location, as determined by the destination where the products were delivered, is as follows:

5 分部資料(續)

附註：

- (i) 利息、稅項、折舊及攤銷前溢利被定義為未計財務收入、財務成本、所得稅開支、折舊與攤銷前年度溢利。
- (ii) 週轉日數按年初與年末結餘之簡單平均數除以銷售成本計算。
- (iii) 週轉日數按年初與年末結餘之簡單平均數除以收入計算。

利息、稅項、折舊及攤銷前溢利與所得稅前溢利總額之間的對賬如下：

本集團的收入指貨品銷售。對按地區(以產品交付之目的地為準)劃分之收入的分析如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
PRC	中國	1,250,196	1,204,890
Vietnam	越南	2,478,934	2,627,829
Hong Kong	香港	646,258	638,657
America	美洲	187,278	188,553
Other South East Asia countries (Note (i))	其他東南亞國家(附註(i))	530,709	419,608
Sri Lanka	斯里蘭卡	255,167	384,936
India	印度	47,097	67,039
Haiti	海地	196,517	188,254
Africa	非洲	492,908	311,362
Others	其他	34,017	67,025
		6,119,081	6,098,153

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

5 SEGMENT INFORMATION (Cont'd)

Note:

- (i) Other South East Asia countries mainly include Indonesia, Cambodia and Thailand.

For the year ended 31 March 2019, customer A and customer B accounted for approximately 43% (2018: 41%) and 18% (2018: 16%) of the Group's revenue, respectively. All other customers individually accounted for less than 10% of the Group's revenue for years ended 31 March 2019 and 2018.

The Group's non-current assets (excluding interests in associates and deferred income tax assets) are located in the following geographical areas:

		Group 本集團	
		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
PRC	中國	1,336,577	1,402,127
Hong Kong	香港	13,009	12,218
Vietnam	越南	315,295	309,529
		1,664,881	1,723,874

6 LAND USE RIGHTS

The Group's interests in land use rights represent prepaid operating lease payments in the PRC and Vietnam. Their net book values are analysed as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
At 1 April	於4月1日	48,323	45,007
Transfer from prepayment for land use rights	轉撥自土地使用權預付款項	74,686	-
Amortisation	攤銷	(3,427)	(1,376)
Currency translation differences	外幣換算差額	(4,261)	4,692
At 31 March	於3月31日	115,321	48,323
In the PRC held on:	於中國持有：		
- Land use rights of between 10 to 50 years	- 年期介乎10至50年之土地使用權	43,756	48,323
In Vietnam held on:	於越南持有：		
- Land use rights of between 10 to 50 years	- 年期介乎10至50年之土地使用權	71,565	-
		115,321	48,323

5 分部資料(續)

附註：

- (i) 其他東南亞國家主要包括印尼、柬埔寨及泰國。

截至2019年3月31日止年度，客戶A及客戶B分別約佔本集團收入的43% (2018年：41%) 及18% (2018年：16%)。截至2019年及2018年3月31日止年度，所有其他客戶各自佔本集團收入均低於10%。

本集團之非流動資產(不包括於聯營公司之權益及遞延所得稅資產)位於以下地區：

6 土地使用權

本集團於土地使用權之權益為於中國及越南的預付經營租約款項。其賬面淨值分析如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

7 PROPERTY, PLANT AND EQUIPMENT

7 物業、廠房及設備

		Leasehold land	Buildings	Plant and machinery	Leasehold improvements, furniture and equipment 租賃物業 裝修、 傢具及設備	Motor vehicles	Computer software	Construction in progress	Total
		租賃土地 HK\$'000 千港元	樓宇 HK\$'000 千港元	廠房及機器 HK\$'000 千港元	傢具及設備 HK\$'000 千港元	汽車 HK\$'000 千港元	電腦軟件 HK\$'000 千港元	在建工程 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 April 2017	於2017年4月1日								
Cost	成本	4,260	1,109,834	2,219,827	299,801	31,097	95,008	144,522	3,904,349
Accumulated depreciation	累計折舊	(1,339)	(380,508)	(1,852,013)	(189,541)	(21,153)	(12,461)	-	(2,457,015)
Net book amount	賬面淨值	2,921	729,326	367,814	110,260	9,944	82,547	144,522	1,447,334
Year ended 31 March 2018	截至2018年3月31日止年度								
Opening net book amount	年初賬面淨值	2,921	729,326	367,814	110,260	9,944	82,547	144,522	1,447,334
Additions	添置	-	1,063	10,484	30,462	7,546	2,675	117,689	169,919
Disposals and write-off	出售與撇銷	-	(49)	(12,387)	(1,606)	(976)	-	(193)	(15,211)
Depreciation	折舊	(96)	(53,951)	(54,030)	(38,550)	(5,369)	(8,629)	-	(160,625)
Transfers	轉撥	-	5,939	133,655	(2,576)	-	-	(137,018)	-
Currency translation differences	外幣換算差額	-	67,650	20,894	16,831	595	762	13,913	120,645
Closing net book amount	年終賬面淨值	2,825	749,978	466,430	114,821	11,740	77,355	138,913	1,562,062
At 31 March 2018	於2018年3月31日								
Cost	成本	4,260	1,226,279	2,508,043	350,706	35,168	98,660	138,913	4,362,029
Accumulated depreciation	累計折舊	(1,435)	(476,301)	(2,041,613)	(235,885)	(23,428)	(21,305)	-	(2,799,967)
Net book amount	賬面淨值	2,825	749,978	466,430	114,821	11,740	77,355	138,913	1,562,062
Year ended 31 March 2019	截至2019年3月31日止年度								
Opening net book amount	年初賬面淨值	2,825	749,978	466,430	114,821	11,740	77,355	138,913	1,562,062
Additions	添置	-	2,482	15,729	19,334	3,837	2,337	179,476	223,195
Disposals and write-off	出售與撇銷	-	-	(14,302)	(1,427)	(518)	-	(6)	(16,253)
Depreciation	折舊	(97)	(52,505)	(51,668)	(36,520)	(4,309)	(10,091)	-	(155,190)
Transfers	轉撥	-	16,357	117,966	28,306	-	-	(162,629)	-
Currency translation differences	外幣換算差額	-	(44,846)	(12,872)	(3,426)	(1,026)	(361)	(31,073)	(93,604)
Closing net book amount	年終賬面淨值	2,728	671,466	521,283	121,088	9,724	69,240	124,681	1,520,210
At 31 March 2019	於2019年3月31日								
Cost	成本	4,260	1,171,044	2,408,794	376,081	34,766	100,636	124,681	4,220,262
Accumulated depreciation	累計折舊	(1,532)	(499,578)	(1,887,511)	(254,993)	(25,042)	(31,396)	-	(2,700,052)
Net book amount	賬面淨值	2,728	671,466	521,283	121,088	9,724	69,240	124,681	1,520,210

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

7 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Depreciation expense recognised in the consolidated statement of profit or loss is analysed as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Cost of sales	銷售成本	143,757	149,054
General and administrative expenses	一般及行政開支	11,433	11,571
		155,190	160,625

8 SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 March 2019 and 2018:

8 附屬公司

下表列示於2019年及2018年3月31日之主要附屬公司：

Name of subsidiaries 附屬公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及 法人實體類型	Particulars of issued share capital 已發行 股本詳情	Equity interest attributable to the Group 本集團應佔股本權益		Principal activities 主要業務
			2019 2019年	2018 2018年	
Shares held directly by the Company: 本公司直接持有股份：					
Pacific Textured Jersey Holdings Ltd.	British Virgin Islands, limited liability company 英屬處女群島，有限責任公司	HK\$1 1港元	100%	100%	Investment holding 投資控股
Pacific Textiles Overseas Holdings Ltd.	British Virgin Islands, limited liability company 英屬處女群島，有限責任公司	HK\$1 1港元	100%	100%	Investment holding 投資控股
Pacific HK & China Holdings Ltd.	British Virgin Islands, limited liability company 英屬處女群島，有限責任公司	HK\$1 1港元	100%	100%	Investment holding 投資控股
Pacific SPM Holdings Ltd.	British Virgin Islands, limited liability company 英屬處女群島，有限責任公司	HK\$1 1港元	100%	100%	Investment holding 投資控股

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

8 SUBSIDIARIES (Cont'd)

The following is a list of the principal subsidiaries at 31 March 2019 and 2018:
(Cont'd)

8 附屬公司(續)

下表列示於2019年及2018年3月31日之主要附屬公司:(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及 法人實體類型	Particulars of issued share capital 已發行 股本詳情	Equity interest attributable to the Group 本集團應佔股本權益		Principal activities 主要業務
			2019 2019年	2018 2018年	
Shares held directly by the Company: (Cont'd) 本公司直接持有股份:(續)					
Solid Ally International Ltd.	British Virgin Islands, limited liability company 英屬處女群島, 有限責任公司	HK\$1 1港元	100%	100%	Investment holding 投資控股
Fast Right Group Ltd. 正迅集團有限公司	British Virgin Islands, limited liability company 英屬處女群島, 有限責任公司	US\$1,000 1,000美元	100%	100%	Investment holding 投資控股
Product Champion Limited	British Virgin Islands, limited liability company 英屬處女群島, 有限責任公司	US\$1 1美元	100%	100%	Investment holding 投資控股
Shares held indirectly by the Company: 本公司間接持有股份:					
Fast Right Group (HK) Ltd. 正迅集團(香港)有限公司	Hong Kong, limited liability company 香港, 有限責任公司	HK\$10,000 10,000港元	100%	100%	Investment holding 投資控股
Pacific Textiles Limited 互太紡織有限公司	Hong Kong, limited liability company 香港, 有限責任公司	HK\$103,000,000 103,000,000港元	100%	100%	Investment holding and trading of textile products in Hong Kong 於香港進行投資控股及 紡織品貿易
Pacific SPM Investment Limited 互太汽車紡織投資有限公司	Hong Kong, limited liability company 香港, 有限責任公司	HK\$1 1港元	100%	100%	Investment holding 投資控股
Joyful Wonder Limited	Hong Kong, limited liability company 香港, 有限責任公司	HK\$10,000 10,000港元	100%	100%	Investment holding 投資控股

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

8 SUBSIDIARIES (Cont'd)

The following is a list of the principal subsidiaries at 31 March 2019 and 2018: (Cont'd)

8 附屬公司(續)

下表列示於2019年及2018年3月31日之主要附屬公司：(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及 法人實體類型	Particulars of issued share capital 已發行 股本詳情	Equity interest attributable to the Group 本集團應佔股本權益		Principal activities 主要業務
			2019 2019年	2018 2018年	
Shares held indirectly by the Company: (Cont'd) 本公司間接持有股份：(續)					
Pacific Overseas Textiles Macao Commercial Offshore Limited 互太海外紡織澳門離岸商業 服務有限公司	Macau, limited liability company 澳門，有限責任公司	MOP1,030,000 1,030,000澳門幣	100%	100%	Trading of textile products in Macau 於澳門進行紡織品貿易
Pacific (Panyu) Textiles Limited 互太(番禺)紡織印染有限公司	PRC, limited liability company 中國，有限責任公司	US\$89,700,000 89,700,000美元	100%	100%	Manufacturing and trading of textile products in the PRC 於中國進行紡織品製造 及貿易
Pacific GT Limited	British Virgin Islands, limited liability company 英屬處女群島，有限責任公司	US\$19,025,000 19,025,000美元	95%	95%	Investment holding 投資控股
PCGT Limited	Hong Kong, limited liability company 香港，有限責任公司	HK\$3,900,000 3,900,000港元	71.25%	71.25%	Investment holding and trading of textile products in Hong Kong 於香港進行投資控股及 紡織品貿易
Pacific Crystal Textiles Limited ("PCTL")	Vietnam, limited liability company 越南，有限責任公司	US\$48,000,000 48,000,000美元	71.25%	71.25%	Manufacturing and trading of textile products in Vietnam 於越南進行紡織品製造 及貿易
South Shining Limited 南昱有限公司	British Virgin Islands, limited liability company 英屬處女群島，有限責任公司	US\$1 1美元	95%	95%	Investment holding 投資控股

(a) Material non-controlling interests

The total non-controlling interest as at 31 March 2019 is HK\$(9,972,000) (2018: HK\$(16,716,000)), mainly comprised the Group's investment in Vietnam through Pacific GT Limited, PCGT Limited and PCTL. The non-controlling interests in respect of South Shining Limited are not material.

(a) 重大非控制性權益

於2019年3月31日之非控制性權益總額為(9,972,000)港元(2018年：(16,716,000)港元)，主要包括本集團透過Pacific GT Limited、PCGT Limited及PCTL於越南進行的投資。南昱有限公司的非控制性權益屬非重大。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

8 SUBSIDIARIES (Cont'd)

(a) Material non-controlling interests (Cont'd)

Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group.

8 附屬公司(續)

(a) 重大非控制性權益(續)

擁有重大非控制性權益附屬公司之財務資料概要

以下載列擁有對本集團而言屬重大的非控制性權益之各附屬公司之財務資料概要。

		Pacific GT Limited		PCGT Limited		PCTL	
		2019	2018	2019	2018	2019	2018
		2019年	2018年	2019年	2018年	2019年	2018年
		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
Summarised balance sheet	資產負債表概要						
Non-current assets	非流動資產	2,925	2,925	389,902	390,702	314,783	312,201
Current assets	流動資產	126,233	135,960	238,086	150,957	131,030	132,206
Non-current liabilities	非流動負債	-	-	146,225	146,169	22,934	20,031
Current liabilities	流動負債	8,832	8,829	499,158	421,517	88,436	109,100
Net assets/(liabilities)	資產/(負債)淨值	120,326	130,056	(17,395)	(26,027)	334,443	315,276
Summarised statement of profit or loss	損益表概要						
Revenue	收入	-	-	817,407	216,787	447,221	139,442
(Loss)/profit for the year	年度(虧損)/溢利	(9,730)	(3,600)	6,893	(26,880)	24,302	(44,470)
Other comprehensive (loss)/income for the year	年度其他全面(虧損)/收入	-	-	-	-	(5,134)	1,507
Total comprehensive (loss)/income for the year	年度全面(虧損)/收入總額	(9,730)	(3,600)	6,893	(26,880)	19,168	(42,963)
(Loss)/profit attributable to non-controlling interests	分配至非控制性權益之(虧損)/溢利	(488)	(180)	1,981	(7,728)	6,986	(12,785)
Dividends paid to non-controlling interests	向非控制性權益派付股息	-	-	-	-	-	-
Summarised cash flows	現金流量概要						
Net cash generated from/ (used in) operating activities	營運活動所得/(所用)之現金淨額	-	17	53,275	(33,645)	30,431	17,195
Net cash used in investing activities	投資活動所用現金淨額	-	-	988	(39,420)	(39,630)	(7,741)
Net cash used in financing activities	融資活動所用現金淨額	-	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	現金及現金等值項目增加/(減少)淨額	-	17	54,263	(73,065)	(9,199)	9,454

The information above is the amount before inter-company eliminations.

上述資料為公司間抵銷前金額。

As at 31 March 2019, cash and bank deposits of HK\$10,052,000 (2018: HK\$19,251,000) of PCTL are held in Vietnam and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

於2019年3月31日，PCTL於越南持有現金及銀行存款10,052,000港元(2018年：19,251,000港元)，且須受地方外匯管制規定的規限。該等地方外匯管制規定對從國內匯出資本作出限制，惟透過普通股息匯出則除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

9 INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE

9 於聯營公司之權益及應付一間聯營公司款項

(a) Share of net assets and goodwill

(a) 分佔資產淨值與商譽

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		千港元	千港元
SPM Automotive Textile Co., Ltd. ("SPM Automotive")	住江互太(廣州)汽車紡織產品 有限公司(「住江互太」)	39,291	39,419
Teejay Lanka PLC ("PT Sri Lanka")	Teejay Lanka PLC (「PT斯里蘭卡」)	281,281	273,592
		320,572	313,011

Movements in share of net assets of associates are as follows:

分佔聯營公司資產淨值之變動如下:

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		千港元	千港元
At 1 April	於4月1日	313,011	295,218
Dividends	股息	(21,683)	(20,435)
Share of profits	分佔溢利	34,738	34,520
Release of net assets as a result of disposal	因出售事項解除之資產淨值	-	396
Currency translation differences	外幣換算差額	(5,494)	3,312
At 31 March	於3月31日	320,572	313,011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

9 INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE (Cont'd)

9 於聯營公司之權益及應付一間聯營公司款項(續)

(a) Share of net assets and goodwill (Cont'd)

(a) 分佔資產淨值與商譽(續)

The particulars of the associates at 31 March 2019 and 2018, which were held indirectly by the Company, are as follows:

於2019年及2018年3月31日之聯營公司(由本公司間接持有)之詳情如下:

Name of associates 聯營公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及法人實體類型	Particulars of issued share capital 已發行股本詳情	Equity interest attributable to the Group 本集團 應佔股本權益		Principal activities 主要業務
			2019 2019年	2018 2018年	
SPM Automotive 住江互太	PRC, limited liability company 中國, 有限責任公司	US\$7,500,000 7,500,000美元	33%	33%	Manufacturing and trading of vehicles related textile products in the PRC 於中國進行汽車相關紡織品製造及貿易
Teejay Lanka PLC	Sri Lanka, limited liability company 斯里蘭卡, 有限責任公司	RS2,749,266,000 2,749,266,000斯里蘭卡盧比	28%	28%	Manufacturing and trading of textile products in Sri Lanka 於斯里蘭卡進行紡織品製造及貿易

SPM Automotive is an unlisted company in the PRC and there is no quoted market price available for its shares.

住江互太是一間中國非上市公司, 因此其股份並無可用市場報價。

At 31 March 2019, the quoted market value of the Group's interest in PT Sri Lanka, which is listed on the Colombo Stock Exchange in Sri Lanka, was approximately HK\$267,355,000 (2018: HK\$316,053,000).

於2019年3月31日, 本集團於PT斯里蘭卡(一間於斯里蘭卡科倫坡證券交易所上市的公司)的權益所報市值約為267,355,000港元(2018年: 316,053,000港元)。

As at 31 March 2019, management assessed the impairment of the Group's interest in PT Sri Lanka and determined the recoverable amount of PT Sri Lanka exceeded its carrying amounts. The recoverable amount of PT Sri Lanka was determined based on value-in-use, taking into account PT Sri Lanka's financial performance and expected future market condition, with a discount rate of 14% per annum.

於2019年3月31日, 管理層已評估本集團於PT斯里蘭卡的權益之減值, 並釐定PT斯里蘭卡的可收回金額超過其賬面值。PT斯里蘭卡的可收回金額乃經計及PT斯里蘭卡的財政表現及預期未來市況基於使用價值而釐定, 其中使用的折現率為每年14%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

9 INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE (Cont'd)

(a) Share of net assets and goodwill (Cont'd)

Summarised financial information for associates

Set out below are the summarised financial information for SPM Automotive and PT Sri Lanka, which are accounted for using the equity method.

		SPM Automotive 住江互太		PT Sri Lanka PT斯里蘭卡		Total 總計	
		2019	2018	2019	2018	2019	2018
		2019年	2018年	2019年	2018年	2019年	2018年
		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
Summarised balance sheet	資產負債表概要						
Non-current assets	非流動資產	7,295	9,531	401,414	430,745	408,709	440,276
Current assets	流動資產	202,779	212,325	600,586	568,117	803,365	780,442
Non-current liabilities	非流動負債	-	-	68,264	83,338	68,264	83,338
Current liabilities	流動負債	91,009	102,405	307,430	316,614	398,439	419,019
Net assets	資產淨值	119,065	119,451	626,306	598,910	745,371	718,361
Summarised statement of profit or loss	損益表概要						
Revenue	收入	452,483	363,126	1,495,137	1,271,388	1,947,620	1,634,514
Profit for the year	年度溢利	31,305	31,332	87,930	86,254	119,235	117,586
Other comprehensive income for the year	年度其他全面收入	-	-	-	-	-	-
Total comprehensive income for the year	年度全面收入總額	31,305	31,332	87,930	86,254	119,235	117,586

Reconciliation of the above summarised financial information of the associates to the carrying value of the Group's interest in associates is as follows.

9 於聯營公司之權益及應付一間聯營公司款項(續)

(a) 分佔資產淨值與商譽(續)

聯營公司的財務資料概要

以下載列住江互太及PT斯里蘭卡以權益法入賬的財務資料概要。

上述聯營公司財務資料概要與本集團於聯營公司權益賬面值的對賬如下。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

9 INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE (Cont'd)

9 於聯營公司之權益及應付一間聯營公司款項(續)

(a) Share of net assets and goodwill (Cont'd)

(a) 分佔資產淨值與商譽(續)

Summarised financial information for associates (Cont'd)

聯營公司的財務資料概要(續)

		SPM Automotive 住江互太		PT Sri Lanka PT斯里蘭卡		Total 總計	
		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Opening net assets at 1 April	於4月1日年初之資產淨值	119,451	84,644	598,910	571,534	718,361	656,178
Currency translation differences	外幣換算差額	(9,858)	8,981	(8,660)	1,907	(18,518)	10,888
Issuance of shares	發行股份	-	-	-	5,922	-	5,922
Profit for the year	年度溢利	31,305	31,332	87,930	86,254	119,235	117,586
Dividends	股息	(21,833)	(5,506)	(51,874)	(66,707)	(73,707)	(72,213)
Closing net assets at 31 March	於3月31日年末之資產淨值	119,065	119,451	626,306	598,910	745,371	718,361
Net assets attributable to the Group	本集團應佔資產淨值	39,291	39,419	174,802	167,156	214,093	206,575
Goodwill	商譽	-	-	109,358	109,315	109,358	109,315
Less: Unrealised gain on sale of machinery to an associate	減：出售機器予一間聯營公司之未變現收益	-	-	(2,879)	(2,879)	(2,879)	(2,879)
Interests in associates	於聯營公司之權益	39,291	39,419	281,281	273,592	320,572	313,011
Dividends received from associates	已收聯營公司股息	7,205	1,817	14,478	18,618	21,683	20,435

The information above reflects the amounts presented in the financial statements of the associates adjusted for differences in accounting policies between the Group and the associates.

上述資料反映聯營公司財務報表所列金額，並已就本集團與聯營公司之會計政策差異作出調整。

As at 31 March 2019, the Group's share of contingent liability in respect of a pending tax claim against PT Sri Lanka amounted to approximately HK\$7,338,000 (2018: Nil). The Group has no contingent liabilities relating to its interests in associates.

於2019年3月31日，本集團就針對PT斯里蘭卡的待決稅項申索分佔為數約7,338,000港元的或然負債(2018年：無)。本集團就其於聯營公司的權益並無或然負債。

Cash and bank deposits of HK\$44,983,000 (2018: HK\$49,371,000) which belongs to the Group's associate in the PRC are held in the PRC and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

於中國持有歸屬於本集團於中國之聯營公司的現金及銀行存款44,983,000港元(2018年：49,371,000港元)，且須受地方外匯管制規定的規限。該等地方外匯管制規定對從國內匯出資本作出限制，惟透過普通股息匯出則除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

9 INTERESTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE (Cont'd)**(b) Amounts due from associates**

The amounts due from associates are unsecured, non-interest bearing and repayable on demand. The amounts are denominated in US\$.

(c) Disposal of certain interests in an associate

During the year ended 31 March 2018, certain employees of PT Sri Lanka exercised their share options. In this connection, a deemed disposal gain of HK\$396,000 was recognised by the Group, being the difference between the Group's share of net assets in PT Sri Lanka immediately before and after the exercises.

As at 31 March 2019, the Group's interest in PT Sri Lanka remained at approximately 28%.

9 於聯營公司之權益及應付一間聯營公司款項(續)**(b) 應收聯營公司款項**

應收聯營公司款項為無抵押、免息及於要求時償還。金額以美元列值。

(c) 出售一間聯營公司若干權益

於截至2018年3月31日止年度，PT斯里蘭卡的若干僱員行使其購股權。由此，視作出售收益396,000港元(即緊接此行使前與緊隨此行使後本集團於PT斯里蘭卡分佔資產淨值的差額)獲本集團確認。

於2019年3月31日，本集團於PT斯里蘭卡之權益保持在約28%。

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**10 按公允值計入其他全面收入的金融資產**

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Club debentures	會籍債券	853	853
At 1 April	於4月1日	853	853
Fair value change	公允值變動	-	-
At 31 March	於3月31日	853	853

The fair values of club debentures are based on second hand market prices. See Note 3.3 for further information on fair value. The club debentures are denominated in HK\$.

會籍債券之公允值乃根據二手市場價釐定。見附註3.3有關公允值之進一步資料。會籍債券按港元列值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

11 INVENTORIES

11 存貨

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Raw materials	原料	564,429	528,928
Work-in-progress	在製品	142,961	290,547
Finished goods	製成品	239,963	248,709
		947,353	1,068,184

The cost of inventories included in cost of sales during the year amounted to approximately HK\$4,496,968,000 (2018: HK\$4,525,040,000).

年內計入銷售成本之存貨成本約為4,496,968,000港元(2018年:4,525,040,000港元)。

12 TRADE AND BILLS RECEIVABLES

12 應收賬款及票據

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Trade receivables	應收賬款	702,862	887,398
Bills receivables	應收票據	36,831	30,923
		739,693	918,321
Less: Provision for impairment of trade receivables	減: 應收賬款減值撥備	(3,811)	(1,821)
		735,882	916,500

Majority of the Group's sales are with credit terms of 30 to 60 days. The aging analysis of trade and bills receivables based on invoice date is as follows:

本集團大部分銷售之信貸期介乎30至60天。根據發票日期,應收賬款及票據之賬齡分析如下:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
0 – 60 days	0 – 60天	674,723	852,022
61 – 120 days	61 – 120天	61,535	65,252
121 days – 1 year	121天 – 1年	3,435	1,047
		739,693	918,321

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

12 TRADE AND BILLS RECEIVABLES (Cont'd)

Trade and bills receivables were denominated in the following currencies:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
HK\$	港元	157,992	184,253
US\$	美元	497,259	642,930
RMB	人民幣	84,442	91,138
		739,693	918,321

The top two customers accounted for approximately 31% (2018: 41%) and 21% (2018: 17%), respectively, of the Group's trade and bills receivables; all other customers individually accounted for less than 10% of the Group's trade and bills receivables as at 31 March 2019.

The fair value of trade and bills receivables approximate the net book carrying amounts.

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and bills receivables. There is no significant impact of loss allowance as at 1 April 2018 for these receivables. Note 3.1(b) provides for details about the calculation of the allowance.

Movements in the Group's provision for impairment of trade receivables are as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
At 1 April	於4月1日	1,821	1,646
Currency translation differences	外幣換算差額	(57)	155
Provision for impairment of trade receivables	應收賬款減值撥備	2,722	782
Written off	撇銷	(675)	(762)
At 31 March	於3月31日	3,811	1,821

The maximum exposure to credit risk at balance sheet date is the net book carrying amounts of the receivables mentioned above. The Group does not hold any collateral as security.

12 應收賬款及票據(續)

應收賬款及票據按以下貨幣列值：

首兩大客戶分別約佔本集團應收賬款及票據31% (2018年：41%)與21% (2018年：17%)；於2019年3月31日，所有其他客戶個別佔本集團應收賬款及票據少於10%。

應收賬款及票據之公允值與賬面淨值相若。

本集團採用香港財務報告準則第9號簡化方法計量預期信貸虧損，並就所有應收賬款及票據使用整個生命期的預期虧損撥備。此等應收款項於2018年4月1日的虧損撥備並無受重大影響。附註3.1(b)載有計算撥備之詳情。

本集團就應收賬款作出減值撥備之變動如下：

於結算日，最大信貸風險為上述應收款項之賬面淨值。本集團並無持有任何抵押品作擔保。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

13 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

13 按金、預付款項及其他應收款項

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Rental, utility and other deposits	租金、公用服務及其他按金	293	222
Prepayments for purchase of inventories and consumables	購買存貨與消耗品預付款項	28,506	33,955
Prepayments for purchase of machinery	購買機器預付款項	28,497	47,228
Prepayments for acquisition of land use rights	收購土地使用權預付款項	-	65,408
Other prepayments	其他預付款項	5,716	5,912
Value-added tax recoverable	可收回增值稅	16,623	27,216
Others	其他	12,538	11,162
		92,173	191,103
Less: non-current portion:			
Prepayments for purchase of machinery	減：非流動部分： 購買機器預付款項	(28,497)	(47,228)
Prepayments for acquisition of land use rights	收購土地使用權預付款項	-	(65,408)
		(28,497)	(112,636)
Current portion	流動部分	63,676	78,467

Deposits, prepayments and other receivables are denominated in the following currencies:

按金、預付款項及其他應收款項按下列貨幣計值：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
US\$	美元	16,087	30,772
VND	越南盾	12,883	89,788
RMB	人民幣	59,131	69,414
HK\$	港元	548	1,107
MOP	澳門幣	3,524	22
		92,173	191,103

The book carrying amounts of deposits, prepayments and other receivables approximate their fair values.

按金、預付款項及其他應收款項之賬面值與其公允值相若。

The maximum exposure to credit risk at balance sheet date is the book carrying value of deposits and other receivables. The Group does not hold any collateral as security.

於結算日，最大信貸風險為按金及其他應收款項之賬面值。本集團並無持有任何抵押品作擔保。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

14 DERIVATIVE FINANCIAL INSTRUMENTS

14 衍生金融工具

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Assets:	資產：		
Forward foreign currency contracts	遠期外匯合約	8,339	16,284
Liabilities:	負債：		
Forward foreign currency contracts	遠期外匯合約	(225)	(924)

As at 31 March 2019, the notional principal amount of the Group's outstanding forward foreign currency contracts was HK\$594,302,000 (2018: HK\$216,294,000).

於2019年3月31日，本集團之未到期遠期外匯合約之名義本金額為594,302,000港元（2018年：216,294,000港元）。

The maximum exposure to credit risk of the derivative financial instruments at the balance sheet date is the book carrying value of the derivative financial instruments. Refer to Note 3.1 for further information.

於結算日，衍生金融工具之最大信貸風險為衍生金融工具之賬面值。有關進一步資料，請參閱附註3.1。

15 CASH AND CASH EQUIVALENTS AND SHORT-TERM BANK DEPOSITS

15 現金及現金等值項目以及短期銀行存款

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Cash and cash equivalents	現金及現金等值項目	720,892	622,826
Short-term bank deposits	短期銀行存款	-	43,875
		720,892	666,701

The maximum exposure to credit risk at the balance sheet date is the book carrying value of the cash at banks.

於結算日，最大信貸風險為銀行現金之賬面值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

15 CASH AND CASH EQUIVALENTS AND SHORT-TERM BANK DEPOSITS
(Cont'd)

Cash and cash equivalents and short-term bank deposits are denominated in the following currencies:

15 現金及現金等值項目以及短期銀行存款
(續)

現金及現金等值項目以及短期銀行存款按以下貨幣列值：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
US\$	美元	391,278	465,150
HK\$	港元	103,286	106,053
RMB	人民幣	225,907	86,192
VND	越南盾	313	2,867
LKR	斯里蘭卡盧比	33	6,250
Others	其他	75	189
		720,892	666,701

The Group's cash and bank balances denominated in RMB and VND are primarily deposited with banks in the PRC and Vietnam. The conversion of these RMB and VND denominated balances into foreign currencies and the remittance of funds out of the PRC and Vietnam are subject to rules and regulations on foreign exchange control promulgated by the PRC Government and the Vietnam Government, respectively.

本集團以人民幣及越南盾列值之現金及銀行結餘乃主要存放於中國及越南之銀行。將該等人民幣及越南盾列值之結餘兌換為外幣以及匯款至中國及越南境外須遵守中國政府及越南政府分別頒佈之外匯管制規則及規定。

Cash at banks earns interest at floating rates based on daily bank deposit rates ranging from 0.8% to 2.79% per annum at 31 March 2019 (2018: 0.8% to 2.1% per annum).

銀行現金按銀行每日存款利率以浮息賺取利息，於2019年3月31日息率介乎每年0.8%至2.79%（2018年：每年0.8%至2.1%）。

The effective annual interest rate and maturities of short-term bank deposits at 31 March 2019 and 2018 are as follows:

於2019年及2018年3月31日，短期銀行存款實際年利率與到期日如下：

		2019 2019年	2018 2018年
Effective annual interest rate	實際年利率	-	0.80%
Maturities	到期日	-	91-365 days天

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

16 SHARE CAPITAL AND SHARE PREMIUM

16 股本及股份溢價

(a) Share capital

(a) 股本

		Number of share 股份數目 (thousands) (千計)	Authorised share capital 法定股本 HK\$'000 千港元
Authorised shares, ordinary shares of HK\$0.001 each	法定股份，每股面值0.001港元之普通股		
At 1 April 2017, 31 March 2018 and 31 March 2019	於2017年4月1日、2018年3月31日及2019年3月31日	5,000,000	5,000

		Number of share 股份數目 (thousands) (千計)	Share capital 股本 HK\$'000 千港元
Ordinary shares, issued and fully paid	普通股，已發行及繳足		
At 1 April 2017, 31 March 2018 and 31 March 2019	於2017年4月1日、2018年3月31日及2019年3月31日	1,446,423	1,446

(b) Share premium

In accordance with the Companies Law, Cap.22 of the Cayman Islands, the share premium is distributable 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.

(b) 股份溢價

根據開曼群島公司法第22章，股份溢價可供分派予本公司股東，惟本公司於緊隨建議派發股息當日後，須有能力償還日常業務過程中到期的債項。

(c) Share option scheme

The Group's share option scheme was approved and adopted by the Company by means of a shareholders' written resolution on 27 April 2007.

(c) 購股權計劃

本集團購股權計劃已於2007年4月27日通過股東書面決議案之方式獲本公司批准及採納。

On 11 October 2013, the Board of Directors approved the granting of options to eligible employees to subscribe for a total of 10,000,000 shares of the Company at an exercise price of HK\$9.98 per share with vesting period of 3-9 years. These share options are exercisable at any time during the period from 11 October 2016 to 10 October 2023. As at 31 March 2019, the number of exercisable share options is 2,050,000 (2018: 2,050,000).

於2013年10月11日，董事局批准向合資格僱員授出購股權，以供彼等按行使價每股9.98港元認購合共10,000,000股本公司股份，歸屬期為三至九年。該等購股權可於2016年10月11日至2023年10月10日期間內任何時間行使。於2019年3月31日，可予行使的購股權數目為2,050,000份（2018年：2,050,000份）。

The fair value of the options granted on 11 October 2013, determined using the binomial model, was HK\$18,529,000 at the grant date. The significant inputs to the model were share price of HK\$9.98 at the grant date, exercise price of HK\$9.98, volatility of 45%, expected annual dividend yield of 9%, an expected option life of 10 years, and an annual risk free interest rate of 2.09%. The volatility measured at the grant date was referenced to the historical volatility of the Company.

已於2013年10月11日授出的購股權於授出日期的公允值為18,529,000港元，乃以二項式期權定價模式釐定。該定價模式主要基於在授出日期之股價為9.98港元、行使價為9.98港元、波幅為45%、預期年度股息回報率為9%、預期購股權期限為10年及年度無風險利率為2.09%計算。於授出日期之波動性乃參考本公司之過往波動性而計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

16 SHARE CAPITAL AND SHARE PREMIUM (Cont'd)

16 股本及股份溢價(續)

(c) Share option scheme (Cont'd)

(c) 購股權計劃(續)

Movements in share options are as follows:

購股權之變動如下：

		Number of share options 購股權數目	
		2019 2019年	2018 2018年
At beginning of year	於年初	9,050,000	9,250,000
Lapsed during the year	年內失效	-	(200,000)
At end of year	於年末	9,050,000	9,050,000

The above outstanding share options have the following expiry date and exercise price:

上述尚未行使購股權之到期日及行使價如下：

Expiry date 到期日		Exercise price per share HK\$ 每股行使價 港元	Number of share options 購股權數目	
			2019 2019年	2018 2018年
10 October 2023	2023年10月10日	9.98	9,050,000	9,050,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

17 RESERVES

17 儲備

		Capital reserve (Note (i))	Statutory reserves (Note (ii))	Foreign currency translation reserve	Share-based compensation reserve 以股份為 基礎之 酬金儲備	Other reserve	Retained earnings	Total
		資本儲備 (附註(i))	法定儲備 (附註(ii))	外幣 換算儲備	酬金儲備	其他儲備	保留溢利	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	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2017	於2017年4月1日	1,000	338,024	203,954	12,483	-	1,167,073	1,722,534
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	-	-	-	-	-	744,035	744,035
Currency translation differences	外幣換算差額	-	-	251,908	-	-	-	251,908
Total comprehensive income	全面收入總額	-	-	251,908	-	-	744,035	995,943
Transaction with owners:	與擁有人交易：							
Share-based compensation expense (Note 24)	以股份為基礎之酬金支出 (附註24)	-	-	-	1,696	-	-	1,696
Lapse of share options	購股權失效	-	-	-	(1,348)	-	1,348	-
Transfer to statutory reserve	轉撥至法定儲備	-	25,088	-	-	-	(25,088)	-
2016/2017 final dividends	2016/2017年末期股息	-	-	-	-	-	(433,927)	(433,927)
2017/2018 interim dividends	2017/2018年中期股息	-	-	-	-	-	(383,302)	(383,302)
Total transaction with owners	與擁有人交易總額	-	25,088	-	348	-	(840,969)	(815,533)
At 31 March 2018	於2018年3月31日	1,000	363,112	455,862	12,831	-	1,070,139	1,902,944
Representing:	表示：							
Proposed final dividend (Note 28)	建議末期股息(附註28)						267,588	
Others	其他						802,551	
							1,070,139	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

17 RESERVES (Cont'd)

17 儲備(續)

		Capital reserve (Note (i))	Statutory reserves (Note (ii))	Foreign currency translation reserve	Share-based compensation reserve 以股份為 基礎之 酬金儲備	Other reserve	Retained earnings	Total
		資本儲備 (附註(i))	法定儲備 (附註(ii))	外幣 換算儲備	酬金儲備	其他儲備	保留溢利	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	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2018	於2018年4月1日	1,000	363,112	455,862	12,831	-	1,070,139	1,902,944
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	-	-	-	-	-	861,780	861,780
Currency translation differences	外幣換算差額	-	-	(210,999)	-	-	-	(210,999)
Total comprehensive income	全面收入總額	-	-	(210,999)	-	-	861,780	650,781
Transaction with owners:	與擁有人交易：							
Share-based compensation expense (Note 24)	以股份為基礎之酬金支出 (附註24)	-	-	-	1,695	-	-	1,695
Transfer to statutory reserve	轉撥至法定儲備	-	32,620	-	-	-	(32,620)	-
2017/2018 final dividends	2017/2018年末期股息	-	-	-	-	-	(267,588)	(267,588)
2018/2019 interim dividends	2018/2019年中期股息	-	-	-	-	-	(462,855)	(462,855)
Total transaction with owners	與擁有人交易總額	-	32,620	-	1,695	-	(763,063)	(728,748)
At 31 March 2019	於2019年3月31日	1,000	395,732	244,863	14,526	-	1,168,856	1,824,977
Representing:	表示：							
Proposed final dividend (Note 28)	建議末期股息(附註28)						361,606	
Others	其他						807,250	
							1,168,856	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

17 RESERVES (Cont'd)

Notes:

- (i) Capital reserve represents the difference between the nominal value of shares of subsidiaries acquired pursuant to a reorganisation in November 2004 over the nominal value of the share capital of the Company issued in exchange thereof.
- (ii) Statutory reserves represent legal reserve of a subsidiary incorporated in Macau and statutory reserves of a subsidiary incorporated in the PRC.

In accordance with the Macao Commercial Code, the subsidiary incorporated in Macau is required to set aside a minimum of 25% of its after-tax profit to legal reserve until the balance of this reserve reaches a level equivalent to 50% of its capital. The amount of legal reserve of the subsidiary has reached 50% of its capital.

The subsidiary established in the PRC is required to make appropriations to certain statutory reserves from profit for the year after offsetting accumulated losses from prior years before any profit distribution to equity holders. The percentages to be appropriated to different statutory reserves are determined according to the relevant regulations in the PRC or at the discretion of the board of the subsidiary. Such statutory reserves can only be used to offset accumulated losses, to increase capital, or for special bonus or collective welfare of employees.

These statutory reserves cannot be distributed to equity holders of the subsidiary.

No other statutory reserves are required to be made by the Group in other jurisdictions in which the Group operates.

綜合財務報表附註(續)

17 儲備(續)

附註：

- (i) 資本儲備指根據2004年11月之重組所收購附屬公司股份之面值與本公司就此發行之股本面值之差額。
- (ii) 法定儲備指於澳門註冊成立之一間附屬公司之合法儲備與於中國註冊成立之一間附屬公司之法定儲備。

根據澳門商法典，於澳門註冊成立之附屬公司須將其除稅後溢利最少25%撥入合法儲備，直至該儲備結餘達至相當於其股本50%為止。該附屬公司劃撥至合法儲備之金額已達其股本50%。

於中國成立之附屬公司經抵銷以往年度累計虧損後之年度溢利在向權益持有人作出任何溢利分派之前須提撥若干法定儲備。提撥法定儲備資金比率按相關中國法規或由該附屬公司董事局自行決定。有關法定儲備只可用作抵銷累計虧損、增加資本或派發特別花紅或員工集體福利。

該等法定儲備不能分派予該附屬公司之權益持有人。

本集團無須於本集團經營所在的其他司法權區作出其他法定儲備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

18 BORROWINGS

18 借貸

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Non-current:	非流動：		
Loan from a non-controlling interest of a subsidiary (Note (i))	一間附屬公司非控制性權益提供貸款(附註(i))	146,225	146,169
Current:	流動：		
Short-term bank loans (Note (ii))	短期銀行貸款(附註(ii))	300,000	313,264

Notes:

- (i) The loan from a non-controlling interest of a subsidiary is denominated in US\$, unsecured, non-interest bearing, and not expected to be repayable within the next 12 months. The fair value of this balance approximates its carrying amount.
- (ii) The bank loans bear interest at floating rates. The fair values of the bank loans approximates their carrying amounts.

附註：

- (i) 一間附屬公司非控制性權益提供貸款以美元列值，為無抵押、免利息及預期無須於未來12個月內償還。該結餘之公允值約等於其賬面值。
- (ii) 銀行貸款按浮動利率計息。銀行貸款之公允值約等於其賬面值。

The Group's bank borrowings, after taking into account of repayable on demand clause, are repayable as follows:

經計及按要求償還條款，本集團之銀行借貸償還期限如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Within 1 year or on demand	須於1年內或按要求償還	300,000	313,264

The Group's bank borrowings repayable based on the scheduled repayment dates are as follows:

於計劃還款日期本集團應償還的銀行借貸如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Within 1 year	1年內	300,000	196,310
Between 1 and 2 years	1至2年	-	116,954
Between 2 and 5 years	2至5年	-	-
		300,000	313,264

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

18 BORROWINGS (Cont'd)

The carrying amounts of the Group's bank borrowings are denominated in the following currencies:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
US\$	美元	–	283,264
HK\$	港元	300,000	30,000
		300,000	313,264

As at 31 March 2018, borrowings of certain subsidiaries amounting to HK\$23,833,000 were guaranteed by the Company under certain banking facilities. As at 31 March 2019, such bank borrowings was repaid and no other borrowings were guaranteed by the Company.

18 借貸(續)

本集團銀行借貸之賬面值按以下貨幣計值：

於2018年3月31日，若干附屬公司金額為23,833,000港元的借貸由本公司根據若干銀行融資作出擔保。於2019年3月31日，有關銀行借貸已獲償還，概無其他借貸由本公司擔保。

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates were as follows:

本集團借貸的利率變化風險及合約重新定價日期載列如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
6 months or less	六個月或以內	300,000	313,264

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

19 DEFERRED TAXATION

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The net movement in the deferred income tax account is as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
At 1 April	於4月1日	(25,007)	(26,069)
Credited to the consolidated statement of profit or loss (Note 26)	於綜合損益表計入(附註26)	2,702	3,336
Currency translation differences	外幣換算差額	(1,741)	(2,274)
At 31 March	於3月31日	(24,046)	(25,007)

The movement in deferred income tax assets and liabilities, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax assets:

		Provisions 撥備 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 March 2017	於2017年3月31日	11,704	-	11,704
Credited/(charged) to the consolidated statement of profit or loss	於綜合損益表計入/(扣除)	(5,442)	10,622	5,180
At 31 March 2018	於2018年3月31日	6,262	10,622	16,884
Credited/(charged) to the consolidated statement of profit or loss	於綜合損益表計入/(扣除)	15,071	(4,445)	10,626
Currency translation differences	外幣換算差額	-	(114)	(114)
At 31 March 2019	於2019年3月31日	21,333	6,063	27,396

19 遞延稅項

當有法定可執行權力將即期所得稅資產及即期所得稅負債抵銷，且遞延所得稅資產及負債涉及由同一稅務機關對應課稅實體或不同應課稅實體但有意向以淨額基準結算結餘時，則可將遞延所得稅資產及負債互相抵銷。

遞延所得稅項的淨變動如下：

遞延所得稅資產及負債變動（未計及同一稅務司法權區抵銷之結餘）如下：

遞延所得稅資產：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

19 DEFERRED TAXATION (Cont'd)

Deferred income tax liabilities:

19 遞延稅項(續)

遞延所得稅負債：

		Accelerated tax depreciation allowance	Undistributed profits of a subsidiary and associates	Total
		加速稅項 折舊撥備	附屬公司與 聯營公司 未分配溢利	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 March 2017	於2017年3月31日	12,475	25,298	37,773
Currency translation differences	外幣換算差額	-	2,274	2,274
Charged to the consolidated statement of profit or loss	於綜合損益表扣除	154	1,690	1,844
At 31 March 2018	於2018年3月31日	12,629	29,262	41,891
Currency translation differences	外幣換算差額	-	1,627	1,627
(Credited)/charged to the consolidated statement of profit or loss	於綜合損益表 (計入)/扣除	(1,076)	9,000	7,924
At 31 March 2019	於2019年3月31日	11,553	39,889	51,442

Deferred income tax assets are recognised for tax loss carry-forwards to extent that the realisation of the related tax benefit through future taxable profits is probable.

遞延所得稅資產乃就結轉的稅項虧損確認，惟以有可能透過日後的應課稅溢利變現相關稅項利益為限。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

20 TRADE AND BILLS PAYABLES

20 應付賬款及票據

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Trade payables	應付賬款	545,758	760,538
Bills payables	應付票據	22,727	21,113
		568,485	781,651

The book carrying amounts of trade and bills payables approximate their fair values.

應付賬款及票據之賬面值與其公允值相若。

Credit period granted by creditors generally ranges from 30 to 90 days. Trade and bills payables were aged as follows:

貸方授予之信貸期一般介乎30至90天。應付賬款及票據之賬齡如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
0 – 60 days	0 – 60天	533,624	752,880
61 – 120 days	61 – 120天	26,691	19,107
121 days – 1 year	121天 – 1年	8,170	9,664
		568,485	781,651

Trade and bills payables were denominated in the following currencies:

應付賬款及票據以下列貨幣計值：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
US\$	美元	472,106	662,796
HK\$	港元	17,028	16,632
RMB	人民幣	71,558	97,008
VND	越南盾	7,757	5,215
EUR	歐元	36	–
		568,485	781,651

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

21 ACCRUALS AND OTHER PAYABLES

21 應計項目及其他應付款項

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Accrual for operating expenses	營運開支之應計項目	21,082	41,455
Payables for purchase of property, plant and equipment	購買物業、廠房及設備之應付款項	18,579	26,654
Provision for employee benefits expense (including bonus)	僱員福利支出撥備(包括花紅)	96,120	86,645
Provision for customer claims and goods return	客戶索賠及退貨撥備	10,519	24,953
Provision for reinstatement costs	修復成本撥備	22,934	20,148
Receipts in advance	預收款項	-	5,179
Contract liabilities	合約負債	794	-
Others	其他	13,542	14,979
		183,570	220,013
Less: non-current portion: Provision for reinstatement costs	減：非流動部分： 修復成本撥備	(22,934)	(20,148)
Current portion	流動部分	160,636	199,865

Movement of provision for reinstatement costs is as follows:

修復成本撥備變動如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
As at 1 April	於4月1日	20,148	-
Addition during the year	年內增加	2,193	20,148
Imputed interest of provision for reinstatement costs (Note 25)	修復成本撥備推定利息 (附註25)	1,175	-
Exchange translation difference	換算差額	(582)	-
As at 31 March	於3月31日	22,934	20,148

Accruals and other payables were denominated in the following currencies:

應計項目及其他應付款項以下列貨幣計值：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
HK\$	港元	58,492	77,349
RMB	人民幣	89,390	103,071
US\$	美元	8,517	16,457
Others	其他	27,171	23,136
		183,570	220,013

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

22 OTHER INCOME AND OTHER GAINS/(LOSSES) – NET

22 其他收入及其他收益/(虧損) – 淨額

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Other income:	其他收入：		
Sale of residual materials	出售剩餘物料	62,779	42,211
Sub-contracting income	分包收入	4,681	3,887
Handling income	處理收入	4,532	3,350
Rental income	租金收入	4,436	5,079
Government grants	政府補貼	20,678	17,770
Sundry income	雜項收入	59,816	49,410
		156,922	121,707
Other gains/(losses) – net:	其他收益/(虧損) – 淨額：		
Derivative financial instruments – forward foreign currency contracts	衍生金融工具 – 遠期外匯合約	5,636	15,360
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(1,791)	(8,363)
Net foreign exchange gains/(losses)	外匯收益/(虧損)淨值	22,456	(12,573)
		26,301	(5,576)
		183,223	116,131

23 EXPENSES BY NATURE

23 按性質細分的開支

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Depreciation of property, plant and equipment	物業、廠房及設備折舊	155,190	160,625
Amortisation of land use rights	土地使用權攤銷	3,427	1,376
Amortisation of prepayments for acquisition of land use rights	收購土地使用權之預付款項攤銷	–	2,086
Cost of raw materials and consumables used	使用原材料與消耗品產生之成本	4,496,968	4,525,040
Provision for impairment of trade receivables, net	應收賬款減值撥備淨額	–	782
Employee benefits expense (including directors' emoluments) (Note 24)	僱員福利開支(包括董事酬金)(附註24)	663,079	598,661
Operating lease payments in respect of land and buildings	土地及樓宇經營租約款項	4,053	3,606
Reversal of provision for slow-moving and obsolete inventories, net	滯銷及陳舊存貨撥備撥回淨額	(52,363)	(13,062)
Auditor's remuneration	核數師薪酬		
– Audit services	– 審核服務	2,845	2,770
– Non-audit services	– 非審核服務	266	278
Provision for claims and claims paid, net	索償及已付索償撥備淨額	–	19,409
Others	其他	42,575	85,848
Total cost of sales, distribution and selling expenses and general and administrative expenses	銷售成本、分銷及銷售開支總額與一般及行政開支	5,316,040	5,387,419

24 EMPLOYEE BENEFITS EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

24 僱員福利開支(包括董事酬金)

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		千港元	千港元
Wages, salaries, bonus and allowances	工資、薪金、花紅及津貼	576,144	520,403
Retirement benefit – defined contribution schemes (Note (a))	退休福利 – 定額供款計劃(附註(a))	46,214	41,124
Welfare and benefits	福利及利益	39,026	35,438
Share-based compensation expense	以股份為基礎之酬金支出	1,695	1,696
		663,079	598,661

(a) Retirement benefit – defined contribution schemes

The Company's subsidiary in the PRC is a member of the state-managed retirement benefits scheme operated by the Government of the PRC. The Group contributes to the scheme at a fixed percentage of the basic salaries of the subsidiary's employees, subject to a cap, and has no further obligations for the actual payment of pensions or post-retirement benefits beyond its contributions. The state-managed retirement plans are responsible for the entire pension obligations payable to retired employees.

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme ("the MPF Scheme"), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, the Group and its employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. Both the Group's and the employees' contributions are subject to a cap of HK\$1,500 per month and thereafter contributions are voluntary.

The Company's subsidiary in Vietnam contributes to state-sponsored employees' social insurance scheme for its employees in Vietnam. The Group contributes to the scheme at 18% of the basic salaries of the subsidiary's employees, subject to a cap. The state-sponsored social insurance scheme is responsible for the pension obligations payable to retired employees.

(a) 退休福利 – 定額供款計劃

本公司於中國之附屬公司為中國政府所推行國家管理退休福利計劃之成員。本集團按附屬公司僱員基本薪金之固定百分比向計劃作出供款(不超過某一上限)，而除其供款外，並無實際支付退休金或離職福利之進一步責任。國家管理之退休計劃負責向退休僱員支付所有退休金。

本集團已安排其香港僱員參加強制性公積金計劃(「強積金計劃」)。該計劃為由獨立受託人管理之定額供款計劃。根據強積金計劃，本集團及其僱員按強制性公積金條例定義之僱員收入之5%每月向計劃作出供款。本集團及僱員供款均以每月1,500港元為上限，其後作出之供款屬自願性質。

本公司於越南之附屬公司為其越南僱員向國家推行之僱員社會保險計劃作出供款。本集團按附屬公司僱員基本薪金之18%(不超過某一上限)向計劃作出供款。國家推行之社會保險計劃負責為退休僱員提供退休金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

24 EMPLOYEE BENEFITS EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)
(Cont'd)

24 僱員福利開支(包括董事酬金)(續)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 March 2019 include 4 directors (2018: 4 directors), whose emoluments are disclosed in Note 34. The aggregate emolument payable to the remaining individual (2018: The aggregate emolument payable to the remaining individual is as follow) is as follow:

(b) 五名最高薪人士

截至2019年3月31日止年度，本集團之5名最高薪人士包括4名董事(2018年：4名董事)，彼等之酬金於附註34披露。應付餘下人士之酬金總額(2018年：應付餘下人士之酬金總額如下)如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Salaries and allowances	薪金及津貼	3,090	1,690
Discretionary bonuses	酌情花紅	128	1,000
Retirement benefit – defined contribution schemes	退休福利 – 定額供款計劃	-	-
		3,218	2,690

The number of non-directors with emoluments fell within the following bands:

非董事人士之酬金在下列範圍之人數：

		2019 2019年	2018 2018年
HK\$2,000,001 – HK\$2,500,000	2,000,001港元至2,500,000港元	-	-
HK\$2,500,001 – HK\$3,000,000	2,500,001港元至3,000,000港元	-	1
HK\$3,000,001 – HK\$3,500,000	3,000,001港元至3,500,000港元	1	-
		1	1

(c) Senior management remuneration by band

The number of senior management with emoluments fell within the following bands:

(c) 高級管理層薪酬範圍

高級管理層人數及酬金範圍如下：

		2019 2019年	2018 2018年
HK\$500,001 – HK\$1,000,000	500,001港元至1,000,000港元	-	1
HK\$1,000,001 – HK\$2,000,000	1,000,001港元至2,000,000港元	3	5
HK\$2,000,001 – HK\$2,500,000	2,000,001港元至2,500,000港元	5	2
HK\$2,500,001 – HK\$3,000,000	2,500,001港元至3,000,000港元	-	1
HK\$3,000,001 – HK\$3,500,000	3,000,001港元至3,500,000港元	1	-
		9	9

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

25 FINANCE INCOME AND COSTS

25 財務收入及成本

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Finance income:	財務收入：		
– Bank interest income	– 銀行利息收入	11,673	8,583
		11,673	8,583
Finance costs:	財務成本：		
– Interest expense on bank loans	– 銀行貸款利息開支	(8,010)	(7,346)
– Net foreign exchange loss	– 外匯虧損淨值	(4,981)	(9,575)
– Imputed interest of provision for reinstatement cost	– 修復成本撥備推定利息	(1,175)	–
		(14,166)	(16,921)
Net finance costs	財務成本淨值	(2,493)	(8,338)

26 INCOME TAX EXPENSE

During the year ended 31 March 2019, the Group was subject to Hong Kong profits tax and PRC enterprise income tax. Hong Kong profits tax has been provided for at the rate of 16.5% (2018: 16.5%) on the estimated assessable profits for the year. PRC enterprise income tax has been provided for at the rate of 25% (2018: 25%) on the estimated assessable profits for the year. Vietnam enterprise income tax has been provided for at the rate of 20% (2018: 20%) on the estimated assessable profits for the year.

The Group's subsidiary in Vietnam is entitled to tax holiday and the profits are fully exempted from Vietnam enterprise income tax for two years starting from its first year of profitable operations after offsetting prior year tax losses, followed by 50% reduction in CIT in next four years.

26 所得稅開支

於截至2019年3月31日止年度，本集團須繳納香港利得稅與中國企業所得稅。香港利得稅乃就年內估計應課稅溢利按16.5% (2018年：16.5%) 之稅率作出撥備。中國企業所得稅乃就年內估計應課稅溢利按25% (2018年：25%) 之稅率作出撥備。越南企業所得稅乃就年內估計應課稅溢利按20% (2018年：20%) 之稅率作出撥備。

本集團於越南的附屬公司享有免稅期，經抵銷上一年度稅項虧損後，由首個獲利年度起計兩年，溢利完全毋須繳納越南企業所得稅，而之後四年享有50%企業所得稅減免。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

26 INCOME TAX EXPENSE (Cont'd)

The amount of income tax charged to the consolidated statement of profit or loss represents:

26 所得稅開支(續)

於綜合損益表扣除之所得稅金額為：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Current income tax	即期所得稅		
– Hong Kong profits tax	– 香港利得稅	69,632	71,303
– PRC corporate income tax	– 中國企業所得稅	79,579	59,986
Deferred tax (Note 19)	遞延稅項(附註19)	(2,702)	(3,336)
(Over-provision)/under-provision in prior years	過往年度(超額撥備)/撥備不足	(981)	2,148
		145,528	130,101

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

就本集團所得稅前溢利之稅項與按適用於綜合實體溢利之加權平均稅率計算之理論金額之差異如下：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Profit before income tax	所得稅前溢利	1,015,787	853,443
Less:	減：		
Associates results reported net of tax	聯營公司之呈報業績(不含稅)	(34,738)	(34,520)
		981,049	818,923
Tax calculated at weighted average domestic tax rate applicable to profits in respective jurisdictions	按適用於相關司法權區之加權平均地方稅率計算之稅項	148,811	123,902
Income not subject to tax	毋須課稅收入	(9,732)	(6,737)
Expenses not deductible for tax purposes	不可扣稅開支	1,141	2,751
Tax concession	稅收優惠	(2,711)	–
Recognition of previous tax loss	確認過往的稅項虧損	–	(1,063)
Tax on certain undistributed retained profit of a subsidiary and associates	附屬公司及聯營公司若干未分派保留溢利之稅項	9,000	9,100
(Over-provision)/under-provision in prior years	過往年度(超額撥備)/撥備不足	(981)	2,148
		145,528	130,101

The weighted average applicable tax rate was 15.2% (2018: 15.1%). The change in weighted average applicable tax rate is due to a change in the profitability of the Group's subsidiaries in the respective countries.

加權平均適用稅率為15.2%(2018年：15.1%)。加權平均適用稅率變動乃因本集團附屬公司在各自國家的盈利能力發生變化所致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

27 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of shares in issue during the year.

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	861,780	744,035
Weighted average number of shares in issue (thousands)	已發行股份加權平均數 (千股)	1,446,423	1,446,423
Basic earnings per share (HK\$ per share)	每股基本盈利 (每股港元)	0.60	0.51

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all dilutive potential ordinary shares. The Company has share options to employees for years ended 31 March 2018 and 2019.

Since the average market price of the Company's shares during the year is smaller than the assumed exercise price of the share options, the potential ordinary shares were not included in the calculation of the diluted earnings per share as their inclusion would be anti-dilutive. Accordingly, diluted earnings per share for the years ended 31 March 2018 and 2019 are the same as basic earnings per share of the respective year.

27 每股盈利

(a) 基本

每股基本盈利按本公司權益持有人應佔溢利除年內已發行股份加權平均數計算。

(b) 攤薄

每股攤薄盈利以假設兌換所有潛在攤薄普通股而調整已發行普通股之加權平均數計算。於截至2018年及2019年3月31日止年度本公司有向僱員發行的購股權。

由於本公司股份於年內的平均市價低於購股權假設行使價，因此計算每股攤薄盈利時並無計入潛在攤薄普通股，因為計入該等股份會造成反攤薄。故此，截至2018年及2019年3月31日止年度的每股攤薄盈利與有關年度的每股基本盈利相同。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

28 DIVIDENDS

28 股息

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Interim dividend paid of HK32 cents (2018: HK26.5 cents) (Note (i))	已派付港幣32仙之中期股息 (2018年：港幣26.5仙)(附註(i))	462,855	383,302
Proposed final dividend of HK25 cents (2018: HK18.5 cents) (Note (ii))	擬派付港幣25仙之末期股息 (2018年：港幣18.5仙)(附註(ii))	361,606	267,588
		824,461	650,890

Notes:

- (i) On 22 November 2018, the Company's Board of Directors declared an interim dividend of HK32 cents per share (2018: HK26.5 cents) for the six-month period ended 30 September 2018. The amount was paid in December 2018.
- (ii) On 20 June 2019, the Company's Board of Directors proposed a final dividend of HK25 cents per share for the year ended 31 March 2019. This proposed dividend has not been reflected as dividend payable in the consolidated financial statements as at 31 March 2019.

附註：

- (i) 於2018年11月22日，本公司董事局宣派截至2018年9月30日止六個月期間中期股息每股港幣32仙（2018年：港幣26.5仙）。該等款項已於2018年12月支付。
- (ii) 於2019年6月20日，本公司董事局建議宣派截至2019年3月31日止年度末期股息每股港幣25仙。擬派付股息並無於2019年3月31日的綜合財務報表內反映為應付股息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

29 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

29 綜合現金流量表附註

(a) Cash generated from operations

(a) 營運產生之現金

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Profit before income tax	所得稅前溢利	1,015,787	853,443
Adjustments for:	以下各項之調整：		
Share of profits of associates	分佔聯營公司之溢利	(34,738)	(34,520)
Gain on disposal of certain interest in an associate	出售一間聯營公司 若干權益之收益	-	(396)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	155,190	160,625
Amortisation of land use rights	土地使用權攤銷	3,427	1,376
Amortisation of prepayments for acquisition of land use rights	收購土地使用權之 預付款項攤銷	-	2,086
Loss on disposal of property, plant and equipment	出售物業、廠房及設備 之虧損	1,791	8,363
Share-based compensation expense	以股份為基礎之酬金支出	1,695	1,696
Provision for impairment of trade receivables	應收賬款減值撥備	2,722	782
Net fair value gain on derivative financial instruments	衍生金融工具公允價值 收益淨值	(5,636)	(15,360)
Finance income	財務收入	(11,673)	(8,583)
Finance costs	財務成本	14,166	16,921
Operating profit before working capital changes	營運資金變動前之經營溢利	1,142,731	986,433
Decrease/(increase) in inventories	存貨減少/(增加)	120,831	(89,744)
Decrease in trade and bills receivables	應收賬款及票據減少	177,896	26,326
Decrease in deposits, prepayments and other receivables	按金、預付款項及 其他應收款項減少	14,849	4,148
Increase in amounts due from associates	應收聯營公司款項增加	(3,707)	(14,769)
Change in derivative financial instruments	衍生金融工具變動	12,882	-
Decrease in trade and bills payables	應付賬款及票據減少	(213,166)	(148,610)
Decrease in accruals and other payables	應計項目及其他應付 款項減少	(31,154)	(20,244)
Decrease in amount due to an associate	應付一間聯營公司款項減少	-	(1,417)
Cash generated from operations	營運產生之現金	1,221,162	742,123

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

29 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

29 綜合現金流量表附註(續)

(b) In the consolidated statement of cash flows, proceeds from disposals of property, plant and equipment comprise:

(b) 於綜合現金流量表內，出售物業、廠房及設備所得款項包括：

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Net book amount	賬面淨值	16,253	15,211
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(1,791)	(8,363)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	14,462	6,848

(c) Reconciliation of net debt in financing activities

(c) 融資活動債務淨額對賬

		Loan from a non-controlling interest of a subsidiary 一間附屬公司非控制性權益提供貸款 HK\$'000 千港元	Bank borrowings 銀行借貸 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 April 2017	於2017年4月1日	144,772	471,701	616,473
New bank borrowings	新借銀行借貸	–	30,000	30,000
Repayment of bank borrowings	償還銀行借貸	–	(188,437)	(188,437)
Exchange currency alignment	匯兌調整	1,397	–	1,397
As at 31 March 2018	於2018年3月31日	146,169	313,264	459,433
New bank borrowings	新借銀行借貸	–	500,000	500,000
Repayment of bank borrowings	償還銀行借貸	–	(513,264)	(513,264)
Exchange currency alignment	匯兌調整	56	–	56
As at 31 March 2019	於2019年3月31日	146,225	300,000	446,225

30 CONTINGENT LIABILITIES

At 31 March 2019, the Group had no material contingent liabilities (2018: Nil).

30 或有負債

於2019年3月31日，本集團並無重大或有負債(2018年：無)。

For contingent liabilities relating to associates, please refer to note 9(a).

有關聯營公司之或然負債請參閱附註9(a)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

31 COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		千港元	千港元
Contracted but not provided for:	已訂約但未撥備：		
Property, plant and equipment	物業、廠房及設備	102,810	116,045
Leasehold land and land use rights	租賃土地及土地使用權	-	9,766
Authorised but not contracted for:	已批准但未訂約：		
Property, plant and equipment	物業、廠房及設備	-	18,050
		102,810	143,861

At 31 March 2019, the Group had authorised an injection of approximately HK\$249,672,000 (2018: HK\$249,576,000) as capital of a subsidiary in Vietnam.

於2019年3月31日，本集團已批准向越南附屬公司注資約249,672,000港元（2018年：249,576,000港元）。

At 31 March 2019, the Group did not have any significant share of capital commitments of its associates (2018: Nil).

於2019年3月31日，本集團並無任何分佔聯營公司資本承擔（2018年：無）。

(b) Operating lease commitments

The Group had future aggregate minimum lease payments under non-cancellable operating leases of land and buildings, as lessees, as follows:

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		千港元	千港元
As lessee:	作為承租人：		
Not later than 1 year	不超過1年	753	641
Later than 1 year and not later than 5 years	超過1年但不超過5年	689	105
		1,442	746

(b) 經營租約承擔

本集團（作為承租人）根據土地及樓宇之不可撤銷經營租約支付的未來最低租金款項總額如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

31 COMMITMENTS (Cont'd)

(b) Operating lease commitments (Cont'd)

The Group had future aggregate minimum lease receipts under non-cancellable operating leases, as lessors, as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
As lessor:	作為出租人：		
Not later than 1 year	不超過1年	1,372	585
Later than 1 year and not later than 5 years	超過1年但不超過5年	134	270
		1,506	855

32 RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

The directors are of the view that the following entities were related parties that had transactions or balances with the Group during the year.

31 承擔(續)

(b) 經營租約承擔(續)

本集團(作為出租人)根據不可撤銷經營租約收取的未來最低租金款項總額如下：

32 有關連人士交易

有關連人士指有能力控制、聯合控制被投資方或對其他可對被投資方行使權力的人士行使重大影響力的人士；須承擔或享有自其參與被投資方所得可變回報的風險或權利的人士；及可利用其對被投資方的權力影響投資者回報金額的人士。受共同控制或聯合控制的人士亦被視為有關連。有關連人士可為個人或其他實體。

董事認為，下列實體為年內曾與本集團進行交易或擁有結餘之有關連人士。

Name 名稱	Relationship with the Group 與本集團之關係
Toray Industries, Inc. 東麗株式會社	A substantial shareholder 主要股東
Teejay Lanka PLC Teejay Lanka PLC	An associate 聯營公司
SPM Automotive Textiles Co. Ltd. 住江互太(廣州)汽車紡織產品有限公司	An associate 聯營公司
Source Smart Asia Ltd 雅高亞洲有限公司	A company controlled by son of a director 董事兒子控制之公司

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

32 RELATED PARTY TRANSACTIONS (Cont'd)

(a) The following transactions were carried out with related parties:

32 有關連人士交易(續)

(a) 與有關連人士進行之交易如下:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Sales of goods	銷售貨品		
- Toray Industries, Inc. (Notes (ii))	- 東麗株式會社(附註(ii))	16,792	-
- Teejay Lanka PLC (Note (ii))	- Teejay Lanka PLC(附註(ii))	-	9,979
		16,792	9,979
Purchase of materials	購買材料		
- Toray Industries, Inc. (Notes (i) and (v))	- 東麗株式會社(附註(i)及(v))	116,444	134,607
Rental income	租金收入		
- Source Smart Asia Ltd (Note (iii))	- 雅高亞洲有限公司(附註(iii))	1,126	697
- SPM Automotive Textiles Co. Ltd. (Note (iii))	- 住江互太(廣州)汽車紡織 產品有限公司(附註(iii))	3,060	4,236
		4,186	4,933
Sub-contracting income	分包收入		
- SPM Automotive Textiles Co. Ltd. (Note (ii))	- 住江互太(廣州)汽車紡織 產品有限公司(附註(ii))	3,112	3,887
Handling income	處理收入		
- Teejay Lanka PLC (Note (iv))	- Teejay Lanka PLC(附註(iv))	4,398	3,351

Notes:

- (i) Goods are purchased at prices mutually agreed by the Group and the substantial shareholder in the ordinary course of business.
- (ii) Goods are sold and sub-contracting income are received at prices mutually agreed by the Group and its related parties in the ordinary course of business.
- (iii) Rental income is determined based on the size of the property and the relevant market rate.
- (iv) Handling fee received from an associate is charged at 2% to 3% of the value of certain purchases made as an agent of the associate, and the rates of the handling fee were mutually agreed by both parties.
- (v) Toray Industries, Inc. ("Toray") became a substantial shareholder of the Group on 19 July 2017. Accordingly, the value of the related party transactions in prior year comprised only transactions with Toray from 19 July 2017 to 31 March 2018.

附註:

- (i) 貨品購買乃在日常業務過程中按本集團與主要股東共同協定之價格進行。
- (ii) 貨品銷售與分包收入乃在日常業務過程中按本集團與有關連人士共同協定之價格進行及收取。
- (iii) 租金收入乃基於物業面積與相關市場價格釐定。
- (iv) 向一間聯營公司收取處理費用是以作為聯營公司代理人進行若干採購的價值按2%至3%收取，而處理費用比率乃經雙方共同協商。
- (v) 東麗株式會社(「東麗」)於2017年7月19日成為本集團主要股東。因此，於上一年度有關連人士交易之價值僅包括與東麗於2017年7月19日至2018年3月31日期間進行之交易。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

32 RELATED PARTY TRANSACTIONS (Cont'd)

32 有關連人士交易(續)

(b) Year-end balances

(b) 年末結餘

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Amount due from SPM Automotive Textiles Co. Ltd. for sub-contracting income and rental income	應收住江互太(廣州)汽車紡織產品有限公司分包收入及租金收入	381	949
Trade in nature: Amount due from Teejay Lanka PLC arising from purchase of goods on behalf	貿易性質: 因代為購買貨品產生之 應收Teejay Lanka PLC款項	52,418	48,143
Trade in nature: Amount due to Toray Industries, Inc. arising from purchase of materials	貿易性質: 因購買材料產生之應付東麗株式 會社款項	24,624	53,728

(c) Key management compensation

(c) 主要管理人員酬金

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Salaries, bonus and allowances	薪金、花紅及津貼	65,829	50,201
Retirement benefits – defined contribution schemes	退休福利 – 定額供款計劃	158	68
		65,987	50,269

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

33 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

33 本公司資產負債表及儲備之變動

Balance sheet of the Company

本公司資產負債表

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		千港元	千港元
ASSETS	資產		
Non-current assets	非流動資產		
Interests in subsidiaries	於附屬公司之權益	1,454,905	1,434,994
Current assets	流動資產		
Amounts due from subsidiaries	應收附屬公司款項	6,098,113	5,440,904
Cash and bank balances	現金及銀行結餘	3,093	2,328
		6,101,206	5,443,232
Total assets	資產總值	7,556,111	6,878,226
EQUITY	權益		
Share capital	股本	1,446	1,446
Share premium	股份溢價	1,453,188	1,453,188
Reserves	儲備	1,285,503	919,132
		2,740,137	2,373,766
LIABILITIES	負債		
Current liabilities	流動負債		
Borrowings	借貸	300,000	283,264
Accruals and other payables	應計項目及其他應付款項	3,296	4,078
Amounts due to subsidiaries	應付附屬公司款項	4,512,678	4,217,118
		4,815,974	4,504,460
Total liabilities	負債總額	4,815,974	4,504,460
Total equity and liabilities	權益及負債總額	7,556,111	6,878,226

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

33 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Cont'd)

33 本公司資產負債表及儲備之變動(續)

Reserve movement of the Company

本公司儲備之變動

		Share-based compensation reserve 以股份為基礎 之酬金儲備 HK\$'000 千港元	Retained earnings 保留溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2017	於2017年4月1日	12,483	925,008	937,491
Profit for the year	年度溢利	–	797,174	797,174
Share-based compensation expense	以股份為基礎之酬金支出	1,696	–	1,696
Lapse of share options	購股權失效	(1,348)	1,348	–
2016/2017 final dividends	2016/2017年末期股息	–	(433,927)	(433,927)
2017/2018 interim dividends	2017/2018年中期股息	–	(383,302)	(383,302)
At 31 March 2018	於2018年3月31日	12,831	906,301	919,132
At 1 April 2018	於2018年4月1日	12,831	906,301	919,132
Profit for the year	年度溢利	–	1,095,118	1,095,118
Share-based compensation expense	以股份為基礎之酬金支出	1,696	–	1,696
2017/2018 final dividends	2017/2018年末期股息	–	(267,588)	(267,588)
2018/2019 interim dividends	2018/2019年中期股息	–	(462,855)	(462,855)
At 31 March 2019	於2019年3月31日	14,527	1,270,976	1,285,503
Representing:	表示：			
Proposed final dividend (Note 28)	建議末期股息(附註28)		361,606	
Others	其他		909,370	
			1,270,976	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

34 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's emoluments

The aggregate amounts of emoluments paid/payable to directors of the Company by the Group are as follows:

		2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元
Fees	袍金	5,250	4,440
Salaries, bonus and allowances	薪金、花紅及津貼	39,895	30,251
Retirement benefit – defined contribution schemes	退休福利— 定額供款計劃	18	14
		45,163	34,705

The emoluments of each director for the year ended 31 March 2019 are as follows:

截至2019年3月31日止年度，各董事之酬金如下：

Name of directors 董事姓名	Fees 袍金 HK\$'000 千港元	Salaries, bonus and allowances 薪金、花紅 及津貼 HK\$'000 千港元	Retirement benefit – defined contribution schemes 退休福利— 定額供款計劃 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Executive directors 執行董事				
Wan Wai Loi (Chief executive officer)	1,500	23,247	–	24,747
Lau Yiu Tong	1,000	11,044	–	12,044
Tou Kit Vai	1,000	3,474	18	4,492
Toshiya Ishii	1,000	2,130	–	3,130
Non-executive directors 非執行董事				
Choi Kin Chung	–	–	–	–
Tsang Kang Po	–	–	–	–
Independent non-executive directors 獨立非執行董事				
Chan Yue Kwong, Michael	250	–	–	250
Ng Ching Wah	250	–	–	250
Sze Kwok Wing, Nigel	250	–	–	250
	5,250	39,895	18	45,163

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

綜合財務報表附註(續)

34 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Cont'd)

Directors' and chief executive's emoluments (Cont'd)

The emoluments of each director for the year ended 31 March 2018 are as follows:

34 董事及最高行政人員之酬金(續)

董事及最高行政人員之酬金(續)

截至2018年3月31日止年度，各董事之酬金如下：

Name of directors	Fees	Salaries, bonus and allowances	Retirement benefit – defined contribution schemes	Total
董事姓名	袍金	薪金、花紅及津貼	退休福利 – 定額供款計劃	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Executive directors				
執行董事				
Wan Wai Loi (Chief executive officer)	1,500	16,212	–	17,712
Lau Yiu Tong (re-designated as executive director on 1 July 2017)	750	7,733	–	8,483
Tou Kit Vai (appointed on 1 July 2017)	750	2,496	14	3,260
Toshiya Ishii (appointed on 1 October 2017)	500	1,005	–	1,505
Non-executive directors				
非執行董事				
Choi Kin Chung	–	–	–	–
Ip Ping Im (ceased on 27 October 2017)	–	–	–	–
Tsang Kang Po (re-designated as non-executive director on 1 July 2017)	250	2,805	–	3,055
Lam Wing Tak (resigned on 18 May 2017)	–	–	–	–
Independent non-executive directors				
獨立非執行董事				
Chan Yue Kwong, Michael	230	–	–	230
Ng Ching Wah	230	–	–	230
Sze Kwok Wing, Nigel	230	–	–	230
	4,440	30,251	14	34,705

FINANCIAL SUMMARY

財務概要

CONSOLIDATED RESULTS

綜合業績

		Year ended 31 March, 截至3月31日止年度				
		2019	2018	2017	2016	2015
		2019年	2018年	2017年	2016年	2015年
		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
Revenue	收入	6,119,081	6,098,153	5,993,632	6,927,614	6,906,883
Gross profit	毛利	1,060,901	947,162	1,116,484	1,302,504	1,177,906
Profit attributable to: Equity holders of the Company	下列人士應佔溢利： 本公司權益持有人	861,780	744,035	975,573	1,125,530	1,074,785
Non-controlling interests	非控制性權益	8,479	(20,693)	13,655	(2,835)	(5,119)
		870,259	723,342	989,228	1,122,695	1,069,666

CONSOLIDATED BALANCE SHEET

綜合資產負債表

		As at 31 March, 於3月31日				
		2019	2018	2017	2016	2015
		2019年	2018年	2017年	2016年	2015年
		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
Non-current assets	非流動資產	2,001,296	2,046,372	1,889,201	1,886,598	1,760,187
Current assets	流動資產	2,528,941	2,806,338	3,122,567	3,544,846	3,966,978
Total assets	資產總值	4,530,237	4,852,710	5,011,768	5,431,444	5,727,165
Current liabilities	流動負債	1,051,550	1,311,037	1,660,479	1,906,148	2,076,169
Total assets less current liabilities	資產總值減流動負債	3,478,687	3,541,673	3,351,289	3,525,296	3,650,996
Non-current liabilities	非流動負債	209,048	200,811	170,841	173,364	156,587
Total equity	權益總額	3,269,639	3,340,862	3,180,448	3,351,932	3,494,409
Net current assets	流動資產淨值	1,477,391	1,495,301	1,462,088	1,638,698	1,890,809
Equity attributable to: Equity holders of the Company	下列人士應佔權益： 本公司權益持有人	3,279,611	3,357,578	3,177,168	3,360,099	3,496,715
Non-controlling interests	非控制性權益	(9,972)	(16,716)	3,280	(8,167)	(2,306)
		3,269,639	3,340,862	3,180,448	3,351,932	3,494,409

In this annual report (other than the Independent Auditor's Report and Financial Information), unless the context otherwise requires, the following expressions shall have the following meanings:

於本年報內(獨立核數師報告與財務資料除外)·除非文義另有所指·下列詞彙具有以下含義:

"2019 Financial Year"	For the year ended 31 March 2019	[2019年財政年度]	截至2019年3月31日止年度
"AGM"	Annual General Meeting of the Company	[股東週年大會]	本公司之股東週年大會
"Articles"	The Articles of Association of the Company, as amended from time to time	[章程細則]	本公司不時修訂之組織章程細則
"Board"	The Board of Directors of the Company	[董事局]	本公司之董事局
"CG Code" or "Corporate Governance Code"	The Corporate Governance Code, stated in the Appendix 14 to the Main Board Listing Rules	[企業管治守則]	主板上市規則附錄十四所載之企業管治守則
"China" or "PRC"	The People's Republic of China	[中國]	中華人民共和國
"Company"	Pacific Textiles Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange	[本公司]	互太紡織控股有限公司·一間於開曼群島註冊成立之獲豁免有限公司·其股份於聯交所上市
"Director(s)"	The Director(s) of the Company	[董事]	本公司之董事
"Group"	The Company and its subsidiaries	[本集團]	本公司及其附屬公司
"HKD" or "\$" or "HK\$"	Hong Kong Dollar	[港元]	港元
"HKSAR" or "Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China	[香港]	中華人民共和國香港特別行政區
"INED(s)"	The Independent Non-executive Director(s) of the Company	[獨立非執行董事]	本公司之獨立非執行董事
"Listing Rules" or "Main Board Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time	[上市規則]或 [主板上市規則]	經不時修訂之聯交所證券上市規則
"LKR" or "RS"	Sri Lankan Rupee	[斯里蘭卡盧比]	斯里蘭卡盧比
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers, Appendix 10 to the Main Board Listing Rules	[標準守則]	主板上市規則附錄十上市發行人董事進行證券交易的標準守則
"RMB" or "CNY"	"Renminbi/Chinese Yuan"	[人民幣]	人民幣
"SFO"	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)	[證券及期貨條例]	證券及期貨條例(香港法例第571章)

GLOSSARY

專用詞彙

“Shares”	Shares of the Company, with a nominal value of HK\$0.001 each	「股份」	本公司每股面值0.001港元之股份
“Shareholder(s)”	The Company’s Shareholder(s)	「股東」	本公司之股東
“Share Option Scheme”	The Share Option Scheme adopted by the Company pursuant to the written resolutions of Shareholders passed on 27 April 2007	「購股權計劃」	本公司根據股東於2007年4月27日通過之書面決議案採納之購股權計劃
“Stock Exchange”	The Stock Exchange of Hong Kong Limited	「聯交所」	香港聯合交易所有限公司
“Teejay Lanka PLC”	Teejay Lanka PLC (formerly known as Textured Jersey Lanka PLC and Textured Jersey Lanka (Private) Limited), a limited liability company incorporated under the laws of Sri Lanka and whose shares are listed on The Colombo Stock Exchange in Sri Lanka	「Teejay Lanka PLC」	Teejay Lanka PLC (前稱 Textured Jersey Lanka PLC 及 Textured Jersey Lanka (Private) Limited)，一間根據斯里蘭卡法律註冊成立之有限公司，其股份於斯里蘭卡科倫坡交易所上市
“Toray”	Toray Industries, Inc., a company incorporated under the laws of Japan and whose shares are listed on The Tokyo Stock Exchange in Japan, a substantial Shareholder of the Company	「Toray」	Toray Industries, Inc.，一間根據日本法律註冊成立之公司，其股份於日本東京證券交易所上市，為本公司之一名主要股東
“USD” or “US\$”	United States Dollar	「美元」	美元
“VND”	Vietnamese Dong	「越南盾」	越南盾



PACIFIC TEXTILES HOLDINGS LIMITED
互太紡織控股有限公司

(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 : 01382)



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