



**Eagle Nice**  
**(International) Holdings Limited**  
**鷹美(國際)控股有限公司\***

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

(Stock Code 股份代號 : 02368)

**Focus on**  
**Foundations**

**Annual Report 年報**

**2009**



# Our Mission

**Our mission is to add value to our treasured shareholders and customers. With our sustained endeavour of providing the customers with quality products and the best services, we have been recognized as one of the most reliable business partners of the famous international sportswear brands. To maintain our position and further advance our position to be a top-tier business partner of our valued customers, we will closely follow the customers' development strategies to provide tailor-made services, widen the product range and modify our business strategies in response to the changing need of our valued customers.**

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# Corporate Information

## Executive Directors

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

## Independent Non-executive Directors

Chan Cheuk Ho  
Li Chi Chung  
Cheng Yung Hui, Tony

## Company Secretary

Woo Man Chi

## Registered Office

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

## Head Office and Principal Place of Business in Hong Kong

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

## Legal Advisers

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

## Auditors

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

## Audit Committee Members

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

## Remuneration Committee Members

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

## Principal Bankers

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

Citibank, N.A.  
Citibank Tower  
Citibank Plaza  
3 Garden Road  
Central  
Hong Kong

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

## Principal Share Registrar and Transfer Office

Bank of Bermuda (Cayman) Limited  
P.O. Box 513  
Strathvale House  
North Church Street  
George Town  
Grand Cayman KY1-1106  
Cayman Islands

## Hong Kong Branch Share Registrar and Transfer Office

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

## Website

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

## Stock Code

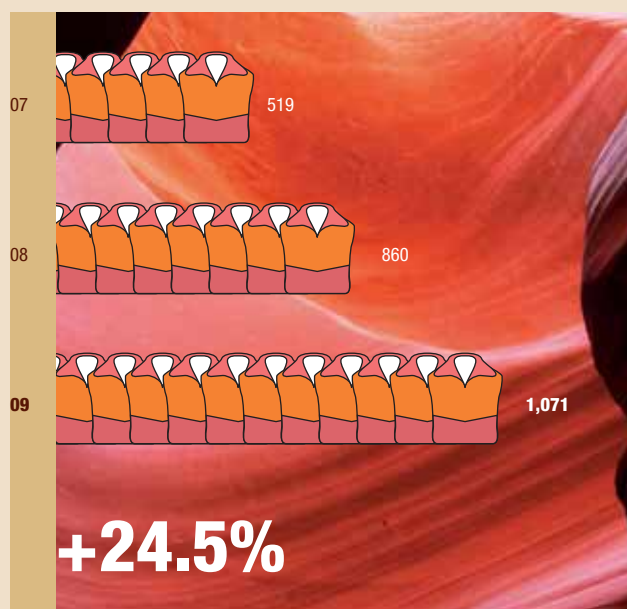
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<b>Results</b>	<b>2009</b> HK\$ Million	2008 HK\$ Million
Revenue	<b>1,071</b>	860
Profit before depreciation, amortisation, interest and tax	<b>221</b>	174
Profit for the year attributable to equity holders of the Company	<b>164</b>	125
Basic earnings per share	<b>HK\$0.33</b>	HK\$0.27
Dividend per share		
– Interim	<b>HK12 cents</b>	HK7 cents
– Final	<b>HK12 cents</b>	HK10 cents

<b>Financial Position</b>	<b>2009</b> HK\$ Million	2008 HK\$ Million
Total assets	<b>1,029</b>	927
Net debts	<b>Nil</b>	Nil
Shareholders' equity	<b>872</b>	780
Net assets per share	<b>HK\$1.75</b>	HK\$1.56
Net debts to total assets (excluding cash)	<b>Nil</b>	Nil
Net debts to shareholders' equity	<b>Nil</b>	Nil

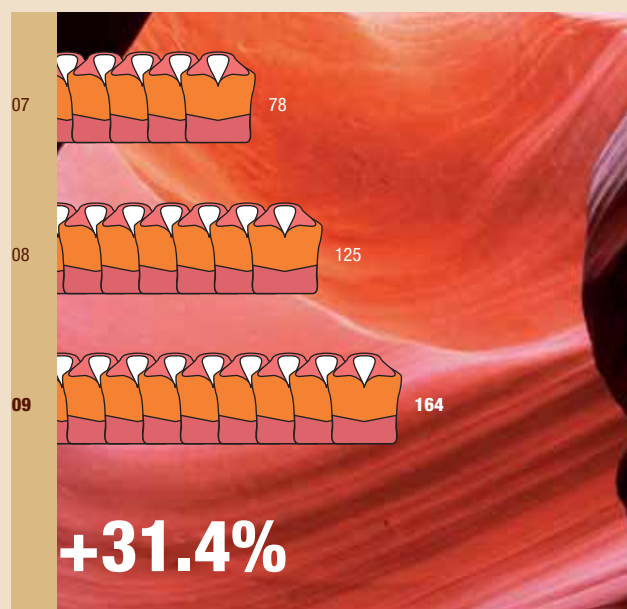
## Revenue

HK\$ Million



## Profit Attributable to Shareholders

HK\$ Million



# Development Strategy – Foster Our Strengths for Future Growth



Our development strategy is to adopt prudent but proactive business strategy to foster our strengths for future growth. Through improvement of supply chain management, implementation of lean manufacturing to an advanced level, advancement of information technology system and strengthening of research and development, we aim at laying a solid foundation for healthy and steady development in the future. The Group is poised to capture opportunities for expansion of its market share as well as potential merger and acquisition at reasonable price.





# Chairman's Statement

For the year ended 31 March 2009, the Group continued to break its past record to achieve excellent performance in terms of revenue and net profit despite the occurrence of the financial tsunami in late 2008. Our success was attributable to right business strategy, distinguished management team and personnel of high caliber. Our diversification policies on broadening the customer base, penetrating into new markets and widening the product range have successfully brought about new customers and new markets in the US and Europe to the Group. Nevertheless, the Group will still focus on the development of the PRC market in order to enjoy the growth of the PRC market and avoid the market risk arising from the economic downturn of the US and Europe.

## Dear Shareholders,

On behalf of the board of directors (the "Board") of Eagle Nice (International) Holdings Limited (the "Company"), I am pleased to present the annual results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2009.

First of all, the Group would like to give special thanks to our valued customer – Nike. Nike's sportswear products enjoy an international fame and its healthy image impresses the world. The Group is honoured and flattered to be one of the major manufacturers of Nike's sportswear in the People's Republic of China (the "PRC"). The support, assistance and encouragement from Nike's management team drive the Group to keep abreast of the market trend. Nike continually provides orders to the Group, especially during the difficult moment under the attack of financial crisis. Nike's strong financial position, innovative products, flexible marketing strategies, efficient-oriented lean

management, and sustainable effort on social responsibility and environmental protection make it become a role model of the Group. The Group values and cherishes its long-term cooperation with Nike. Every opportunity is seized with a view to create a win-win situation for both Nike and the Group.

During the year under review, the Group broke its past record to achieve excellent performance in terms of revenue and net profit. The Group achieved record high revenue of HK\$1,071.0 million and net profit of HK\$163.8 million, representing a growth of 24.5% and 31.4% respectively as compared to previous year. Although the Group encountered a tough economic environment at the end of 2008, it achieved an excellent performance during the year because of its sustained endeavour, which makes me so proud and encouraged. I hope investors would appreciate the performance of the Group and give their continuous support to the Group's business development strategies, together building a better future for the Group.



Our R&D centre known as "Product Commercialisation Centre" in Shantou, the PRC

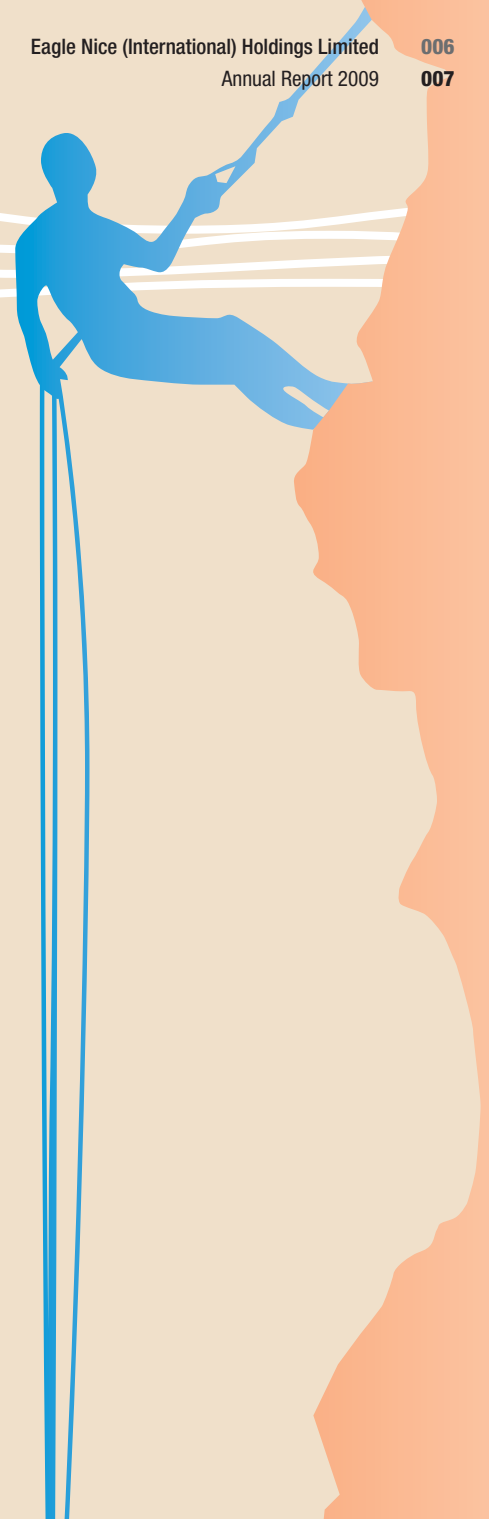


Given the outstanding performance and strong cash position of the Group, the Board proposes to maintain a stable dividend payout ratio and declare a final dividend of HK12 cents per share so that total dividend per share for the whole year is HK24 cents (2008: HK17 cents per share). The dividend payout ratio is 73.2% for 2009 against 68.1% for 2008. The Group continues to maintain a stable dividend payout policy to express our thankfulness to our shareholders for their support to the Group.

### **Business Environment and Our Development Strategies**

Since late 2008, a global financial crisis of unprecedented scale has affected every sector of the global economy, which has resulted in credit crunch and global economic meltdown. A lot of companies have fallen into financial difficulties. The growing unemployment rate has given rise to a slow-down in demand for consumer products, resulting in collapse of retail markets and hence affecting all related industries. Problems such as tight working capital and slow-moving inventory have adversely affected apparel manufacturers. The growth of garment exports from the PRC dropped by 10.7% in 2008 when compared to that of 2007. During the year, over 60% of the apparel manufacturers were in loss or nearly in loss. However, a few of well-equipped apparel manufacturers with leading position in the garment industry are capable of turning the crisis into opportunity.

Over the past three years, growth and expansion were the main development strategies of the Group, which was in line with the blooming global economy, strong demand for sportswear and rapid growth in the sportswear market of the PRC in the past few years. The Group's productivity was continuously enhanced through the construction of a new factory, acquisition of competitor and expansion of existing factories. Our past records demonstrated the attainment of the expansion policy as the Group's turnover and profit rose by over 106.3% and 110.8% respectively in the past three years.



**Products with advanced technologies: welded waterproof and seam seal**

Nevertheless, looking ahead to the coming year, we expect the financial tsunami in 2008 would inevitably bring about a substantial drop in demand for consumer products. Such impact would become more apparent in 2009. The rising unemployment rate has adversely affected the consumer market and makes it more challenging to the Group's operating environment. As a manufacturer of consumer products, our management, therefore, takes a conservative view on the business and financial performance in the coming year. In addition to the planned expansion of the existing production facilities, the Group would also cautiously proceed potential merger and acquisition to cater for customers' business development plans in order to equip the Group with the best preparation for facing the challenges lying ahead.

In the short run, we would take a prudent but proactive attitude in formulating the business strategy. Our effort and resources would be focused on strengthening the internal operation and management with respect to customer services, production management, financial management and human resources in order to pave the way for expansion and growth in the long run.

### **Market Review and Prospect**

Geographically, the PRC and Japan continued to be the largest and the second largest markets of the Group respectively during the year. Following the PRC and Japan, the European and the US markets replaced other Asian countries as the third and fourth largest markets of the Group respectively during the year. In the past years, most of the sales were derived from a few branded sportswear customers and were confined mainly to the Asian markets. To minimize the risk of a narrow customer base, since 2007, the Group has adopted a diversification policy by opening up new markets and expanding the customer base. The diversification policy started to bear fruit during the year. Not only were we able to successfully widen the customer base by soliciting orders from new customers, we were also able to penetrate into the new markets in the US and Europe. The total sales derived from the US and European markets amounted to 19.4% (2008: 9.6%) of the Group's total sales during the year. Following the cancellation of textile quotas by the European Union in early 2008, the US also cancelled such quotas since 1 January 2009. With lower production costs for sales to the US and European markets, the competitive power of the PRC apparel manufacturers has strengthened and the Group would seize this opportunity to maintain its position in the US and European markets.

Despite our success in penetrating into the US and European markets, we will concentrate on the development of the Asian markets especially the PRC in the coming year given the economic downturn of the US and Europe. Amid the volatile global economy, the PRC government adopted decisive measures in the second half of 2008 by easing the monetary policy, increasing the investment in infrastructure and encouraging domestic demand so as to support stable economic development. Being affected by the declining economies of the US and Europe, the economic growth of the PRC has inevitably slowed down. Nevertheless, it is expected that the PRC would still enjoy moderate growth in the gross domestic product in the coming year. The PRC has become one of the world's largest sportswear markets which provides fast-growing high spending consumers and population with increasing income. Owing to the Group's expertise in developing the PRC market, the Group has become one of the prominent players among the sportswear manufacturers in the PRC market. We believe the Group could benefit from the growth of the PRC market to maintain stable business.

### **Business Review and Prospect**

Despite the difficult operating environment in the second half of the financial year, we were still able to achieve brilliant performance and outperform the competitors during the year under review. This was mainly attributable to our achievement of gaining trust and support from the major customers through establishment of long and close relationship, our effort on heightening customers' satisfaction, and continuous provision of innovative design, quality products and tailor-made services. The Group won the prize of 2008 Nike Supplier Summit organized by Nike, which is a recognition to the Group's endeavour.



**The Group was awarded the prize of 2008 Nike Supplier Summit by Nike.**

Right business strategy, distinguished management team and personnel of high caliber explain the outstanding performance of the Group in 2009. Not only are emphases put on recruitment of experts in manufacturing, existing staff are also provided with continuous training or new job and promotion opportunities to widen and enrich their horizon and knowledge. The Group continuously stresses on reinforcing its internal operation and management in order to lay a solid foundation for healthy and steady development in the future. To achieve this, we put effort on improvement of supply chain management, implementation of lean manufacturing to an advanced level and advancement of information technology system.

In recent years, supply chain management has played an important role in the production process. A sound and comprehensive supply chain system can assist to reduce the purchase lead time, which in turn shortens the production cycle. During the year, we implemented a new purchase system of EDI (Electronic Data Interchange) with our major vendors in order to boost the efficiency of material sourcing and order placing and hence lower the operating costs.

Lean manufacturing is a way of production management to accomplish efficient usage of resources, stable quality of products and shortening of production cycle. During the year, we invited an expert in lean manufacturing to join the Group. With his assistance, we continuously expand the scope of lean manufacturing and promote the sophistication and function of lean manufacturing to a perfect level.

A new ERP III (Enterprise Resources Planning) System was installed during the year. As a result, sales, purchasing and production planning systems can be integrated and optimized to raise the production efficiency in respect of material purchase scheduling, production flexibility and inventory control.

Indeed, supply chain management, lean manufacturing and information technology system are integrated and complementary to each other. With the support of advanced information technology system, supply chain management and lean manufacturing would generate greater benefit to the Group. Because of improved production efficiency and shortened production time after the implementation of the above measures, our customers could have greater flexibility in placing orders and modifying their business strategies in response to the rapidly changing consumer markets and economic condition. They could arrange the launch of new products in more efficient and flexible way, and hence keep the products close to the market trend. Besides, the Group could also benefit from reduction in production costs and acceleration in cash flow.

## **Business Development**

In the competitive business environment, to reinforce the competitive edge, we believe that provision of value-added services and wider product range to our customers is the best way to enhance the customer satisfaction and better the profit margin.

To thoroughly understand the need of the customers and promptly respond to any changes requested by them, we furnish our customers with tailored-made services through various sales teams. Professional sales teams are responsible for different product series. Besides, since certain major customers have geographically restructured their operation, we are also planning to set up liaison offices in the locations near to them to closely follow the development of our major customers and provide them with more comprehensive services.

In the rapidly changing consumer market, our customers have to launch new products with innovative design and materials from time to time. Therefore, more and more emphases would be put on design and research and development in order to cater for their need. The Group would direct more resources to the research and development centre established in 2006 known as "Product Commercialisation Centre" which has been well-equipped with advanced computer and production equipment like 3D Pattern Design System, Tensile Test Machine and Laser Cutting Machine. With advanced production technology available, the Group is capable of producing high-valued or technical products with innovative technologies such as seam seal, welded waterproof, laminations and ventilation. The Group also closely follows the trend of the latest garment development by not only producing products with functional materials like breathable windbreaker, anti-UV and anti-bacteria but also using such eco-materials as recycled and biodegradable materials. The Group is also able to expand the product range by engaging in manufacturing of knitted products which at present only constitutes a small proportion of our sales.

## Future Plan and Prospects

Amid the challenging global economy, it is anticipated that industry peers lacking in financial strength would be ousted from the market. However, as a well-prepared market player with solid foundation, the Group is competent enough to convert the challenges into opportunity. We are a growing listed company and we continuously attain distinguished performance not only in financial results but also investors relations. During the year, the Group was awarded by Economic Digest, a reputable financial magazine in Hong Kong, as one of the outstanding enterprises in Hong Kong.

Our solid financial strength, evidenced by having nearly HK\$300 million cash without any bank borrowings as well as healthy cash flow, adequately enables the Group to overcome the credit crunch and the global financial crisis. The Group is poised to capture opportunities for expansion of its market share as well as potential merger and acquisition at reasonable price.

In the coming year, capital investment will be focused on expansion of existing production facilities. This would facilitate the Group to capture the business opportunities arising from the growing PRC market and have sufficient production capacity when the global economy begins to improve and recover.

Given the uncertainty of the global economy in the coming year, the Group continues to adopt prudent but proactive business strategy in order to foster our strengths for future growth. We believe prudence is the conscientious attitude we handle our shareholders' investments. It remains our long term goal to establish a multinational production base to serve our customers' need so that the Group would be able to be a top tier business partner of the international sportswear brands. The management understands the importance of making the right investment decision at the right time. Therefore, capital and resources are reserved for potential excellent business opportunities in order to generate maximum return to our shareholders.



**The Group won the prize of 2008 Outstanding Enterprise organised by Economic Digest.**

## Social Responsibility

After achieving business success, our management never forgets the social responsibility of making contribution to the society. During the year under review, the Group made donations totalling HK\$2,780,000 for the earthquake in Sichuan Province, the PRC and encouraged our employees to do the same. The philosophy of our management is that human resources are valuable assets of the Group and also to the society. Therefore, provision of healthy and harmonious working environment including safe and clean working area, and adequate staff benefit for the employees is another means we adopt to contribute to the society. Regarding the environmental protection, we have adopted energy saving measures not only to minimize the harmful effect to the environment but also to reduce our operating costs. The Group also co-operates with the customer to manufacture environmental-friendly shopping bags by using spare materials in order to maximize the usage of resources.

## Appreciation

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

### Chung Yuk Sing

*Chairman*

Hong Kong, 2 July 2009



**We co-operate with Nike to produce environmental – friendly shopping bags made of spare materials.**

# Financial and Operation Review

## Review on financial performance

Following the success in last year, the Group achieved another year of record high revenue and net profit during the year. The Group achieved 24.5% surge in revenue to HK\$1,071.0 million for the year ended 31 March 2009 from HK\$860.5 million for the previous year. The increase in revenue was mainly attributable to the growth in demand for sportswear products from existing customers and our successful diversification policy. During the year, we accomplished to diversify our sources of revenue by broadening the customer base, penetrating into new markets in the US and Europe and widening the product range.

The Group's gross profit for 2009 was HK\$273.1 million as compared to HK\$202.4 million for 2008, representing an increase of 34.9%. The gross profit margin increased from 23.5% in last year to 25.5%. The operating profit margin and net profit margin increased from 14.9% and 13.1% (excluding the non-operating gain of HK\$12.2 million from disposal of a residential property in last year) to 17.3% and 15.3% respectively when compared with previous year. Profit attributable to equity holders of the Company reached HK\$163.8 million, representing a 31.4% growth compared to HK\$124.7 million in previous year.

The improvement in both gross profit margin and operating profit margin was the result of our management's devotion to industrial expertise and effective cost control. During the year, we strove to strengthen our internal operation and management by improving supply chain management, implementing lean manufacturing to an advanced level and advancing information technology system. In addition to adoption of energy saving measures, we succeeded in shortening the production cycle and minimizing the wastage, which in turn enabled the Group to reduce the production and operating costs.

To remunerate our employees for their great efforts, the management adopted a new incentive bonus system during the year so that the total provision for bonus and double pay for the year under review amounted to HK\$17.1 million (2008: HK\$6.9 million) which was included in the cost of sales and administrative expenses. This brought about increases of HK\$5.3 million and HK\$4.9 million in the cost of sales and administrative expenses during the year respectively.

## Liquidity and Financial Resources

During the year under review, the Group continued to maintain a healthy liquidity position. The Group generally finances its operations with internally generated resources and banking facilities provided by its bankers. As at 31 March 2009, the Group had cash and cash equivalents amounted to HK\$297.4 million mainly denominated in Hong Kong dollars, Renminbi ("RMB") and US dollars (31 March 2008: HK\$274.6 million). As at 31 March 2009, the Group had aggregate banking facilities of HK\$106.0 million (31 March 2008: HK\$106.0 million) which were secured by (i) corporate guarantees executed by the Company; and (ii) unlimited corporate guarantees executed by subsidiaries of the Company. No banking facilities were utilised by the Group as at 31 March 2009 and 31 March 2008.

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

As at 31 March 2009, the Group's gearing ratios represented by total liabilities as a percentage of the Group's total assets amounted to 15.2% (31 March 2008: 15.8%).

## Foreign Exchange Risk Management

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

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

### Significant Investments

As at 31 March 2009, there was no significant investment held by the Group (31 March 2008: nil).

### Material Acquisitions and Disposals

There was no material acquisition or disposal of subsidiaries and associated companies during the year ended 31 March 2009. Details of the acquisition of subsidiaries for the year ended 31 March 2008 are set out in note 28 to the financial statements.

### Contingent Liabilities and Capital Commitments

As at 31 March 2009, the Group did not have any significant contingent liabilities (31 March 2008: nil).

The Group had the following capital commitments at the balance sheet date:

	<b>As at 31 March 2009 HK\$'000</b>	As at 31 March 2008 HK\$'000
Contracted, but not provided for:		
Construction of a factory	<b>7,279</b>	9,403
Purchases of computer equipment	<b>799</b>	1,496
Purchases of machinery	<b>77</b>	–
	<b>8,155</b>	10,899

As at 31 March 2009, the Company has given corporate guarantees to banks to the extent of HK\$106.0 million (31 March 2008: HK\$106.0 million) for banking facilities granted to certain subsidiaries of the Company.

### Employees and Remuneration Policies

As at 31 March 2009, the Group employed a total of approximately 6,400 employees including directors (31 March 2008: approximately 6,900). Total employee benefits expenses including directors' emoluments were HK\$187.8 million for the year under review (2008: HK\$160.3 million).

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

# Directors' and Senior Management's Biographies

## Executive Directors

**Chung Yuk Sing**, aged 48, has been the Chairman and Executive Director of the Company since October 2002. He is also the co-founder of the Group and a director of other members of the Group. Mr. Chung is responsible for the overall strategic planning, marketing and management functions of the Group. Mr. Chung has over 20 years of manufacturing and management experience in the garment industry.

**Chen Hsiao Ying**, aged 45, has joined the Group as Executive Director and Chief Executive Officer of the Company since October 2007. He is also a director of other members of the Group. Mr. Chen had worked as Factory Manager in a sportswear manufacturing and trading company in Taiwan since 1981 prior to founding Actex Garment Co., Limited, a company specializing in the manufacturing and trading of sportswear, in 1997. Mr. Chen has over 20 years of manufacturing and management experience in the garment industry. He is a brother of Ms. Chen Li Ying.

**Kuo Tai Yu**, aged 59, has joined the Group as Executive Director of the Company since April 2004. Mr. Kuo has over 30 years of experience in management of footwear business in Taiwan. He received a bachelor's degree from Chung Hsing University in Taiwan. Mr. Kuo has been the director of certain companies within the Group of Yue Yuen Industrial (Holdings) Limited (stock code: 00551) ("Yue Yuen"), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the director of Pou Chen Corporation ("Pou Chen"), a company listed on the Stock Exchange of Taiwan. He is currently the executive director of Yue Yuen and general manager in charge of one of Yue Yuen's three shoe manufacturing groups since 1996.

**Chen Fang Mei, Christina**, aged 46, has joined the Group as Executive Director of the Company since May 2009. She has been the Spokesperson and Vice President of Pou Chen since 2004. She graduated from Soochow University in Taiwan in 1986 and holds a Bachelor's Degree in International Business. Ms. Chen was Vice President and Head of Underwriting of Citibank Securities (Taiwan) Limited from 2001 to 2004. She has over 20 years of experience in the investment and securities industries in Taiwan.

**Ku Yu Sun, Edward**, aged 67, joined the Group as Executive Director of the Company in April 2004 and ceased to be Executive Director of the Company in March 2009 upon his death. Mr. Ku had been the senior partner of the law firm, Ku & Fong, in Los Angeles and was licensed to practise law in California and Taiwan. He also served as an executive director and the secretary of First Public Bank in Los Angeles. Mr. Ku held a bachelor-in-law degree from National Taiwan University and received his J.D. degree from Washington University in St. Louis, United States of America ("US"). From 1997 to March 2009, Mr. Ku had served as the executive director and general counsel of Yue Yuen, responsible for legal affairs, organisational management and control, merger and acquisition and supervision of group labour practice of Yue Yuen Group. Mr. Ku had also been the executive director of Symphony Holdings Limited, a company listed on the Main Board of the Stock Exchange from 2002 to March 2009.

**Tsai Nai Kun**, aged 55, joined the Group as Executive Director of the Company in October 2005 and resigned in May 2009. He is a college graduate and has over 28 years of experience in footwear business. Currently, he is the Vice President of Yue Yuen in charge of certain research and development programs.

**Lin Pin Huang, Otto**, aged 52, joined the Group as Executive Director of the Company in October 2005 and resigned in April 2008. Mr. Lin was responsible for the sales and marketing of the Group. He is a graduate of Tung Hai University and has over 20 years of experience in the footwear business. Currently, he is the Vice President of Yue Yuen in charge of the business of certain branded customers.

## Independent Non-Executive Directors

**Chan Cheuk Ho**, aged 42, obtained a master's degree in Business Administration from the University of Manchester in 2003. He is a fellow member of the Hong Kong Institute of Certified Public Accountants. Mr. Chan has more than 20 years of experience in accounting and finance. He has been Independent Non-Executive Director of the Company since November 2002.



**Li Chi Chung**, aged 40, is currently a solicitor practising in Hong Kong. Mr. Li obtained a bachelor's degree in laws from The University of Sheffield in England in 1990. He was admitted as a solicitor of the High Court of Hong Kong in 1993 and his practice has been focused on commercial related matters. Mr. Li is a non-executive director of Richfield Group Holdings Limited, a company listed on the Growth Enterprise Market (the "GEM") of the Stock Exchange. Mr. Li is an independent non-executive director of Kenford Group Holdings Limited, a company listed on the Main Board of the Stock Exchange. He is also an independent non-executive director of PINE Technology Holdings Limited which is a company listed on the GEM of the Stock Exchange. He is the company secretary of Prime Investments Holdings Limited and China Mandarin Entertainment (Holdings) Limited which are companies listed on the Main Board of the Stock Exchange, and China Nonferrous Metals Company Limited which is a company listed on the GEM of the Stock Exchange. He has been Independent Non-Executive Director of the Company since November 2002.

**Cheng Yung Hui, Tony**, aged 67, is the chairman and chief executive officer of World Friendship Company Limited. Since October 2007, Mr. Cheng is also an independent non-executive director of Bright International Group Limited, a company listed on the Main Board of the Stock Exchange. Mr. Cheng has over 30 years of experience in operating his own company. He has extensive experience in international business. He has been Independent Non-Executive Director of the Company since September 2004.

## Senior Management

**Chang Wen Hsiang**, aged 58, has joined the Group as Chief Financial Officer in February 2008 and was appointed as Executive Director of the Company in April 2008. He resigned as Executive Director of the Company in May 2009 but remains as Chief Financial Officer of the Group. He is also a director of other members of the Group. He holds bachelor's and master's degrees in accounting from the National Chen Chi University in Taiwan and was accredited Certified Public Accountant from the US. Mr. Chang was the financial controller and general manager of a US-based multinational corporation in US's headquarter and Taiwan's subsidiary before he joined Yue Yuen in 1993. Mr. Chang was responsible for certain PRC, Taiwan and Vietnam business development projects in Yue Yuen before he left as Senior Executive Manager after 10 years of service there. Mr. Chang has over 30 years of experience in the manufacturing of shoes, apparel, optical and luggage and was an independent financial and operational consultant to pre-listing companies before he joined the Group.

**Tsang Sau Fan**, aged 42, has joined the Group since March 1996 and was appointed as Executive Director of the Company in October 2002. She resigned as Executive Director of the Company in May 2009. Currently, she is General Manager of Division I of the Group. She has over 10 years of experience in sales of garment products. Prior to joining the Group, she worked as a merchandiser in a garment manufacturing company in Hong Kong.

**Chen Li Ying**, aged 54, joined the Group as Executive Director of the Company in October 2007 and resigned as Executive Director of the Company in May 2009. Currently, she is General Manager of Division II of the Group. She graduated from Ming Chuan University in Taiwan and had worked as an auditor in an accounting firm in Taiwan for around 5 years after graduation. She worked in the sales and marketing department of a sportswear manufacturing and trading company in Taiwan from 1981 to 1996 before she joined Actex Garment Co., Limited, a company founded by Mr. Chen Hsiao Ying, in 2001. She has over 25 years of manufacturing and management experience in the garment industry. She is a sister of Mr. Chen Hsiao Ying.

**Chen Zhen Hao**, aged 44, has joined the Group since March 1987 and was appointed as Executive Director of the Company in October 2005. He resigned as Executive Director of the Company in May 2009. Currently, he is the Chief Production Officer of Division I of the Group in Mainland China. He is also a director of other members of the Group. He has over 20 years of experience in garment manufacturing industry.

**Woo Man Chi**, aged 37, has joined the Group as Financial Controller since May 2005 and was appointed as Company Secretary of the Group in September 2005. She is responsible for the accounting, finance and compliance related functions of the Group. She previously worked in a reputable international accounting firm, Deloitte Touche Tohmatsu, in Hong Kong for five years. Prior to joining the Group, she worked in a manufacturing company listed on the Main Board of the Stock Exchange as Assistant Financial Controller. She has more than 10 years of experience in accounting and financial management. Ms Woo holds a bachelor's degree in accounting from the Hong Kong University of Science and Technology. She is a practising member of the Hong Kong Institute of Certified Public Accountants.

# Report of the Directors

The directors of the Company (the “Directors”) present their report and the audited financial statements of the Company and of the Group for the year ended 31 March 2009.

## Principal activities

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

## Results and dividends

The profit of the Group for the year ended 31 March 2009 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 56 to 112.

An interim dividend of HK12 cents per ordinary share was paid on 19 December 2008. The Directors recommend the payment of a final dividend of HK12 cents per ordinary share in respect of the year, to shareholders on the register of members on 17 August 2009. This recommendation has been incorporated in the financial statements as an allocation of retained profits within the equity section of the balance sheet.

## Summary financial information

The following is a summary of the published results and assets and liabilities of the Group for the last five financial years prepared on the basis set out in the notes below.

### Results

	2009 HK\$'000	Year ended 31 March			
		2008 HK\$'000	2007 HK\$'000	2006 HK\$'000	2005 HK\$'000 (Restated)
Revenue	1,070,975	860,487	519,103	519,310	451,446
Profit before tax	185,063	140,659	86,482	92,081	104,103
Tax	(21,237)	(16,001)	(8,763)	(14,670)	(9,200)
Profit for the year	163,826	124,658	77,719	77,411	94,903

## Summary financial information *(continued)*

### Assets and liabilities

	2009 HK\$'000	As at 31 March			
		2008 HK\$'000	2007 HK\$'000	2006 HK\$'000	2005 HK\$'000 (Restated)
Non-current assets	<b>396,637</b>	373,673	269,805	267,244	130,618
Current assets	<b>632,687</b>	553,144	374,647	311,805	420,808
Current liabilities	<b>(139,906)</b>	(133,745)	(69,382)	(46,909)	(53,226)
Net current assets	<b>492,781</b>	419,399	305,265	264,896	367,582
Non-current liabilities	<b>(16,928)</b>	(12,903)	(1,252)	(1,802)	(898)
	<b>872,490</b>	780,169	573,818	530,338	497,302

#### Notes:

- (i) The summary of the consolidated results of the Group for the year ended 31 March 2005 and of the assets and liabilities of the Group as at 31 March 2005 were extracted from the Company's annual report dated 8 July 2005, restated as appropriate.
- (ii) The summary of the consolidated results of the Group for the year ended 31 March 2006 and of the assets and liabilities of the Group as at 31 March 2006 were extracted from the Company's annual report dated 18 July 2006.
- (iii) The summary of the consolidated results of the Group for the year ended 31 March 2007 and of the assets and liabilities of the Group as at 31 March 2007 were extracted from the Company's annual report dated 13 July 2007.
- (iv) The consolidated results of the Group for each of the two years ended 31 March 2009 and the consolidated assets and liabilities of the Group as at 31 March 2008 and 2009 are those set out on pages 56 to 57 of the annual report.

### Property, plant and equipment

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

### Charitable contributions

During the year, the Group made charitable contributions totalling HK\$2,780,000.

### Share capital

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

### Pre-emptive rights

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

### **Purchase, redemption or sale of listed securities of the Company**

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

### **Reserves**

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

### **Distributable reserves**

At 31 March 2009, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Law of the Cayman Islands, amounted to HK\$522,090,000, of which HK\$59,962,000 has been proposed as a final dividend for the year. The amount of HK\$522,090,000 includes the Company's share premium account and capital reserve of HK\$515,674,000 in aggregate at 31 March 2009, which may be distributed provided that immediately following the date on which a dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

### **Major customers and suppliers**

Sales to the Group's five largest customers accounted for approximately 90.7% of the Group's total sales for the year and sales to the largest customer included therein accounted for approximately 60.5%.

Purchases from the Group's five largest suppliers accounted for approximately 50.8% of the Group's total purchases for the year and purchases from the largest supplier included therein accounted for approximately 15.3%.

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

### **Directors**

The Directors during the year were:

#### **Executive Directors:**

Mr. Chung Yuk Sing	<i>(Chairman)</i>
Mr. Chen Hsiao Ying	<i>(Chief Executive Officer)</i>
Mr. Kuo Tai Yu	
Mr. Ku Yu Sun, Edward	<i>(passed away on 30 March 2009)</i>
Mr. Chang Wen Hsiang	<i>(appointed on 25 April 2008)</i>
Ms. Tsang Sau Fan	
Ms. Chen Li Ying	
Mr. Chen Zhen Hao	
Mr. Tsai Nai Kun	
Mr. Lin Pin Huang, Otto	<i>(resigned on 25 April 2008)</i>

#### **Independent Non-Executive Directors:**

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

### **Directors** *(continued)*

Subsequent to the balance sheet date, on 21 May 2009, Ms. Chen Fang Mei, Christina was appointed as a director of the Company and Ms. Chen Li Ying, Mr. Tsai Nai Kun, Ms. Tsang Sau Fan, Mr. Chen Zhen Hao and Mr. Chang Wen Hsiang resigned as the Directors.

In accordance with article 86(3) of the Company's articles of Association, Ms. Chen Fang Mei, Christina, who was appointed as a director of the Company to fill a casual vacancy, shall hold office until the forthcoming annual general meeting and in accordance with article 87(1) of the Company's articles of association, Mr. Kuo Tai Yu, and Mr. Cheng Yung Hui, Tony will retire by rotation and, they being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

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

### **Directors' and senior management's biographies**

Biographical details of the Directors and senior management of the Group are set out on pages 14 to 15 of the annual report.

### **Directors' service contracts**

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

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

### **Directors' remuneration**

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

### **Directors' interests in contracts**

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

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

As at 31 March 2009, the interests and short positions of the Directors and chief executive in the share capital, underlying shares and debentures of the Company (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which have been notified to the Company pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Directors or chief executive were taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

### The Company

Name of Director	Capacity/Nature of interest	Number of shares held Long position	Short position	Percentage of the Company's issued capital
Mr. Chung Yuk Sing	Interest of a controlled corporation/Corporate	72,650,000 (Note)	–	14.54
	Beneficial owner/Personal	200,000	–	0.04
Mr. Chen Hsiao Ying	Beneficial owner/Personal	26,164,800	–	5.24
Ms. Chen Li Ying	Beneficial owner/Personal	23,257,600	–	4.65
Ms. Tsang Sau Fan	Beneficial owner/Personal	4,500,000	–	0.90
Mr. Kuo Tai Yu	Beneficial owner/Personal	1,680,000	–	0.34
Mr. Chen Zhen Hao	Beneficial owner/Personal	1,350,000	–	0.27
Mr. Tsai Nai Kun	Beneficial owner/Personal	777,000	–	0.16
Mr. Chang Wen Hsiang	Interest of spouse/Family	206,000	–	0.04

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

Save as disclosed above, as at 31 March 2009, none of the Directors or chief executive had registered an interest or short position in the shares, underlying shares or debentures of the Company that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### Directors' rights to acquire shares or debentures

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

## Share option scheme

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

As at 31 March 2009, no share options have been granted under the share option scheme.

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

As at 31 March 2009, the interests and short positions of the following persons, other than the Directors and the chief executive of the Company, in the shares and underlying shares of the Company which have been disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and which have been recorded in the register kept by the Company pursuant to Section 336 of the SFO:

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

Notes:

1. The entire issued share capital of Time Easy is held by Mr. Chung Yuk Sing.
2. PCC owns the entire interest in Wealthplus, which in turn owns an interest of approximately 46.15% in Yue Yuen. Yue Yuen owns the entire interest in Pou Hing, which in turn owns the entire interest in Great Pacific.

Save as disclosed above, as at 31 March 2009, no person, other than the Directors and chief executive of the Company, whose interests are set out in the section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

### Sufficiency of public float

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

### Director's interest in a competing business

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

Name of Director	Name of company	Nature of competing business	Nature of interest
Mr. Ku Yu Sun, Edward ("Mr. Ku")	Yuen Thai Industrial Company Limited ("Yuen Thai") (Note)	Garment manufacturing	As a director

Note: Yuen Thai is a company incorporated in Hong Kong on 24 September 2003 and is held as to 50% by Yue Yuen and its subsidiaries (the "Yue Yuen Group") and 50% by a subsidiary of Luen Thai Holdings Limited, a company listed on the Stock Exchange since 2004. Mr. Ku had been nominated to the board of directors of Yuen Thai to represent the interest of the Yue Yuen Group until he passed away on 30 March 2009.

Having considered (i) the nature, geographical market, scope and size of Yuen Thai as compared to those of the Group; and (ii) the nature and extent of Mr. Ku's interest in Yuen Thai, the Directors believe that there is unlikely to be any significant competition caused to the business of the Group.

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

### Continuing connected transactions

Related party transactions regarding provision of subcontracting services to the Group by related parties as disclosed in note 33(a)(i) to the financial statements also constituted continuing connected transactions under the Listing Rules which is required to be disclosed in this report in accordance with Chapter 14A of the Listing Rules.

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

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

The amount in respect of the continuing connected transactions mentioned above during the year under review has not exceeded the annual cap for the transactions.

In respect of the continuing connected transactions mentioned above, the Directors confirm that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules during the year under review.



### **Continuing connected transactions** *(continued)*

The Company has also received a letter from the auditors in respect of the transaction regarding provision of subcontracting services to the Group by related parties stating that:

- (1) the transactions have been approved by the Company's Audit Committee;
- (2) the transactions have been carried out and conducted in accordance with the terms of the agreement governing the transactions; and
- (3) the annual amount of the transactions has not exceeded the annual cap as disclosed in the announcement of the Company dated 12 June 2008.

### **Corporate Governance**

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

### **Auditors**

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

ON BEHALF OF THE BOARD

**Chung Yuk Sing**

*Chairman*

Hong Kong, 2 July 2009

# Corporate Governance Report

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

The Company has, throughout the year ended 31 March 2009, complied with most of the applicable code provisions and principles under the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") except for the deviation specified with considered reasons for such deviation as explained in this corporate governance report.

## 1. Directors

### a. Composition & Board Meetings

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

Name of Director	Changes in directorships during the year	Number of meetings attended/held
<b>Executive Directors</b>		
Mr. Chung Yuk Sing ( <i>Chairman</i> )		10/10
Mr. Chen Hsiao Ying ( <i>Chief Executive Officer</i> ) (Note)		10/10
Mr. Kuo Tai Yu		9/10
Mr. Ku Yu Sun ,Edward	(passed away on 30 March 2009)	6/9
Mr. Chang Wen Hsiang	(appointed on 25 April 2008)	9/9
Ms. Tsang Sau Fan		10/10
Ms. Chen Li Ying (Note)		10/10
Mr. Chen Zhen Hao		10/10
Mr. Tsai Nai Kun		9/10
Mr. Lin Pin Huang, Otto	(resigned on 25 April 2008)	1/2
<b>Independent Non-Executive Directors</b>		
Mr. Chan Cheuk Ho		10/10
Mr. Li Chi Chung		10/10
Mr. Cheng Yung Hui, Tony		10/10

Note: Mr. Chen Hsiao Ying and Ms. Chen Li Ying have family relationship in which Mr. Chen is a brother of Ms. Chen.

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

### b. Delegation by the Board

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

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

### c. Chairman and Chief Executive Officer

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

## 1. Directors *(continued)*

### d. Appointment, re-election and removal

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

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

### e. Directors' Securities Transactions

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

### f. Supply of and access to information

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

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

## 2. Board committees

### a. Remuneration Committee

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

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

### b. Audit Committee

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

The Audit Committee's principal duties include:

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

**2. Board committees** (continued)

**b. Audit Committee** (continued)

The Audit committee meets at least twice every year and additional meetings may be convened by the chairman of the committee as and when necessary. During the year ended 31 March 2009, the Audit Committee met twice with an attendance rate of 100% to review the accounting principles and practices adopted by the Group and to discuss internal controls and financial reporting matters including the review of 2008 final results and 2009 interim results of the Group. Each member of the Audit Committee has unrestricted access to the Group's auditors and the management.

**c. Nomination Committee**

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

**3. Accountability and audit**

**a. Financial Reporting**

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

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

**b. Internal Controls**

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

**c. Auditors' Remuneration**

For the year ended 31 March 2009, the fee payable to the Group's auditors, Messrs. Ernst & Young, is set out as follows:

<b>Services rendered</b>	<b>Amount of fee payable HK\$'000</b>
Audit services	1,500
Non-audit services	
Tax-related and advisory services	536
Other services	25
	<hr/>
	2,061

On behalf of the Board

**Chung Yuk Sing**  
Chairman

Hong Kong, 2 July 2009



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

We have audited the financial statements of Eagle Nice (International) Holdings Limited set out on pages 56 to 112, which comprise the consolidated and company balance sheets as at 31 March 2009, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### **Directors' responsibility for the financial statements**

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditors' responsibility**

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

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

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

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

### **Opinion**

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2009 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

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

2 July 2009

# Consolidated Income Statement

## 綜合收益表

(Year ended 31 March 2009)  
(截至二零零九年三月三十一日止年度)

		Notes 附註	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
REVENUE	營業收入	5	<b>1,070,975</b>	860,487
Cost of sales	銷售成本		<b>(797,899)</b>	(658,131)
Gross profit	毛利		<b>273,076</b>	202,356
Other income and gain	其他收入及收益	5	<b>5,437</b>	18,678
Selling and distribution costs	銷售及分銷成本		<b>(15,303)</b>	(15,231)
Administrative expenses	行政開支		<b>(78,147)</b>	(65,144)
PROFIT BEFORE TAX	除稅前溢利	6	<b>185,063</b>	140,659
Tax	稅項	9	<b>(21,237)</b>	(16,001)
PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	本公司股權持有人 應佔年度溢利	10	<b>163,826</b>	124,658
DIVIDENDS	股息	11	<b>119,924</b>	89,307
			<b>HK cents</b> 港仙	HK cents 港仙
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	本公司普通股股權持有人 應佔每股盈利	12		
Basic	基本		<b>32.8</b>	26.6
Diluted	攤薄		<b>N/A不適用</b>	N/A不適用

# Consolidated Balance Sheet

## 綜合資產負債表

Eagle Nice (International) Holdings Limited 056  
Annual Report 2009 057

(31 March 2009)  
(二零零九年三月三十一日)

		Notes 附註	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	13	<b>293,268</b>	268,353
Prepaid land lease payments	預付土地租賃款項	14	<b>75,080</b>	72,971
Prepayments and deposits for property, plant and equipment	物業、廠房及設備之 預付款項及按金	15	<b>2,177</b>	6,237
Goodwill	商譽	16	<b>26,112</b>	26,112
<b>Total non-current assets</b>	<b>非流動資產總值</b>		<b>396,637</b>	373,673
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	18	<b>133,916</b>	123,508
Accounts and bills receivable	應收賬款及票據	19	<b>190,978</b>	146,582
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		<b>10,370</b>	8,469
Cash and cash equivalents	現金及現金等值項目	20	<b>297,423</b>	274,585
<b>Total current assets</b>	<b>流動資產總值</b>		<b>632,687</b>	553,144
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Accounts and bills payable	應付賬款及票據	21	<b>55,071</b>	55,599
Accrued liabilities and other payables	應計負債及其他應付款項	23	<b>59,667</b>	61,295
Tax payable	應付稅項		<b>25,168</b>	16,851
<b>Total current liabilities</b>	<b>流動負債總值</b>		<b>139,906</b>	133,745
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>		<b>492,781</b>	419,399
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>資產總值扣除流動負債</b>		<b>889,418</b>	793,072
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Deferred tax liabilities	遞延稅項負債	24	<b>16,928</b>	12,903
<b>Net assets</b>	<b>資產淨值</b>		<b>872,490</b>	780,169
<b>EQUITY</b>	<b>資本</b>			
Issued capital	已發行股本	25	<b>4,997</b>	4,997
Reserves	儲備	27	<b>807,531</b>	725,204
Proposed final dividend	擬派末期股息	11	<b>59,962</b>	49,968
<b>Total equity</b>	<b>資本總值</b>		<b>872,490</b>	780,169

**CHUNG YUK SING**  
鍾育升  
Director  
董事

**CHEN HSIAO YING**  
陳小影  
Director  
董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

(Year ended 31 March 2009)  
(截至二零零九年三月三十一日止年度)

		Notes	Issued capital	Share premium account	Capital reserve	Statutory surplus reserve	Exchange fluctuation reserve	Asset revaluation reserve	Retained profits	Proposed final dividend	Total
		附註	已發行股本	溢價賬	資本儲備	法定盈餘儲備	波動儲備	重估儲備	留存溢利	末期股息	總計
			HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元 (Note 27) (附註27)	HK\$'000 千港元 (Note 27) (附註27)	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 2007	於二零零七年四月一日		4,270	359,932*	(229)*	10,945*	14,363*	7,844*	151,073*	25,620	573,818
Issue of shares	股份發行	25	727	112,654	-	-	-	-	-	-	113,381
Surplus on revaluation	重估盈餘	13	-	-	-	-	-	5,634	-	-	5,634
Deferred tax charged	已扣除之遞延稅項	24	-	-	-	-	-	(1,093)	-	-	(1,093)
Exchange realignment	匯兌調整		-	-	-	-	28,730	-	-	-	28,730
Release of reserve upon the disposal of a revalued property	出售一項重估物業後儲備解除		-	-	-	-	-	(370)	370	-	-
Total income and expenses recognised directly in equity	直接於權益中確認的收支總額		-	-	-	-	28,730	4,171	370	-	33,271
Profit for the year	年內溢利		-	-	-	-	-	-	124,658	-	124,658
Total income and expenses for the year	年內收支總額		-	-	-	-	28,730	4,171	125,028	-	157,929
Transfer to reserve	轉撥至儲備		-	-	-	2,500	-	-	(2,500)	-	-
Final 2007 dividend declared	已宣派二零零七年末期股息		-	-	-	-	-	-	-	(25,620)	(25,620)
Additional final 2007 dividend paid	已派付二零零七年額外末期股息	11	-	-	-	-	-	-	(4,361)	-	(4,361)
Interim 2008 dividend	二零零八年中期股息	11	-	-	-	-	-	-	(34,978)	-	(34,978)
Proposed final 2008 dividend	擬派二零零八年末期股息	11	-	-	-	-	-	-	(49,968)	49,968	-
At 31 March 2008 and 1 April 2008	於二零零八年三月三十一日及二零零八年四月一日		4,997	472,586*	(229)*	13,445*	43,093*	12,015*	184,294*	49,968	780,169
Surplus on revaluation	重估盈餘	13	-	-	-	-	-	10,694	-	-	10,694
Deferred tax charged	已扣除之遞延稅項	24	-	-	-	-	-	(2,602)	-	-	(2,602)
Exchange realignment	匯兌調整		-	-	-	-	30,333	-	-	-	30,333
Total income and expenses recognised directly in equity	直接於權益中確認的收支總額		-	-	-	-	30,333	8,092	-	-	38,425
Profit for the year	年內溢利		-	-	-	-	-	-	163,826	-	163,826
Total income and expenses for the year	年內收支總額		-	-	-	-	30,333	8,092	163,826	-	202,251
Release upon deregistration of a subsidiary	撤銷註冊附屬公司時解除		-	-	-	(974)	(207)	-	1,181	-	-
Transfer to reserve	轉撥至儲備		-	-	-	1,350	-	-	(1,350)	-	-
Final 2008 dividend declared	已宣派二零零八年末期股息		-	-	-	-	-	-	-	(49,968)	(49,968)
Interim 2009 dividend	二零零九年中期股息	11	-	-	-	-	-	-	(59,962)	-	(59,962)
Proposed final 2009 dividend	擬派二零零九年末期股息	11	-	-	-	-	-	-	(59,962)	59,962	-
At 31 March 2009	於二零零九年三月三十一日		4,997	472,586*	(229)*	13,821*	73,219*	20,107*	228,027*	59,962	872,490

\* These reserve accounts comprise the consolidated reserves of HK\$807,531,000 (2008: HK\$725,204,000) in the consolidated balance sheet of the Group.

\* 該等儲備賬項包括載於本集團綜合資產負債表內之綜合儲備807,531,000港元(二零零八年: 725,204,000港元)。



# Consolidated Cash Flow Statement

## 綜合現金流量表

Eagle Nice (International) Holdings Limited 058  
Annual Report 2009 059

(Year ended 31 March 2009)  
(截至二零零九年三月三十一日止年度)

	Notes 附註	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
<b>CASH FLOWS FROM OPERATING ACTIVITIES 經營業務產生之現金流量</b>			
Profit before tax 除稅前溢利		<b>185,063</b>	140,659
Adjustments for: 按以下項目調整：			
Bank interest income 銀行利息收入	5	<b>(4,294)</b>	(5,933)
Gain on disposal of items of property, plant and equipment and prepaid land lease payments 出售物業、廠房及設備項目及預付土地租賃款之收益	5	<b>(159)</b>	(12,244)
Loss on revaluation on an item of property, plant and equipment 重估物業、廠房及設備項目之虧損	6	<b>470</b>	–
Write off of items of property, plant and equipment 撇銷物業、廠房及設備項目	6	<b>182</b>	–
Depreciation 折舊	6	<b>33,818</b>	31,316
Amortisation of prepaid land lease payments 預付土地租賃款項攤銷	6	<b>2,138</b>	2,015
		<b>217,218</b>	155,813
Increase in inventories 存貨增加		<b>(10,408)</b>	(66,362)
Increase in accounts and bills receivable 應收賬款及票據增加		<b>(44,396)</b>	(60,781)
Decrease/(increase) in prepayments, deposits and other receivables 預付款項、按金及其他應收款項減少/(增加)		<b>(1,826)</b>	1,728
Increase/(decrease) in accounts and bills payable 應付賬款及票據增加/(減少)		<b>(528)</b>	21,945
Increase/(decrease) in accrued liabilities and other payables 應計負債及其他應付款項增加/(減少)		<b>(1,628)</b>	8,058
Cash generated from operations 營運產生之現金		<b>158,432</b>	60,401
Dividends paid 已付股息		<b>(109,930)</b>	(64,959)
Hong Kong profits tax paid 已付香港利得稅		<b>(6,353)</b>	(11,379)
Overseas tax paid 已付海外稅項		<b>(6,152)</b>	(3,044)
Net cash inflow/(outflow) from operating activities 經營業務產生之現金流入/(流出)淨值		<b>35,997</b>	(18,981)
<b>CASH FLOWS FROM INVESTING ACTIVITIES 投資活動產生之現金流量</b>			
Proceeds from disposal of items of property, plant and equipment and prepaid land lease payments, net 出售物業、廠房及設備項目所得款項及預付土地租賃款項淨值		<b>182</b>	25,743
Purchases of items of property, plant and equipment 購買物業、廠房及設備項目		<b>(26,267)</b>	(14,803)
Purchase of prepaid land lease payments 購買預付土地租賃款	14	–	(1,503)
Acquisition of subsidiaries 收購附屬公司	28	–	17,828
Increase in prepayments and deposits for property, plant and equipment 購買物業、廠房及設備之預付款項及按金增加	15	<b>(2,177)</b>	(6,237)
Decrease in non-pledged deposits with original maturity of over three months when acquired 購入原定到期日超過三個月之非質押定期存款減少	20	<b>22,342</b>	72,192
Decrease in pledged deposits 質押存款減少	20	–	5,518
Interest received 已收利息		<b>4,294</b>	5,933
Net cash inflow/(outflow) from investing activities 投資活動產生之現金流入/(流出)淨值		<b>(1,626)</b>	104,671

**Consolidated Cash Flow Statement (continued)****綜合現金流量表(續)**

(Year ended 31 March 2009)

(截至二零零九年三月三十一日止年度)

		Notes 附註	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目 增加淨值		<b>34,371</b>	85,690
Cash and cash equivalents at beginning of year	年初之現金及現金等值項目		<b>240,046</b>	145,917
Effect of foreign exchange rate changes, net	匯率變動之影響淨值		<b>10,809</b>	8,439
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終之現金及現金 等值項目		<b>285,226</b>	240,046
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值項目之 結餘分析			
Cash and bank balances	現金及銀行結存	20	<b>109,351</b>	125,846
Non-pledged time deposits with original maturity of less than three months when acquired	購入原定到期日少於 三個月之非質押 定期存款	20	<b>175,875</b>	114,200
			<b>285,226</b>	240,046

# Balance Sheet

## 資產負債表

(31 March 2009)  
(二零零九年三月三十一日)

Eagle Nice (International) Holdings Limited 060  
Annual Report 2009 061

		Notes 附註	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Investments in subsidiaries	於附屬公司之投資	17	<b>43,368</b>	43,368
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Due from subsidiaries	應收附屬公司款項	17	<b>528,151</b>	487,395
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		<b>152</b>	170
Cash and cash equivalents	現金及現金等值項目	20	<b>566</b>	280
Total current assets	流動資產總值		<b>528,869</b>	487,845
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Accrued liabilities	應計負債	23	<b>2,188</b>	100
Due to subsidiaries	應付附屬公司款項	17	<b>42,962</b>	1,490
Total current liabilities	流動負債總值		<b>45,150</b>	1,590
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>		<b>483,719</b>	486,255
Net assets	資產淨值		<b>527,087</b>	529,623
<b>EQUITY</b>	<b>資本</b>			
Issued capital	已發行股本	25	<b>4,997</b>	4,997
Reserves	儲備	27	<b>462,128</b>	474,658
Proposed final dividend	擬派末期股息	11	<b>59,962</b>	49,968
Total equity	資本總值		<b>527,087</b>	529,623

**CHUNG YUK SING**

鍾育升

Director

董事

**CHEN HSIAO YING**

陳小影

Director

董事

# Notes to Financial Statements

## 財務報表附註

(31 March 2009)

(二零零九年三月三十一日)

### 1. Corporate Information

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

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

#### 2.1 Basis of Preparation

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

#### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2009. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All income, expenses and unrealised gains and losses resulting from intercompany transactions and intercompany balances within the Group are eliminated on consolidation in full.

### 1. 公司資料

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

本集團之主要業務為生產及買賣運動服及成衣。

#### 2.1 編制基準

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

#### 綜合基準

綜合財務報表包括本公司及其附屬公司(統稱「本集團」)截至二零零九年三月三十一日止年度之財務報表。附屬公司之業績以自收購日期,即本集團取得控制權之日起綜合計算,並在有關控制權終止前繼續綜合計入。本集團旗下各公司之間的重大交易所產生之所有收入、開支及未變現收益及虧損及旗下各公司間之結餘於綜合賬目時悉數對銷。

## 2.2 Impact of New and Revised Hong Kong Financial Reporting Standards

The Group has adopted the following new interpretations and amendments to HKFRSs for the first time for the current year's financial statements. The adoption of these new interpretations and amendments has had no significant effect on these financial statements.

HKAS 39 and HKFRS 7 Amendments	Amendments to HKAS 39 <i>Financial Instruments: Recognition and Measurement</i> and HKFRS 7 <i>Financial Instruments: Disclosures – Reclassification of Financial Assets</i>
HK(IFRIC)-Int 12	<i>Service Concession Arrangements</i>
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

## 2.3 Impact of Issued But Not Yet Effective Hong Kong Financial Reporting Standards

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

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of HKFRSs</i> and HKAS 27 <i>Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i> <sup>1</sup>
HKFRS 1 (Revised)	<i>First-time Adoption of HKFRSs</i> <sup>2</sup>
HKFRS 2 Amendments	Amendments to HKFRS 2 <i>Share-based Payment – Vesting Conditions and Cancellations</i> <sup>1</sup>
HKFRS 3 (Revised)	<i>Business Combinations</i> <sup>2</sup>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments</i> <sup>1</sup>
HKFRS 8	<i>Operating Segments</i> <sup>2</sup>
HKAS 1 (Revised)	<i>Presentation of Financial Statements</i> <sup>1</sup>

## 2.2 新訂及經修訂香港財務報告準則之影響

本集團編制本年度財務報表時首次採用以下香港財務報告準則的新訂詮釋及修訂。採用這些新訂詮釋及修訂對這些財務報表並無重大影響。

香港會計準則第39號及香港財務報告準則第7號修訂	香港會計準則第39號 <i>金融工具：確認及計量</i> 及 香港財務報告準則第7號 <i>金融工具：披露－重新分類 金融資產之修訂</i>
香港(國際財務報告詮釋委員會)－詮釋第12號	<i>服務經營權安排</i>
香港(國際財務報告詮釋委員會)－詮釋第14號	香港會計準則第19號 －界定利益資產的限制、 最低資金要求及兩者之 相互關係

## 2.3 已頒佈但未生效之香港財務報告準則之影響

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

香港財務報告準則第1號及香港會計準則第27號修訂	香港財務報告準則第1號首次 <i>採納香港財務報告準則及 香港會計準則第27號綜合及 獨立財務報表－於附屬公司、 共同控制實體或聯營公司之 投資成本之修訂</i> <sup>1</sup>
香港財務報告準則第1號(經修訂)	<i>首次採納香港財務報告準則</i> <sup>2</sup>
香港財務報告準則第2號修訂	香港財務報告準則第2號 <i>股份支付－歸屬條件及註銷 之修訂</i> <sup>1</sup>
香港財務報告準則第3號(經修訂)	<i>企業合併</i> <sup>2</sup>
香港財務報告準則第7號修訂	香港財務報告準則第7號 <i>金融工具：披露－改善有關 金融工具之披露之修訂</i> <sup>1</sup>
香港財務報告準則第8號	<i>經營分部</i> <sup>2</sup>
香港會計準則第1號(經修訂)	<i>財務報表呈列方式</i> <sup>1</sup>

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2009)

(二零零九年三月三十一日)

## 2.3 Impact of Issued But Not Yet Effective Hong Kong Financial Reporting Standards (continued)

HKAS 23 (Revised)	<i>Borrowing Costs</i> <sup>1</sup>
HKAS 27 (Revised)	<i>Consolidated and Separate Financial Statements</i> <sup>2</sup>
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation</i> and HKAS 1 <i>Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation</i> <sup>1</sup>
HKAS 39 Amendment	Amendment to HKAS 39 <i>Financial Instruments: Recognition and Measurement – Eligible Hedged Items</i> <sup>2</sup>
HK(IFRIC)-Int 9 and HKAS 39 Amendments	Amendments to HK(IFRIC)-Int 9 <i>Reassessment of Embedded Derivatives</i> and HKAS 39 <i>Financial Instruments: Recognition and Measurement – Embedded Derivatives</i> <sup>1</sup>
HK(IFRIC)-Int 13	<i>Customer Loyalty Programmes</i> <sup>1</sup>
HK(IFRIC)-Int 15	<i>Agreements for the Construction of Real Estate</i> <sup>1</sup>
HK(IFRIC)-Int 16	<i>Hedges of a Net Investment in a Foreign Operation</i> <sup>1</sup>
HK(IFRIC)-Int 17	<i>Distribution of Non-cash Assets to Owners</i> <sup>2</sup>
HK(IFRIC)-Int 18	<i>Transfers of Assets from Customers</i> <sup>3</sup>

Apart from the above, the HKICPA has issued *Improvements to HKFRSs*\* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. Except for the amendment to HKFRS 5 which is effective for annual periods beginning on or after 1 July 2009, other amendments are effective for annual periods beginning on or after 1 January 2009 although there are separate transitional provisions for each standard.

1	Effective for accounting periods beginning on 1 April 2009
2	Effective for accounting periods beginning on 1 April 2010
3	Effective for transfers of assets from customers received on or after 1 July 2009
*	Improvements to HKFRSs contains amendments to HKFRS 5, HKFRS 7, HKAS 1, HKAS 8, HKAS 10, HKAS 16, HKAS 18, HKAS 19, HKAS 20, HKAS 23, HKAS 27, HKAS 28, HKAS 29, HKAS 31, HKAS 34, HKAS 36, HKAS 38, HKAS 39, HKAS 40 and HKAS 41.

## 2.3 已頒佈但未生效之香港財務報告準則之影響(續)

香港會計準則第23號 (經修訂)	<i>借貸成本</i> <sup>1</sup>
香港會計準則第27號 (經修訂)	<i>綜合及獨立財務報表</i> <sup>2</sup>
香港會計準則第32號及 香港會計準則第1號修訂	香港會計準則第32號金融工具： <i>呈列及香港會計準則第1號 財務報表呈列方式</i> – 可售回金融工具及 <i>清盤引致的責任之修訂</i> <sup>1</sup>
香港會計準則第39號修訂	香港會計準則第39號金融工具： <i>確認及計量 – 合資格對沖 項目之修訂</i> <sup>2</sup>
香港(國際財務報告詮釋 委員會) – 詮釋第9號及 香港會計準則第39號 修訂	香港(國際財務報告詮釋委員會) – 詮釋第9號 <i>重估嵌入式衍生 工具及香港會計準則第39號 金融工具：確認及計量</i> – 嵌入式衍生工具之修訂 <sup>1</sup>
香港(國際財務報告詮釋 委員會) – 詮釋第13號	<i>客戶忠誠計劃</i> <sup>1</sup>
香港(國際財務報告詮釋 委員會) – 詮釋第15號	<i>房地產建築協議</i>
香港(國際財務報告詮釋 委員會) – 詮釋第16號	<i>對沖海外業務投資淨額</i>
香港(國際財務報告詮釋 委員會) – 詮釋第17號	<i>向擁有人分派非現金資產</i> <sup>2</sup>
香港(國際財務報告詮釋 委員會) – 詮釋第18號	<i>從客戶轉讓資產</i> <sup>3</sup>

除上述者外，香港會計師公會已頒佈香港財務報告準則之改進\*，其載有對一系列香港財務報告準則之修訂，主要旨在刪除不一致性及釐清用字。除香港財務報告準則第5號之修訂於二零零九年七月一日或之後開始之年度期間生效外，其他修訂於二零零九年一月一日或之後開始之年度期間生效(儘管各準則有個別過渡性條文)。

1	於二零零九年四月一日開始之會計期間生效
2	於二零一零年四月一日開始之會計期間生效
3	適用於二零零九年七月一日或之後開始所收取之從客戶轉讓資產
*	香港財務報告準則之改進包括對香港財務報告準則第5號、香港財務報告準則第7號、香港會計準則第1號、香港會計準則第8號、香港會計準則第10號、香港會計準則第16號、香港會計準則第18號、香港會計準則第19號、香港會計準則第20號、香港會計準則第23號、香港會計準則第27號、香港會計準則第28號、香港會計準則第29號、香港會計準則第31號、香港會計準則第34號、香港會計準則第36號、香港會計準則第38號、香港會計準則第39號、香港會計準則第40號及香港會計準則第41號之修訂。

## 2.3 Impact of Issued But Not Yet Effective Hong Kong Financial Reporting Standards (continued)

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of HKAS 27 (Revised) may result in changes in accounting policies and HKFRS 8 and HKAS 1 (Revised) may result in new or amended disclosures, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

## 2.4 Summary of Significant Accounting Policies

### Subsidiaries

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

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

### Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the cost of the business combination over the Group's interest in the net fair value of the acquirees' identifiable assets acquired, and liabilities and contingent liabilities assumed as at the date of acquisition.

Goodwill arising on acquisition is recognised in the consolidated balance sheet as an asset, initially measured at cost and subsequently at cost less any accumulated impairment losses.

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

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

## 2.3 已頒佈但未生效之香港財務報告準則之影響(續)

本集團正評估初次應用此等新訂及經修訂香港財務報告準則之影響。截至目前為止，本集團認為因採用香港會計準則第27號(經修訂)可能引致會計政策變動及採用香港財務報告準則第8號及香港會計準則第1號(經修訂)可能引致需要披露新資料或修訂已披露資料，惟此等新訂及經修訂香港財務報告準則不大可能會對本集團之營運業績及財務狀況產生重大影響。

## 2.4 主要會計政策概要

### 附屬公司

附屬公司指本公司直接或間接控制其財務及經營政策而從其業務獲益之公司。

附屬公司業績按已收及應收股息計入本公司收益表，本公司於附屬公司之權益按成本值減任何減值虧損列賬。

### 商譽

收購附屬公司產生的商譽，乃指業務合併成本超逾本集團於收購當日所購入被收購者可辨別資產及負債及所承擔負債與或然負債之公平淨值之餘額。

收購所產生之商譽於綜合資產負債表內確認為資產，最初按成本計算，而其後則按成本減任何累計減值虧損計算。

商譽之賬面值每年均會檢討是否有所減值，而當事件或情況改變顯示賬面值可能減少時，則檢討會更為頻密。本集團於三月三十一日進行年度商譽減值測試。就減值測試而言，業務合併所產生之商譽由收購當日起分配至預期可從合併的協同效益中受惠之本集團每個或每組現金產生單位，而不論本集團其他資產或負債是否分配至該等單位或單位組別。

本公司評估商譽所屬現金產生單位(或現金產生單位組別)之可收回金額而釐定減值。當現金產生單位(或現金產生單位組別)之可收回金額低於賬面值，則會確認減值虧損。就商譽確認之減值虧損不會在往後期間撥回。

## 2.4 Summary of Significant Accounting Policies (continued)

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

### Impairment of non-financial assets other than goodwill

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

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

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

## 2.4 主要會計政策概要(續)

倘商譽是現金產生單位(或現金產生單位組別)的組成部分,而出售該單位之部分業務,則計算出售業務之盈虧時,將有關該出售業務之商譽計入業務的賬面值。在此情況下出售的商譽根據出售業務的有關價值及保留的現金產生單位部分而計算。

### 商譽以外之非金融資產減值

倘出現減值跡象或有需要就資產進行年度減值測試(存貨及金融資產除外),則會估計該資產的可收回金額。資產的可收回金額乃資產或現金產生單位的使用價值及其公平值兩者中之較高者減銷售成本,並釐定為個別資產,除非該項資產所產生現金流入不能大致獨立於其他資產或資產組別的現金流入,於此情況下,可收回金額則按資產所屬現金產生單位釐定。

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

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



## 2.4 Summary of Significant Accounting Policies (continued)

### Related parties

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

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

### Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost or valuation less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

## 2.4 主要會計政策概要(續)

### 關連人士

在下列情況下，有關人士將視為與本集團有關連：

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

### 物業、廠房及設備及折舊

除在建工程外，物業、廠房及設備乃按成本值或估值減累積折舊及任何減值虧損列賬。物業、廠房及設備成本包括其購入價及任何使其達到運作狀況及地點作擬定用途之直接相關成本。物業、廠房及設備運作後所產生開支，例如維修及保養費用，一般於有關費用產生期間自收益表扣除。倘能明確顯示該項開支令預期來自使用該項物業、廠房及設備獲得之未來經濟利益增加及倘該項目之成本能夠可靠估計時，則該項開支將予以資本化，作為該項資產之額外成本或作為置換。

## 2.4 Summary of Significant Accounting Policies (continued)

### Property, plant and equipment and depreciation

(continued)

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

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

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

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

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each balance sheet date.

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

## 2.4 主要會計政策概要(續)

### 物業、廠房及設備及折舊(續)

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

折舊按各項物業、廠房及設備之估計可用年期以直線法攤銷其成本去估計其剩餘價值。就此目的所採用之主要年率如下：

樓宇	2%至15%
租賃物業裝修	按租賃期或20% (以較短者為準)
機器設備	10%至20%
傢具、裝置、設備 及汽車	20%

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

剩餘價值、可使用年期及折舊方法將最少於各資產負債表日審閱及作出調整(如適用)。

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

## 2.4 Summary of Significant Accounting Policies (continued)

### Leases

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

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

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

### Investments and other financial assets

When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at the balance sheet date.

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

## 2.4 主要會計政策概要(續)

### 租賃

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

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

經營租賃之預付租金初始按成本列賬,其後則按租期以直線法確認。

### 投資及其他金融資產

初始確認時,金融資產按公平值加(倘投資並非按公平值計入損益)直接應佔交易成本計算。本集團會於初始確認後將金融資產分類,並於許可及適當情況下,於資產負債表日重新評估該分類。

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

## 2.4 Summary of Significant Accounting Policies (continued)

### Investments and other financial assets (continued)

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

#### Fair value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the balance sheet date.

### Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

#### Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the impairment loss is recognised in the income statement. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

In relation to accounts and bills receivable, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor and significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor) that the Group will not be able to collect all of the amounts due under the original terms of an invoice. The carrying amount of the receivables is reduced through the use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

## 2.4 主要會計政策概要(續)

### 投資及其他金融資產(續)

#### 貸款及應收款項

貸款及應收款項為非衍生工具而設有固定或可確定付款金額的金融資產，以及並不在活躍市場報價。該等資產採用實際利率法按攤銷成本減任何減值撥備列賬。攤銷成本計及任何收購折扣或溢價，且包括為實際利率及交易成本的組成部分的費用。於貸款及應收款項刪除確認或減值時及進行攤銷時於收益表確認損益。

#### 公平值

於有秩序的金市場活躍買賣之投資公平值乃參考資產負債表日營業時間結束時市場買入價釐定。

### 金融資產減值

本集團於各資產負債表日評估有否客觀證據顯示一項或一組金融資產出現減值。

#### 按攤銷成本入賬之資產

倘有客觀證據顯示按攤銷成本入賬之貸款及應收款項出現減值虧損，則虧損數額按資產之賬面值與估計未來現金流量貼現值(不包括尚未產生之未來信貸虧損)之差額計量，並以金融資產之初始實際利率，即初始確認時計算之實際利率折算。資產之賬面值直接或透過動用撥備減少。減值虧損金額在收益表確認。貸款及應收款項連同任何相關撥備於實際上不可能在未來收回而所有抵押品均已變現或轉移至本集團時撇銷。

倘其後減值虧損金額減少，而該減少可以客觀地與確認減值後發生之事件相關，則會調整撥備賬回撥早前確認之減值虧損。其後回撥之減值虧損於收益表確認，惟以並無超逾其於回撥日期攤銷成本之資產賬面值為限。

當有客觀跡象(例如債務人可能無力償債或面臨重大經濟困難及科技、市場、經濟或法律環境有重大變化並對債務人有不利影響)顯示本集團將無法根據發票原有條款收回所有到期款項時，即就應收賬款及票據作出減值撥備。應收款項之賬面值可通過備抵賬扣減。減值債務於被評估為不可收回時終止確認。

## 2.4 Summary of Significant Accounting Policies (continued)

### Derecognition of financial assets

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

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

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### Financial liabilities at amortised cost

Financial liabilities including trade payables and other payables are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. The related interest expense is recognised within “finance cost” in the income statement.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

## 2.4 主要會計政策概要(續)

### 剔除確認金融資產

金融資產(或(如適用)部份金融資產或部份相若金融資產組別)於下列情況下將被剔除確認:

- 從資產收取現金流量的權利已屆滿;
- 本集團保留從資產收取現金流量的權利, 但有假設的責任根據「經手」安排盡快向第三方支付有關現金流量; 或
- 本集團已轉讓其從資產收取現金流量的權利, 且(a)已轉讓有關資產絕大部分風險及回報; 或(b)並無轉讓或保留有關資產絕大部分風險及回報, 但已轉讓有關資產的控制權。

倘本集團已轉讓其從資產收取現金流量的權利, 但並無轉讓或保留有關資產絕大部分風險及回報, 亦無轉讓有關資產的控制權, 則按本集團持續參與有關資產的程度確認該項資產。若持續參與構成對該已轉讓的資產的擔保, 則以該資產的初始賬面值及本集團最高付款代價之較低者計算。

### 按攤銷成本入賬的金融負債

金融負債包括貿易應付款及其他應付款初始按公平值減直接交易成本列賬, 隨後以實際利息法按攤銷成本計量, 倘貼現的影響不重大, 則按成本列賬。相關利息開支於收益表中確認為「財務成本」。

倘負債被取消確認, 則盈虧於收益表按攤銷進度確認。

## 2.4 Summary of Significant Accounting Policies (continued)

### Derecognition of financial liabilities

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

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

### Inventories

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

### Cash and cash equivalents

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

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

### Provisions

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

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

## 2.4 主要會計政策概要(續)

### 剔除確認金融負債

倘負債項下之責任已履行或取消或屆滿，將會剔除確認金融負債。

倘現有金融負債由同一貸款人以含有重大不同條款之另一項金融負債取代，或現有負債條款經大幅修訂，則有關轉換或修訂視作剔除確認原有負債及確認新之負債，而有關賬面值間之差額則於收益表確認。

### 存貨

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

### 現金及現金等值項目

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

就資產負債表而言，現金及現金等值項目包括現存及銀行現金，當中包括無使用限制用途之定期存款。

### 撥備

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

若貼現之影響重大，則撥備所確認的數額是為預期償還該責任所需未來開支於資產負債表日之現值。隨時間推移而產生之貼現現值增加計入收益表的財務開支內。

## 2.4 Summary of Significant Accounting Policies (continued)

### Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the income statement, or in equity if it relates to items that are recognised in the same or a different period directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

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

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

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

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

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

## 2.4 主要會計政策概要(續)

### 所得稅

所得稅包括即期及遞延稅項。所得稅於收益表確認，或倘有關稅項是與於相同或不同期間直接於資本確認的項目相關，則於資本確認。

於目前或過往期間的即期稅項資產及負債，按預期自稅務機關退回或付予稅務機關的金額計算。

遞延稅項須按負債法，就資產及負債之計稅基準與財務申報賬面值於資產負債表日之所有暫時性差額作出撥備。

遞延稅項負債就所有應課稅暫時性差額確認，除下列情況外：

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

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

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

## 2.4 Summary of Significant Accounting Policies (continued)

### Income tax (continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

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

### Revenue recognition

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

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

## 2.4 主要會計政策概要(續)

### 所得稅(續)

遞延稅項資產賬面值於每個資產負債表日審閱，並於不再可能有足夠應課稅溢利抵銷所有或部分遞延稅項資產情況下調減。相反，早前未確認之遞延稅項資產於各資產負債表日重估，並於有足夠應課稅溢利抵銷所有或部分遞延稅項資產情況下確認。

遞延稅項資產及負債乃根據於資產負債表日頒佈或實質頒佈之稅率(及稅法)，按預期於變現資產或清償債務期間適用之稅率計算。

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

### 收入確認

收入乃於本集團有可能獲得經濟利益及該收入能可靠計算時，按以下基準確認：

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



## 2.4 Summary of Significant Accounting Policies (continued)

### Employee benefits

#### Staff retirement schemes

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

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

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

### Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the balance sheet, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

## 2.4 主要會計政策概要(續)

### 僱員福利

#### 退休福利計劃

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

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

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

### 股息

董事建議派付之末期股息在資產負債表中歸入資本部分保留溢利之獨立分配，直至股東在股東大會批准為止。有關股息於獲股東批准及宣派時確認為負債。

由於本公司的組織章程大綱及組織章程細則授權董事宣派中期股息，故可同時建議派付及宣派中期股息。因此，中期股息在建議派付及宣派時即時確認為負債。

## 2.4 Summary of Significant Accounting Policies (continued)

### Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. As at the balance sheet date, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the balance sheet date and, their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are included in the exchange fluctuation reserve. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

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

## 3. Significant Accounting Judgement and Estimates

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

## 2.4 主要會計政策概要(續)

### 外幣

此財務報表以港元呈報，港元乃本公司之功能及呈報貨幣。本集團各實體釐定其本身功能貨幣，而各實體於財務報表計入之項目乃按該功能貨幣計算。外幣交易初步按交易日期之功能貨幣匯率記錄。以外幣結算的貨幣資產及負債按資產負債表日的功能貨幣匯率重新換算。所有差額計入收益表。按貨幣過往成本計算的非貨幣項目乃按初步交易日期匯率換算。以外幣按公平值計算的非貨幣項目則按公平值釐定之日期匯率換算作計算。

若干海外附屬公司並非以港元為功能貨幣。於資產負債表日，該等實體之資產及負債按資產負債表日的匯率換算為本公司呈報貨幣，其收益表則按年內加權平均匯率換算為港元。最終匯兌差額會計入匯兌波動儲備。出售海外實體時，於資本所確認為有關該項特定海外業務的遞延累計金額於收益表確認。

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

## 3. 重要會計判斷及估計

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

### 3. Significant Accounting Judgement and Estimates

(continued)

#### Judgement

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

##### *Impairment of assets*

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

#### Estimation uncertainty

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

##### *Estimation of fair value of buildings of the Group*

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

##### *Impairment of goodwill*

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 March 2009 was HK\$26,112,000 (2008: HK\$26,112,000). More details are set out in note 16.

### 3. 重要會計判斷及估計(續)

#### 判斷

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

##### *資產減值*

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

#### 估計之不確定性

下文討論於資產負債表日極可能導致本集團之資產與負債賬面值在下一財政年度需要作出重大調整之未來相關重要假設及導致估計不可靠之其他重要因素。

##### *本集團樓宇公平值估計*

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

##### *商譽減值*

本集團最少每年釐定商譽是否有所減值。釐定時須估計商譽所獲分配之現金產生單位之使用價值。估計使用價值時，本集團須估計現金產生單位所產生之預期日後現金流量，亦須選擇合適之折現率，以計算該等現金流量之現值。商譽於二零零九年三月三十一日之賬面值為26,112,000港元(二零零八年：26,112,000港元)。更多資料載於附註16。

### 3. Significant Accounting Judgement and Estimates

(continued)

#### Estimation uncertainty (continued)

##### Impairment allowance for doubtful debts

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

### 4. Segment Information

Segment information is presented by way of the Group's primary segment reporting basis, by geographical segment. No further business segment information is presented as the Group is solely engaged in the manufacture and trading of sportswear and garments.

Each of the Group's geographical segments, based on the location of customers (the destination of sales), represents a strategic business unit that offers products to customers located in different geographical areas which are subject to risks and returns that are different from those of the other geographical segments. The Group's customer-based geographical segments are as follows:

- (a) Mainland China
- (b) Japan
- (c) Europe\*
- (d) United States of America ("USA")\*
- (e) South Korea
- (f) Hong Kong
- (g) Others

\* During the year, in view of the growing significance of the customers from Europe and the USA, these two geographical segments have been separated from "Others" for presentation purposes. Accordingly, the relevant comparative amounts have been reclassified to conform to the current year's presentation.

In addition, segment assets and capital expenditure are further analysed by the geographical location of the assets (the origin of sales), where the Group's assets are located in different geographical areas from its customers and segment revenue from external customers or segment assets are 10% or more of the Group's total amount. There are two asset-based geographical segments, namely, Mainland China and Hong Kong.

### 3. 重要會計判斷及估計(續)

#### 估計之不確定性(續)

##### 呆賬撥備減值

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

### 4. 分類資料

本集團以地區分類為主要分類報告基準呈列分類資料。由於本集團只從事運動服及成衣生產及買賣之業務，故並無進一步呈列業務分類資料。

本集團各地區分類以客戶所在地(銷售目的地)為基礎，代表向不同地區的客戶提供產品的策略業務單位，所承擔風險及回報會因地區不同而有所差別。本集團以客戶為基礎的地區分類如下：

- (a) 中國大陸
- (b) 日本
- (c) 歐洲\*
- (d) 美利堅合眾國(「美國」)\*
- (e) 南韓
- (f) 香港
- (g) 其他地區

\* 年內，鑑於歐洲及美國客戶之重要性日漸增強，該兩個地區分類已從「其他」抽取以獨立呈列。因此，有關比較數字已獲重新分類，以符合本年度之呈列。

此外，倘本集團的資產地區分佈與客戶分佈不同以及源自外界客戶之分類收入或分類資產佔本集團總額10%或以上，則分類資產及資本開支會按資產所在地區(以銷售源頭為基礎)作進一步分析。本集團以資產為基礎的地區分類有兩個，分別為中國大陸及香港。

#### 4. Segment Information (continued)

##### (i) Geographical segments based on the location of customers

The following tables present revenue, profit and certain asset, liability and expenditure information for the Group's geographical segments for the years ended 31 March 2009 and 2008.

##### Group – 2009

		Mainland China 中國大陸 HK\$'000 千港元	Japan 日本 HK\$'000 千港元	Europe 歐洲 HK\$'000 千港元	USA 美國 HK\$'000 千港元	South Korea 南韓 HK\$'000 千港元	Hong Kong 香港 HK\$'000 千港元	Others 其他地區 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Segment revenue:	分類營業收入：								
Sales to external customers	銷售予外界客戶	579,357	136,748	108,332	99,960	65,135	21,072	60,371	1,070,975
Segment results	分類業績	154,044	37,521	24,836	20,641	17,951	5,338	12,745	273,076
Interest and other unallocated income	利息及其他未分配收入								5,437
Unallocated expenses	未分配費用								(93,450)
Profit before tax	除稅前溢利								185,063
Tax	稅項								(21,237)
Profit for the year attributable to equity holders of the Company	本公司股權持有人應佔年度溢利								163,826
Segment assets	分類資產	379,476	39,896	70,319	91,344	22,706	7,718	43,963	655,422
Unallocated assets	未分配資產								373,902
									1,029,324
Segment liabilities	分類負債	21,613	2,159	12,413	9,657	2,419	584	9,985	58,830
Unallocated liabilities	未分配負債								98,004
									156,834
Other segment information:	其他分類資料：								
Depreciation and amortisation	折舊及攤銷	14,729	3,444	2,898	2,884	1,645	538	1,562	27,700
Unallocated amounts	未分配金額								8,256
									35,956
Capital expenditure	資本開支	6,860	578	5,786	12,278	447	338	1,591	27,878
Unallocated amounts	未分配金額								4,626
									32,504

#### 4. 分類資料 (續)

##### (i) 按客戶所在地區分類

下表呈列截至二零零九年及二零零八年三月三十一日止年度按客戶所在地區分類之營業收入、溢利及若干資產、負債及開支之資料。

##### 本集團 – 二零零九年

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2009)

(二零零九年三月三十一日)

#### 4. Segment Information (continued)

##### (i) Geographical segments based on the location of customers (continued)

Group – 2008

		Mainland China 中國大陸 HK\$'000 千港元	Japan 日本 HK\$'000 千港元	Europe 歐洲 HK\$'000 千港元	USA 美國 HK\$'000 千港元	South Korea 南韓 HK\$'000 千港元	Hong Kong 香港 HK\$'000 千港元	Others 其他地區 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Segment revenue:	分類營業收入：								
Sales to external customers	銷售予外界客戶	474,553	147,331	57,668	24,664	58,891	25,380	72,000	860,487
Segment results	分類業績	105,589	33,425	16,646	5,190	14,812	6,779	19,915	202,356
Interest and other unallocated income	利息及其他 未分配收入								18,678
Unallocated expenses	未分配費用								(80,375)
Profit before tax	除稅前溢利								140,659
Tax	稅項								(16,001)
Profit for the year attributable to equity holders of the Company	本公司股權 持有人應佔 年度溢利								124,658
Segment assets	分類資產	326,458	61,811	56,743	36,903	24,421	10,850	53,640	570,826
Unallocated assets	未分配資產								355,991
									926,817
Segment liabilities	分類負債	23,046	2,589	11,156	9,692	904	538	7,674	55,599
Unallocated liabilities	未分配負債								91,049
									146,648
Other segment information:	其他分類資料：								
Depreciation and amortisation	折舊及攤銷	14,262	4,428	1,733	741	1,770	763	2,164	25,861
Unallocated amounts	未分配金額								7,470
									33,331
Capital expenditure	資本開支	5,819	1,806	707	302	722	311	883	10,550
Unallocated amounts	未分配金額								6,610
									17,160

#### 4. 分類資料(續)

##### (i) 按客戶所在地區分類(續)

本集團—二零零八年

#### 4. Segment Information (continued)

##### (ii) Geographical segments based on the location of assets

#### 4. 分類資料(續)

##### (ii) 按資產所在地區分類

		Mainland China 中國大陸 HK\$'000 千港元	Hong Kong 香港 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
<b>Group – 2009</b>	<b>本集團 – 二零零九年</b>			
Segment assets as at 31 March 2009	於二零零九年三月 三十一日之分類資產	<b>555,574</b>	<b>99,848</b>	<b>655,422</b>
Unallocated assets	未分配資產			<b>373,902</b>
				<b>1,029,324</b>
Capital expenditure	資本開支	<b>27,878</b>	–	<b>27,878</b>
Unallocated amounts	未分配金額			<b>4,626</b>
				<b>32,504</b>
<b>Group – 2008</b>	<b>本集團 – 二零零八年</b>			
Segment assets as at 31 March 2008	於二零零八年三月 三十一日之分類資產	461,340	109,486	570,826
Unallocated assets	未分配資產			355,991
				926,817
Capital expenditure	資本開支	10,550	–	10,550
Unallocated amounts	未分配金額			6,610
				17,160

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2009)

(二零零九年三月三十一日)

## 5. Revenue, Other Income and Gain

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

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

## 5. 營業收入、其他收入及收益

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

本集團營業收入、其他收入及收益之分析如下：

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
<b>Revenue</b>	<b>營業收入</b>		
Sale of goods	貨品銷售	1,070,975	860,487
<b>Other income</b>	<b>其他收入</b>		
Bank interest income	銀行利息收入	4,294	5,933
Others	其他	984	501
		<b>5,278</b>	6,434
<b>Gain</b>	<b>收益</b>		
Gain on disposal of items of property, plant and equipment and prepaid land lease payments	出售物業、廠房及設備及預付土地租賃款項之收益	159	12,244
Other income and gain	其他收入及收益	5,437	18,678



## 6. Profit Before Tax

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

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Cost of inventories sold	已售存貨成本	797,899	658,131
Auditors' remuneration	核數師酬金	1,500	1,450
Depreciation (Note 13)*	折舊(附註13)*	33,818	31,316
Amortisation of prepaid land lease payments (Note 14)*	預付土地租賃款項攤銷(附註14)*	2,138	2,015
Employee benefits expenses (excluding directors' remuneration – Note 7):	僱員福利支出(不包括董事酬金 – 附註7):		
Wages and salaries	工資及薪金	165,315	146,643
Pension scheme contributions (defined contribution schemes)	退休金計劃供款(定額供款計劃)	9,759	7,200
Less: Forfeited contributions	減: 已沒收供款	(47)	(128)
Net pension scheme contributions	退休金計劃供款淨額	9,712	7,072
Total employee benefits expenses*	總僱員福利支出*	175,027	153,715
Minimum lease payments under operating leases in respect of land and buildings*	土地及樓宇經營租賃之最低租金付款*	2,937	3,585
Gain on disposal of items of property, plant and equipment and prepaid land lease payments	出售物業、廠房及設備項目及預付土地租賃款項之收益	(159)	(12,244)
Loss on revaluation of items of property, plant and equipment	重估物業、廠房及設備項目之虧損	470	–
Foreign exchange differences, net	匯兌差額淨額	2,327	1,325
Write-off of items of property, plant and equipment	撇銷物業、廠房及設備項目	182	–

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

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Depreciation	折舊	17,167	17,052
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	1,400	1,128
Employee benefits expenses	僱員福利支出	153,400	128,903
Minimum lease payments under operating leases in respect of land and buildings	土地及樓宇經營租賃之最低租金付款	2,573	2,378

## 6. 除稅前溢利

本集團除稅前溢利扣除/(計入)下列各項:

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Cost of inventories sold	797,899	658,131
Auditors' remuneration	1,500	1,450
Depreciation (Note 13)*	33,818	31,316
Amortisation of prepaid land lease payments (Note 14)*	2,138	2,015
Employee benefits expenses (excluding directors' remuneration – Note 7):		
Wages and salaries	165,315	146,643
Pension scheme contributions (defined contribution schemes)	9,759	7,200
Less: Forfeited contributions	(47)	(128)
Net pension scheme contributions	9,712	7,072
Total employee benefits expenses*	175,027	153,715
Minimum lease payments under operating leases in respect of land and buildings*	2,937	3,585
Gain on disposal of items of property, plant and equipment and prepaid land lease payments	(159)	(12,244)
Loss on revaluation of items of property, plant and equipment	470	–
Foreign exchange differences, net	2,327	1,325
Write-off of items of property, plant and equipment	182	–

\* 各項結餘中包括以下計入上文所披露已售存貨成本之金額:

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Depreciation	17,167	17,052
Amortisation of prepaid land lease payments	1,400	1,128
Employee benefits expenses	153,400	128,903
Minimum lease payments under operating leases in respect of land and buildings	2,573	2,378

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2009)

(二零零九年三月三十一日)

## 7. Directors' Remuneration

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

		Group 本集團	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Fees	袍金	360	360
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	7,697	4,671
Discretionary bonuses	酌情花紅	4,243	1,344
Pension scheme contributions	退休金計劃供款	424	236
		12,364	6,251
		12,724	6,611

### (a) Independent non-executive directors

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

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Mr. Chan Cheuk Ho	陳卓豪先生	120	120
Mr. Li Chi Chung	李智聰先生	120	120
Mr. Cheng Yung Hui, Tony	鄭榮輝先生	120	120
		360	360

There were no other emoluments payable to the independent non-executive directors during the year (2008: Nil).

## 7. 董事酬金

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

		Group 本集團	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Fees	袍金	360	360
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	7,697	4,671
Discretionary bonuses	酌情花紅	4,243	1,344
Pension scheme contributions	退休金計劃供款	424	236
		12,364	6,251
		12,724	6,611

### (a) 獨立非執行董事

年內付予獨立非執行董事之袍金如下：

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Mr. Chan Cheuk Ho	陳卓豪先生	120	120
Mr. Li Chi Chung	李智聰先生	120	120
Mr. Cheng Yung Hui, Tony	鄭榮輝先生	120	120
		360	360

年內並無其他應付獨立非執行董事之酬金(二零零八年：無)。

## 7. Directors' Remuneration (continued)

### (b) Executive directors

		Salaries, allowances and benefits	Discretionary bonuses	Pension scheme contributions	Total remuneration	
	Fees	in kind				
	袍金	薪金、津貼及 實物福利	酌情花紅	退休金 計劃供款	酬金總額	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	
<b>2009</b>						
	<b>二零零九年</b>					
Executive directors:	執行董事：					
Mr. Chung Yuk Sing	鍾育升先生	-	1,664	1,783	113	3,560
Mr. Chen Hsiao Ying	陳小影先生	-	1,560	927	100	2,587
Ms. Chen Li Ying	陳麗影女士	-	1,300	200	72	1,572
Ms. Tsang Sau Fan	曾秀芬女士	-	1,300	500	72	1,872
Mr. Chen Zhen Hao	陳鎮豪先生	-	667	460	-	1,127
Mr. Chang Wen Hsiang	張文祥先生	-	1,206	373	67	1,646
		-	7,697	4,243	424	12,364
<b>2008</b>						
	<b>二零零八年</b>					
Executive directors:	執行董事：					
Mr. Chung Yuk Sing	鍾育升先生	-	1,651	384	71	2,106
Mr. Chen Hsiao Ying	陳小影先生	-	720	360	42	1,122
Ms. Chen Li Ying	陳麗影女士	-	600	300	36	936
Ms. Tsang Sau Fan	曾秀芬女士	-	1,300	300	72	1,672
Mr. Chung Tung Sau	鍾桐琇先生	-	400	-	15	415
		-	4,671	1,344	236	6,251

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

The directors' remuneration shown above does not include the estimated monetary value of the Group's owned premise provided rent-free to an executive director, Mr. Chung Yuk Sing ("Mr. Chung"), during the year. The estimated rental value of such accommodation was HK\$103,000 (2008: HK\$378,000) for the year ended 31 March 2009.

本年度內並無任何董事放棄或同意放棄任何酬金之安排。

上述所示董事酬金並未包括於年內向執行董事鍾育升先生(「鍾先生」)提供免租的本集團自置物業之估計幣值。截至二零零九年三月三十一日止年度，該住宿之估計租值為103,000港元(二零零八年：378,000港元)。

## 7. 董事酬金 (續)

### (b) 執行董事

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2009)

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## 8. Five Highest Paid Employees

The five highest paid employees during the year included five (2008: four) directors, details of whose remuneration are set out in note 7 above. Details of the remuneration of the remaining one non-director, highest paid employee for the year ended 31 March 2008 are set out below:

		Group 本集團	
		2009 二零零九年	2008 二零零八年
		HK\$'000 千港元	HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	-	825
Discretionary bonuses	酌情花紅	-	130
Pension scheme contributions	退休金計劃供款	-	50
		-	1,005

The remuneration of the non-director, highest paid employee fell within the designated band of HK\$1,000,001 to HK\$1,500,000 during the year ended 31 March 2008.

## 9. Tax

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. The lower Hong Kong profits tax rate is effective from the year of assessment 2008/2009, and so is applicable to the assessable profits arising in Hong Kong for the whole year ended 31 March 2009. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

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

## 8. 五名最高薪酬僱員

年內，五名最高薪酬僱員包括五名(二零零八年：四名)董事，有關彼等薪酬的詳情已在上文附註7披露。於截至二零零八年三月三十一日止年度內，餘下一名最高酬金的非董事僱員的酬金詳情如下：

		Group 本集團	
		2009 二零零九年	2008 二零零八年
		HK\$'000 千港元	HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	-	825
Discretionary bonuses	酌情花紅	-	130
Pension scheme contributions	退休金計劃供款	-	50
		-	1,005

截至二零零八年三月三十一日止年度，最高薪酬非董事僱員的酬金介乎指定範圍1,000,001港元至1,500,000港元。

## 9. 稅項

香港利得稅以年內在香港產生的估計應課稅溢利按16.5%(二零零八年：17.5%)稅率撥備。較低的香港利得稅率於二零零八/二零零九課稅年度起生效，因此適用於截至二零零九年三月三十一日止年度全年在香港產生之應課稅溢利。其他地方應課稅溢利的稅項，則根據本集團業務所在國家的現存法規、法例詮釋及慣例以當地稅率計算。

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

## 9. Tax (continued)

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

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

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

## 9. 稅項(續)

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

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

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

		Group 本集團	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Current tax charge for the year:	本年度稅項支出：		
Hong Kong	香港	8,591	6,348
Elsewhere	其他地方	13,290	7,796
Overprovision of current tax in respect of prior years	過往年度稅項超額撥備	(1,384)	-
Deferred (Note 24)	遞延(附註24)	740	1,857
<b>Total tax charge for the year</b>	<b>本年度稅項支出總額</b>	<b>21,237</b>	<b>16,001</b>

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2009)

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#### 9. Tax (continued)

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

		Group 本集團	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Profit before tax	除稅前溢利	185,063	140,659
Tax at the applicable rate to profit in the tax jurisdictions concerned	按有關稅務司法權區之適用所得稅率計算之稅項	32,801	25,160
Lower tax rate due to tax holiday	稅務優惠期之較低稅率	(10,752)	(7,872)
Effect on opening deferred tax with decrease in rate	稅率下降對期初遞延稅項之影響	(29)	—
Adjustments in respect of current tax of previous years	就過往年度稅項作出調整	(1,384)	—
Income not subject to tax	毋須課稅收入	(364)	(3,078)
Expenses not deductible for tax	不可扣減課稅費用	1,228	687
Effect of withholding tax at 5% on the distributable profits of the Group's PRC subsidiaries	扣繳本集團之中國附屬公司可分派溢利5%預扣稅之影響	3,355	—
Tax losses not recognised	未確認稅項虧損	—	223
Others	其他	(3,618)	881
Tax charge at the Group's effective rate	按本集團實際稅率計算之稅項支出	21,237	16,001

#### 10. Profit for the Year Attributable to Equity Holders of the Company

The consolidated profit attributable to equity holders of the Company for the year ended 31 March 2009 includes a profit of HK\$107,394,000 (2008: HK\$92,497,000) which has been dealt with in the financial statements of the Company (Note 27).

#### 10. 本公司股權持有人應佔年度溢利

截至二零零九年三月三十一日止年度本公司股權持有人應佔綜合溢利包括溢利107,394,000港元(二零零八年: 92,497,000港元), 已於本公司財務報表內反映(附註27)。

## 11. Dividends

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Interim – HK12 cents (2008: HK7 cents) per ordinary share based on 499,680,000 shares in issue	中期股息 – 每股普通股12港仙 (二零零八年：7港仙) 按已發行499,680,000股股份計算	<b>59,962</b>	34,978
Proposed final – HK12 cents (2008: HK10 cents) per ordinary share based on 499,680,000 shares in issue	擬派末期股息—每股普通股12港仙(二零零八年：10港仙) 按已發行499,680,000股股份計算	<b>59,962</b>	49,968
Additional 2007 final dividend	二零零七年額外末期股息	-	4,361
		<b>119,924</b>	89,307

The proposed final dividend for the year is based on the number of shares in issue as at the reporting date, and is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

The additional 2007 final dividend represents final dividend payable to shares issued subsequent to the approval of the consolidated financial statements for the year ended 31 March 2007 by the directors.

本年度之擬派末期股息按於申報當日已發行股份數目計算，並須待本公司股東於應屆股東週年大會批准後，方可作實。

二零零七年額外末期股息指董事批准截至二零零七年三月三十一日止年度綜合財務報表後應付已發行股份之末期股息。

## 12. Earnings Per Share Attributable to Ordinary Equity Holders of the Company

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the Company for the year of HK\$163,826,000 (2008: HK\$124,658,000), and the weighted average number of 499,680,000 (2008: 469,297,000) ordinary shares in issue during the year.

No diluted earnings per share is presented for both current and last years as there are no dilutive potential ordinary shares in existence during these years.

## 12. 本公司普通股股權持有人應佔每股盈利

每股基本盈利乃根據年內本公司普通股股權持有人應佔溢利163,826,000港元(二零零八年：124,658,000港元)，以及年內已發行499,680,000股(二零零八年：469,297,000股)普通股之加權平均數計算。

本年度及去年度內均無潛在攤薄影響之普通股，因此概無於該等年度呈列每股攤薄盈利。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

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## 13. Property, Plant and Equipment

### Group

31 March 2009

## 13. 物業、廠房及設備

### 本集團

二零零九年三月三十一日

		Buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures, equipment and motor vehicles	Total
		樓宇	租賃物業裝修	機器及設備	傢具、裝置、設備及汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Cost or valuation:	成本或估值：					
At beginning of year	年初	167,186	46,917	117,390	35,914	367,407
Additions	添置	18,924	4,275	4,682	4,623	32,504
Disposals	出售	-	-	(23)	(846)	(869)
Write-off	撇銷	-	(174)	(247)	(172)	(593)
Surplus on revaluation	重估盈餘	6,077	-	-	-	6,077
Deficit on revaluation	重估虧絀	(470)	-	-	-	(470)
Exchange realignment	匯兌調整	10,948	2,583	3,762	1,466	18,759
At 31 March 2009	於二零零九年三月三十一日	202,665	53,601	125,564	40,985	422,815
Accumulated depreciation:	累積折舊：					
At beginning of year	年初	-	21,888	58,670	18,496	99,054
Provided during the year	年內撥備	4,617	9,135	13,167	6,899	33,818
Disposals	出售	-	-	-	(846)	(846)
Write-off	撇銷	-	(28)	(230)	(153)	(411)
Write-back of revaluation	重估回撥	(4,617)	-	-	-	(4,617)
Exchange realignment	匯兌調整	-	980	864	705	2,549
At 31 March 2009	於二零零九年三月三十一日	-	31,975	72,471	25,101	129,547
Net book value:	賬面淨值：					
At 31 March 2009	於二零零九年三月三十一日	202,665	21,626	53,093	15,884	293,268
Analysis of cost or valuation:	成本或估值分析：					
At cost	按成本值	-	53,601	125,564	40,985	220,150
At 31 March 2009 valuation	按於二零零九年三月三十一日之估值	202,665	-	-	-	202,665
		202,665	53,601	125,564	40,985	422,815



### 13. Property, Plant and Equipment (continued)

Group  
31 March 2008

### 13. 物業、廠房及設備(續)

本集團  
二零零八年三月三十一日

		Buildings 樓宇 HK\$'000 千港元	Leasehold improvements 租賃 物業裝修 HK\$'000 千港元	Plant and machinery 機器及設備 HK\$'000 千港元	Furniture, fixtures, equipment and motor vehicles 傢具、裝置、 設備及汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost or valuation:	成本或估值：					
At beginning of year	年初	100,032	39,178	101,531	31,314	272,055
Additions	添置	3,021	2,761	6,246	3,629	15,657
Acquisition of subsidiaries (Note 28)	收購附屬公司 (附註28)	54,000	3,377	4,150	-	61,527
Disposals	出售	(2,700)	(1,049)	-	(444)	(4,193)
Surplus on revaluation	重估盈餘	1,863	-	-	-	1,863
Exchange realignment	匯兌調整	10,970	2,650	5,463	1,415	20,498
At 31 March 2008	於二零零八年三月三十一日	167,186	46,917	117,390	35,914	367,407
Accumulated depreciation:	累積折舊：					
At beginning of year	年初	-	14,305	42,433	12,422	69,160
Provided during the year	年內撥備	3,819	7,682	13,889	5,926	31,316
Disposals	出售	(48)	(944)	-	(414)	(1,406)
Write-back of revaluation	重估回撥	(3,771)	-	-	-	(3,771)
Exchange realignment	匯兌調整	-	845	2,348	562	3,755
At 31 March 2008	於二零零八年三月三十一日	-	21,888	58,670	18,496	99,054
Net book value:	賬面淨值：					
At 31 March 2008	於二零零八年三月三十一日	167,186	25,029	58,720	17,418	268,353
Analysis of cost or valuation:	成本或估值分析：					
At cost	按成本值	-	46,917	117,390	35,914	200,221
At 31 March 2008 valuation	按於二零零八年三月三十一日 之估值	167,186	-	-	-	167,186
		167,186	46,917	117,390	35,914	367,407

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2009)

(二零零九年三月三十一日)

### 13. Property, Plant and Equipment (continued)

The Group's buildings were revalued individually at 31 March 2009 by Greater China Appraisal Limited, independent professionally qualified valuers, at an aggregate open market value of HK\$202,665,000, based on their existing use. Revaluation surpluses of HK\$6,077,000 and a revaluation deficit of HK\$470,000 resulting from the above valuation were credited to the asset revaluation reserve and charged to the income statement, respectively.

Had these buildings been carried at historical cost less accumulated depreciation, their carrying amounts would have been HK\$178,254,000 (2008: HK\$153,944,000).

As at 31 March 2009, one of the Group's buildings with a net book value of HK\$828,000 (2008: HK\$132,000) has been provided as rent-free accommodation to an executive director of the Company during the year (Note 14).

### 14. Prepaid Land Lease Payments

### 13. 物業、廠房及設備(續)

本集團之樓宇由獨立專業合資格估值師漢華評值有限公司於二零零九年三月三十一日按其當時用途以公開市值作個別評估，合共值202,665,000港元。上述估值所產生重估盈餘6,077,000港元及重估虧絀470,000港元則分別計入資產重估儲備，及於收益表扣除。

倘有關土地及樓宇按歷史成本減累積折舊列賬，其賬面值原應為178,254,000港元(二零零八年：153,944,000港元)。

於二零零九年三月三十一日，本集團其中一項賬面淨值828,000港元(二零零八年：132,000港元)之樓宇於年內提供予本公司一名執行董事作免租住宿(附註14)。

### 14. 預付土地租賃款項

		Group 本集團	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Carrying amount at beginning of year	年初賬面值	75,034	67,870
Additions	添置	-	1,503
Acquisition of subsidiaries (Note 28)	收購附屬公司(附註28)	-	14,000
Amortisation recognised during the year (Note 6)	於年內確認攤銷(附註6)	(2,138)	(2,015)
Disposals	出售	-	(10,712)
Exchange realignment	匯兌調整	4,322	4,388
Carrying amount at 31 March	於三月三十一日之賬面值	77,218	75,034
Current portion included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項之即期部分	(2,138)	(2,063)
Non-current portion	非即期部分	75,080	72,971

#### 14. Prepaid Land Lease Payments (continued)

An analysis of carrying amounts of prepaid land lease payments of the Group at the balance sheet date is as follows:

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Long term leases outside Hong Kong	香港境外之長期租約	3,447	3,282
Medium term leases in Hong Kong	香港境內之中期租約	12,043	12,352
Medium term leases outside Hong Kong	香港境外之中期租約	61,728	59,400
		<b>77,218</b>	75,034

Certain of the Group's prepaid land lease payments with a net book value of HK\$1,607,000 (2008: HK\$1,536,000) in aggregate have been provided as rent-free accommodation to an executive director of the Company during the year (Note 13).

#### 14. 預付土地租賃款項(續)

於資產負債表日，本集團預付土地租賃款項之賬面值分析如下：

本集團若干賬面淨值合共1,607,000港元(二零零八年：1,536,000港元)之預付土地租賃款項於年內提供作為本公司一名執行董事之免租住宿(附註13)。

#### 15. Prepayments and Deposits for Property, Plant and Equipment

As at 31 March 2009, certain subsidiaries of the Company have entered into contracts with independent third party contractors for construction of building facilities and leasehold improvements at a consideration of HK\$6,764,000 (2008: HK\$15,640,000). As at 31 March 2009, HK\$2,177,000 (2008: HK\$6,237,000) had been paid by the Group and was classified as "Prepayment and deposits for property, plant and equipment".

#### 15. 物業、廠房及設備之預付款項及按金

於二零零九年三月三十一日，本公司若干附屬公司與獨立第三方承建商訂立合約，以代價6,764,000港元(二零零八年：15,640,000港元)興建樓宇設施及租賃物業裝修工程。於二零零九年三月三十一日，本集團已支付2,177,000港元(二零零八年：6,237,000港元)，並列作「物業、廠房及設備之預付款項及按金」。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2009)

(二零零九年三月三十一日)

## 16. Goodwill

Cost and carrying amount: 成本值及賬面值：  
At beginning and end of year 於年初及年終

2009 2008  
二零零九年 二零零八年  
HK\$'000 HK\$'000  
千港元 千港元

26,112

26,112

The Group's goodwill was wholly allocated to a cash-generating unit engaged in the manufacture and trading of sportswear and garments (the "Unit"). The recoverable amount of the Unit has been determined from the value in use, which is calculated with reference to cash flow projections based on a five-year period financial budgets approved by senior management. The financial budgets are prepared reflecting actual and prior year performance and development expectations. The key assumptions for the cash flow projections are the budgeted gross margins which is the average gross profit margin achieved in the year immediately before budgeted years and the discount rate of 8%, which is before tax and reflects specific risks relating to the Unit. The growth rate used to extrapolate the cash flows of the Unit is 10% for the first two years and 3% for the succeeding three years. The directors believe that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the Unit to exceed the aggregate recoverable amount. Since the recoverable amount of the Unit is higher than its carrying amount, the directors consider there was no impairment of the goodwill at the balance sheet date.

本集團之商譽全部撥歸從事運動服及成衣生產及買賣之現金產生單位(「該單位」)。該單位之可收回金額乃根據使用價值釐定，而使用價值則根據由高級管理人員審批之五年財政預算所預測之現金流量計算。財政預算之編算乃反映實際、過往表現及預期發展。現金流量預測之主要假設為所預算之毛利率(即緊接預算年度前該年度所達致之平均毛利率)及貼現率8%(乃除稅前及反映與該單位有關之特定風險)。用於推斷五年期後該單位之現金流量之首兩年增長率為10%，而繼後三年則為3%。董事相信，任何該等假設可能合理地出現之變動，將不會導致該單位之總賬面值超出總可收回金額。由於該單位之可收回金額高於其賬面值，董事認為於資產負債表日商譽並無出現減值。

## 17. Investments in Subsidiaries

Unlisted investments, at cost 非上市投資，按成本值

Company  
本公司  
2009 2008  
二零零九年 二零零八年  
HK\$'000 HK\$'000  
千港元 千港元

43,368

43,368

## 16. 商譽

## 17. 於附屬公司之投資

## 17. Investments in Subsidiaries (continued)

The balances with subsidiaries approximate to their fair values and are unsecured, interest-free and repayable on demand.

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

Particulars of subsidiaries of the Company are as follows:

Name 公司名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued share/paid-up registered capital 已發行股份 面值/繳足 註冊資本	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Jespar Age Limited	British Virgin Islands ("BVI") 英屬處女島 (「英屬處女島」)	US\$1,000 1,000美元	100	-	Investment holding 投資控股
Eagle Nice (EAG) Limited 鷹美(鷹美集團)有限公司	Hong Kong 香港	Ordinary HK\$2; Non-voting deferred HK\$10,000 (Note (a)) 普通股2港元: 無投票權遞延股 10,000港元 (附註(a))	-	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣
Far East (EAG) Limited 遠東(鷹美集團)有限公司	Hong Kong 香港	Ordinary HK\$2; Non-voting deferred HK\$10,000 (Note (a)) 普通股2港元: 無投票權遞延股 10,000港元 (附註(a))	-	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣
汕頭市鷹美製衣有限公司 (「鷹美(汕頭)」)(附註(b)) ("EN (Shantou)") (Note (b))	PRC/Mainland China 中國/中國大陸	HK\$9,500,000 9,500,000港元	-	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣

## 17. 於附屬公司之投資(續)

與附屬公司之結餘與其公平值相若並為無抵押、免息及須應要求償還。

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

本公司之附屬公司詳情如下：

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2009)

(二零零九年三月三十一日)

## 17. Investments in Subsidiaries (continued)

## 17. 於附屬公司之投資(續)

Name 公司名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued share/paid-up registered capital 已發行股份 面值/繳足 註冊資本	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
裕美(汕頭)製衣有限公司 (「裕美(汕頭)」)(附註(b)) ("YM (Shantou)") (Note (b))	PRC/Mainland China 中國/中國大陸	US\$23,500,000 23,500,000美元	–	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣
裕鷹(汕頭)製衣有限公司 (「裕鷹(汕頭)」)(附註(b)) ("YY (Shantou)") (Note (b))	PRC/Mainland China 中國/中國大陸	HK\$15,000,000 15,000,000港元	–	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣
Everall Development Limited 永全發展有限公司	BVI 英屬處女島	US\$1,000 1,000美元	–	100	Investment holding 投資控股
Yue Mei (EAG) Limited 裕美(鷹美集團)有限公司	Hong Kong 香港	HK\$1,000 1,000港元	–	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣
Eagle Nice Development Limited 鷹美發展有限公司	Hong Kong 香港	HK\$1 1港元	–	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣
Far East (International) Garment Limited 遠東(國際)製衣有限公司	Hong Kong 香港	HK\$1 1港元	–	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣
Yue Mei (HK) Garment Limited 裕美(香港)製衣有限公司	Hong Kong 香港	HK\$1 1港元	–	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣
Wayable International Inc.	BVI 英屬處女島	US\$100 100美元	–	100	Investment holding 投資控股
Maitex (EAG) Limited 源瀚(鷹美集團)有限公司	Hong Kong 香港	HK\$1,000 1,000港元	–	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣

## 17. Investments in Subsidiaries (continued)

Name 公司名稱	Place of incorporation/ registration and operations 註冊成立/ 登記及營業地點	Nominal value of issued share/paid-up registered capital 已發行股份 面值/繳足 註冊資本	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Actex Garment Co., Limited 源瀚有限公司	Taiwan 台灣	NTD5,000,000 新台幣 5,000,000元	-	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣
惠來縣源瀚製衣有限公司 (附註(b)) ("Maitex PRC") (Note (b))	PRC/Mainland China 中國/中國大陸	HK\$31,226,548 31,226,548港元	-	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣
King Eagle (EAG) Limited	Hong Kong 香港	HK\$1 1港元	-	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣
金鷹(汕頭)製衣有限公司 (「金鷹(汕頭)」)(附註(b)) ("KE (Shantou)") (Note (b))	PRC/Mainland China 中國/中國大陸	US\$1,031,569 1,031,569美元	-	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣
Eagle Tech (EAG) Limited	Hong Kong 香港	HK\$1 1港元	-	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣
惠來縣宏鷹製衣有限公司 (「惠來宏鷹」)(附註(b)) ("Hung Eagle Garment") (Note (b))	PRC/Mainland China 中國/中國大陸	US\$1,200,000 1,200,000美元	-	100	Manufacture and trading of sportswear and garments 生產及買賣 運動服及成衣

Notes:

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

附註:

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

## 17. 於附屬公司之投資(續)

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2009)

(二零零九年三月三十一日)

## 18. Inventories

		Group 本集團	
		2009 二零零九年	2008 二零零八年
		HK\$'000 千港元	HK\$'000 千港元
Raw materials	原材料	43,927	37,941
Work in progress	在製品	36,324	59,349
Finished goods	製成品	53,665	26,218
		<b>133,916</b>	123,508

## 19. Accounts and Bills Receivable

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

An aged analysis of the accounts and bills receivable as at the balance sheet date, based on the invoice date, is as follows:

		Group 本集團	
		2009 二零零九年	2008 二零零八年
		HK\$'000 千港元	HK\$'000 千港元
Within 30 days	30天內	80,076	102,361
31 to 60 days	31天至60天	53,758	29,351
61 to 90 days	61天至90天	28,237	8,412
Over 90 days	90天以上	28,907	6,458
		<b>190,978</b>	146,582

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

Included in the Group's accounts and bills receivable as at 31 March 2008 was the amount due from 裕程(昆山)體育用品有限公司 ("Yucheng (Kunshan)"), a subsidiary of Yue Yuen Industrial (Holdings) Limited ("Yue Yuen"), a substantial shareholder of the Company, of HK\$2,907,000, which was repayable on similar credit terms to those offered to the major non-related customers of the Group.

## 18. 存貨

## 19. 應收賬款及票據

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

本集團於資產負債表日之應收賬款及票據根據發票日期的賬齡分析如下：

以上結餘並無逾期及減值。包括在以上應收賬款內的財務資產，近期並無欠款記錄。

於二零零八年三月三十一日，包括在本集團之應收賬款及票據有應收裕程(昆山)體育用品有限公司(「裕程(昆山)」)2,907,000港元，該公司為本公司之主要股東裕元工業(集團)有限公司(「裕元」)之附屬公司。該款項須按與提供予本集團主要非關連客戶之相若信貸條款償還。



## 20. Cash and Cash Equivalents

		Group 本集團		Company 本公司	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Cash and bank balances	現金及銀行結存	109,351	125,846	566	280
Time deposits with original maturity of over three months	原定到期日超過三個月之定期存款	12,197	34,539	-	-
Time deposits with original maturity of less than three months	原定到期日少於三個月之定期存款	175,875	114,200	-	-
Cash and cash equivalents	現金及現金等值項目	297,423	274,585	566	280

At the balance sheet date, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK\$95,717,000 (2008: HK\$115,715,000). The RMB is not freely convertible into other currencies; however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

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

## 21. Accounts and Bills Payable

An aged analysis of the accounts and bills payable as at the balance sheet date, based on the invoice date, is as follows:

		Group 本集團	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Within 90 days	90天內	51,796	52,577
91 to 180 days	91天至180天	1,033	1,331
181 to 365 days	181天至365天	481	1,312
Over 365 days	365天以上	1,761	379
		55,071	55,599

## 20. 現金及現金等值項目

於資產負債表日，本集團以人民幣（「人民幣」）計值的現金及銀行結存為95,717,000港元（二零零八年：115,715,000港元）。人民幣不得自由兌換為其他貨幣，然而根據中國大陸的外匯管理條例以及結匯、售匯及付匯管理規定，本集團獲批准透過獲授權辦理外匯業務之銀行將人民幣兌換為其他貨幣。

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

## 21. 應付賬款及票據

於資產負債表日之應付賬款及票據根據發票日期的賬齡分析如下：

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2009)

(二零零九年三月三十一日)

## 21. Accounts and Bills Payable (continued)

Included in the accounts and bills payable as at 31 March 2008 was accounts payable of HK\$1,282,000 due to 汕頭市先達服裝輔料廠有限公司 (“Shantou Xianda”), a related company controlled by a relative of Mr. Chung, a director of the Company, which was repayable on similar credit terms to those offered by other major non-related suppliers of the Group.

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

## 22. Banking Facilities

As at 31 March 2009, the Group's banking facilities were secured by the following:

- (i) corporate guarantees executed by the Company to the extent of HK\$106 million (2008: HK\$106 million); and
- (ii) unlimited corporate guarantees executed by two subsidiaries of the Company.

## 23. Accrued Liabilities and Other Payables

As at 31 March 2009, included in other payables was an amount of HK\$3,454,000 due to Pro Kingtex Vietnam Co. Limited (“Pro Kingtex”), a subsidiary of Yue Yuen, a substantial shareholder of the Company, which was payable on similar credit terms to those offered by other major non-related subcontractors of the Group.

As at 31 March 2008, included in other payables was an amount of HK\$2,636,000 representing trade deposits received from Yucheng (Kunshan).

## 21. 應付賬款及票據(續)

於二零零八年三月三十一日，包括在應付賬款及票據有應付汕頭市先達服裝輔料廠有限公司(「汕頭先達」)1,282,000港元。該公司由本公司董事鍾先生之親屬所控制之關連公司。該款項與本集團其他主要非關連供應商所訂之相若信貸條款償還。

應付賬款及票據為免息賬款，信貸期一般為45天。

## 22. 銀行備用信貸

於二零零九年三月三十一日，本集團之銀行備用信貸以下列各項作為抵押：

- (i) 本公司簽立以106,000,000港元為限之公司擔保(二零零八年：106,000,000港元)；及
- (ii) 本公司兩家附屬公司簽立的無限額公司擔保。

## 23. 應計負債及其他應付款項

		Group 本集團		Company 本公司	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Deferred income	遞延收入	4,509	4,218	-	-
Other payables	其他應付款項	30,049	40,487	-	-
Accruals	應計費用	25,109	16,590	2,188	100
		59,667	61,295	2,188	100

於二零零九年三月三十一日，計入其他應付款項之3,454,000港元乃應付本公司主要股東裕元之附屬公司Pro Kingtex Vietnam Co. Limited(「Pro Kingtex」)之款項，該款項與本集團其他主要非關連承包商所訂之相若信貸條款償還。

於二零零八年三月三十一日，計入其他應付款項之2,636,000港元乃收裕程(昆山)之貨款按金。

## 24. Deferred Tax Liabilities

### Group

## 24. 遞延稅項負債

### 本集團

		Accelerated tax depreciation	Asset revaluation	Withholding taxes on undistributed profits on PRC subsidiaries 中國附屬公司 未分派溢利 之預扣稅	Total
		加速稅項折舊 HK\$'000 千港元	資產重估 HK\$'000 千港元	中國附屬公司 未分派溢利 之預扣稅 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 April 2007	於二零零七年 四月一日	778	474	–	1,252
Deferred tax debited to the consolidated income statement during the year (Note 9)	年內計入綜合 收益表之遞延稅項 (附註9)	1,857	–	–	1,857
Acquisition of subsidiaries (Note 28)	收購附屬公司 (附註28)	–	7,861	–	7,861
Deferred tax debited to equity during the year	年內於資本扣除 之遞延稅項	–	1,093	–	1,093
Exchange realignment	匯兌調整	–	840	–	840
At 31 March 2008 and 1 April 2008	於二零零八年 三月三十一日 及二零零八年 四月一日	2,635	10,268	–	12,903
Deferred tax debited/(credited) to the consolidated income statement during the year (Note 9)	年內計入/(扣除) 綜合收益表之 遞延稅項 (附註9)	(2,615)	–	3,355	740
Deferred tax debited to equity during the year	年內計入資本之 遞延稅項	–	2,602	–	2,602
Exchange realignment	匯兌調整	–	683	–	683
At 31 March 2009	於二零零九年 三月三十一日	20	13,553	3,355	16,928

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2009)

(二零零九年三月三十一日)

## 24. Deferred Tax Liabilities (continued)

Pursuant to the New PRC Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between China and jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

The Group has tax losses arising in Hong Kong of HK\$5,304,000 (2008: HK\$3,947,000) that are available indefinitely for offsetting against future taxable profits of the company in which the losses arose. Deferred tax assets have not been recognised in respect of those losses as the aforesaid company has had no taxable profits for some time.

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

## 25. Issued Capital

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

法定股本：  
10,000,000,000股每股面值  
0.01港元之普通股

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

已發行及繳足：  
499,680,000股每股面值  
0.01港元之普通股

Company	
本公司	
2009	2008
二零零九年	二零零八年
HK\$'000	HK\$'000
千港元	千港元

100,000

100,000

4,997

4,997

## 24. 遞延稅項負債(續)

根據中國新稅法，於中國內地成立之外商投資企業向外商投資者宣派之股息將被徵收10%預扣稅項。該規定於二零零八年一月一日生效，並適用於二零零七年十二月三十一日後之盈利。倘中國與外商投資者之司法權區訂立稅務條約，則可降低其適用預扣稅稅率。本集團之適用稅率為5%。本集團因而須就收取於中國內地成立之附屬公司在二零零八年一月一日後產生之盈利而分派的股息繳納預扣稅項。

本集團於香港產生之稅項虧損5,304,000港元(二零零八年：3,947,000港元)可無限期用作抵銷公司日後應課稅溢利。由於前述公司已有一段時間無應課稅溢利，因而並無就該等虧損確認遞延稅項資產。

本公司向其股東派發股息概無附帶所得稅後果。

## 25. 已發行股本

## 25. Issued Capital (continued)

A summary of the movements in the Company's issued capital for the year ended 31 March 2008 was as follows:

		Number of shares in issue 已發行股份數目 '000 千股	Issued capital 已發行股本 HK\$'000 千港元	Share premium account 股份溢價賬 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 April 2007	於二零零七年四月一日	427,000	4,270	359,932	364,202
Issue of shares (Note)	發行股份 (附註)	72,680	727	112,654	113,381
At 31 March 2008	於二零零八年三月三十一日	499,680	4,997	472,586	477,583

Note:

During the year ended 31 March 2008, 72,680,000 ordinary shares of HK\$0.01 each were allotted and issued, credited as fully paid at an issue price of HK\$1.56 per share, in consideration of and in exchange for the acquisition of the Wayable Group (Note 28).

## 25. 已發行股本 (續)

截至二零零八年三月三十一日止年度，本公司之已發行股本之變動概要如下：

附註：

於二零零八年三月三十一日止年度內，已按發行價每股1.56港元配發及發行72,680,000股每股面值0.01港元入賬列作繳足之普通股，以作為收購Wayable Group之代價及交換條件(附註28)。

## 26. Share Option Scheme

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

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

## 26. 購股權計劃

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

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

## 26. Share Option Scheme (continued)

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

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

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

No share options have been granted under the Scheme as at 31 March 2009 or up to the date of approval of these financial statements.

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

## 27. Reserves

### Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the Consolidated Statement of Changes in Equity of the financial statements.

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

## 26. 購股權計劃(續)

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

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

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

於二零零九年三月三十一日或截至財務報表獲批准日期為止，概無根據該計劃授出任何購股權。

購股權並無賦予持有人獲取股息或於股東大會投票的權利。

## 27. 儲備

### 本集團

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

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

## 27. Reserves (continued)

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

### Company

		Notes 附註	Share premium account 股份 溢價賬 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元 (Note) (附註)	Retained profits/ (accumulated losses) 留存溢利/ (累計虧損) HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2007	於二零零七年四月一日		359,932	43,088	(44,206)	358,814
Issue of share capital	發行股本	25	112,654	-	-	112,654
Additional final 2007 dividend	二零零七年額外末期股息	11	-	-	(4,361)	(4,361)
Profit for the year	年內溢利	10	-	-	92,497	92,497
Interim 2008 dividend	二零零八年中期股息	11	-	-	(34,978)	(34,978)
Proposed final 2008 dividend	擬派二零零八年末期股息	11	-	-	(49,968)	(49,968)
At 31 March 2008 and 1 April 2008	於二零零八年三月三十一日 及二零零八年四月一日		472,586	43,088	(41,016)	474,658
Profit for the year	年內溢利	10	-	-	107,394	107,394
Interim 2009 dividend	二零零九年中期股息	11	-	-	(59,962)	(59,962)
Proposed final 2009 dividend	擬派二零零九年末期股息	11	-	-	(59,962)	(59,962)
At 31 March 2009	於二零零九年三月三十一日		472,586	43,088	(53,546)	462,128

#### Note:

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

## 27. 儲備(續)

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

### 本公司

		Notes 附註	Share premium account 股份 溢價賬 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元 (Note) (附註)	Retained profits/ (accumulated losses) 留存溢利/ (累計虧損) HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2007	於二零零七年四月一日		359,932	43,088	(44,206)	358,814
Issue of share capital	發行股本	25	112,654	-	-	112,654
Additional final 2007 dividend	二零零七年額外末期股息	11	-	-	(4,361)	(4,361)
Profit for the year	年內溢利	10	-	-	92,497	92,497
Interim 2008 dividend	二零零八年中期股息	11	-	-	(34,978)	(34,978)
Proposed final 2008 dividend	擬派二零零八年末期股息	11	-	-	(49,968)	(49,968)
At 31 March 2008 and 1 April 2008	於二零零八年三月三十一日 及二零零八年四月一日		472,586	43,088	(41,016)	474,658
Profit for the year	年內溢利	10	-	-	107,394	107,394
Interim 2009 dividend	二零零九年中期股息	11	-	-	(59,962)	(59,962)
Proposed final 2009 dividend	擬派二零零九年末期股息	11	-	-	(59,962)	(59,962)
At 31 March 2009	於二零零九年三月三十一日		472,586	43,088	(53,546)	462,128

#### 附註：

本公司資本儲備指本公司根據同一重組所收購附屬公司當時的綜合資產淨值，超出本公司就交換而發行之本公司股本面值之差額。根據開曼群島公司法，資本儲備可分派予本公司股東，惟於緊隨建議派付股息日期後，本公司必須能償還其日常業務中到期債項。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2009)

(二零零九年三月三十一日)

## 28. Business Combination

On 1 September 2007, the Group acquired the entire interest in the Wayable Group (the "Acquisition"). The Wayable Group is engaged in the manufacture and trading of sportswear and garments. The purchase consideration for the acquisition amounted to approximately HK\$118,959,000, which was satisfied by the issue of an aggregate of 72,680,000 ordinary shares of HK\$0.01 each in the share capital of the Company at an issue price of HK\$1.56 per share by the Company and a cash consideration of approximately HK\$4,322,000. The remaining balance of HK\$1,256,000 was cost and expenses directly attributable to the Acquisition.

The fair values of the identifiable assets and liabilities and contingent liabilities of the Wayable Group as at the date of Acquisition and the corresponding carrying amounts immediately before the Acquisition were as follows:

## 28. 業務合併

於二零零七年九月一日，本集團收購Wayable Group之全部權益（「收購事項」）。Wayable Group從事生產及銷售運動服及成衣。收購事項之代價約118,959,000港元，本公司透過按每股股份1.56港元之發行價發行合共72,680,000股本公司股本中每股面值0.01港元之普通股以及現金代價約4,322,000港元支付。餘額1,256,000港元為收購事項的直接費用及成本。

Wayable Group之可資識別資產與負債以及或然負債於收購事項日期之公平值及緊接收購事項前之相應賬面值如下：

		Notes 附註	Fair value recognised on acquisition 就收購事項 確認之公平值 HK\$'000 千港元	Previous carrying amount 收購前之 賬面值 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	13	61,527	40,269
Prepaid land lease payments	預付土地租賃款項	14	14,000	3,811
Inventories	存貨		5,144	5,144
Accounts and bills receivable	應收賬款及票據		27,208	27,208
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項		4,062	4,062
Cash and bank balances	現金及銀行結餘		23,406	23,406
Accounts and bills payable	應付賬款及票據		(3,992)	(3,992)
Accrued liabilities and other payables	應計負債及其他應付款項		(27,439)	(27,439)
Tax payable	應付稅項		(3,208)	(3,208)
Deferred tax liabilities	遞延稅項負債	24	(7,861)	-
			92,847	69,261
Goodwill on acquisition	收購事項產生的商譽	16	26,112	
Total net assets acquired	已收購淨資產總額		118,959	
Satisfied by:	支付方式：			
Issue of shares	發行股份	25	113,381	
Cash	現金		4,322	
Costs associated with the Acquisition	收購事項相關成本		1,256	
			118,959	



## 28. Business Combination (continued)

An analysis of the net inflow of cash and cash equivalents in respect of the Acquisition is as follows:

		HK\$'000 千港元
Cash consideration	現金代價	(4,322)
Costs associated with the Acquisition	收購事項相關成本	(1,256)
Cash and bank balances acquired	被收購現金及銀行結餘	23,406
Net inflow of cash and cash equivalents in respect of the Acquisition	收購事項之現金及現金等值項目流入淨額	17,828

The goodwill on Acquisition represents value obtainable from synergies with the Group and opportunities for the Group to benefit from the Wayable Group's expertise in lean manufacturing and new markets provided by the Wayable Group.

Since the Acquisition, the Wayable Group contributed HK\$44,443,000 to the Group's revenue and HK\$6,957,000 to the Group's consolidated profit for the year ended 31 March 2008.

Had the combination taken place at the beginning of the year ended 31 March 2008, the revenue and the profit of the Group for the year ended 31 March 2008 would have been HK\$919,324,000 and HK\$136,694,000 respectively.

## 29. Note to the Consolidated Cash Flow Statement

### Major non-cash transaction

During the year, prepayments and deposits for property, plant and equipment of HK\$6,237,000 were transferred to property, plant and equipment upon acceptance by and delivery to the Group (note 15).

## 30. Contingent Liabilities

The Group did not have any significant contingent liabilities not provided for at the balance sheet date (2008: Nil).

As at 31 March 2009, the Company has given corporate guarantees to banks to the extent of HK\$106,000,000 (2008: HK\$106,000,000) for banking facilities granted to certain subsidiaries of the Company.

## 28. 業務合併(續)

收購事項之現金及現金等值項目流入淨額分析如下：

		HK\$'000 千港元
Cash consideration	現金代價	(4,322)
Costs associated with the Acquisition	收購事項相關成本	(1,256)
Cash and bank balances acquired	被收購現金及銀行結餘	23,406
Net inflow of cash and cash equivalents in respect of the Acquisition	收購事項之現金及現金等值項目流入淨額	17,828

收購事項所產生之商譽指本集團可得到之協同效應及在Wayable Group於精實製造專業知識及Wayable Group提供之新市場之商機價值。

自收購事項以來，Wayable Group為本集團截至二零零八年三月三十一日止年度之營業收入貢獻44,443,000港元及為綜合溢利貢獻6,957,000港元。

倘合併於截至二零零八年三月三十一日止年度年初已經發生，則本集團於截至二零零八年三月三十一日止年度內之營業收入及溢利將分別為919,324,000港元及136,694,000港元。

## 29. 綜合現金流量表附註

### 主要非現金交易

年內，6,237,000港元之物業、廠房及設備之預付款項及按金於本集團接納及向本集團交付後轉撥至物業、廠房及設備(附註15)。

## 30. 或然負債

於資產負債表日，本集團並無任何尚未撥備之重大或然負債(二零零八年：無)。

於二零零九年三月三十一日，本公司就其若干附屬公司獲授之銀行備用信貸額向銀行作出最多106,000,000港元(二零零八年：106,000,000港元)公司擔保。

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2009)

(二零零九年三月三十一日)

## 31. Operating Lease Arrangements

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

At the balance sheet date, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Within one year	一年內	2,618	2,818
In the second to fifth years, inclusive	第二年至第五年(包括首尾兩年)	5,146	863
		<b>7,764</b>	3,681

## 32. Commitments

In addition to the operating lease commitments detailed in note 31 above, the Group had the following capital commitments at the balance sheet date:

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Contracted, but not provided for:	已訂約但未撥備:		
Construction of a factory	興建廠房	7,279	9,403
Purchases of computer equipment	購買電腦設備	799	1,496
Purchases of machinery	購買機器	77	—
		<b>8,155</b>	10,899

The Company did not have any significant commitments at the balance sheet date (2008: Nil).

## 31. 經營租賃安排

本集團根據經營租賃安排租賃其若干辦公室、廠房及員工宿舍，議定之租期介乎一至三年不等。

於資產負債表日，本集團於不可撤銷經營租賃項下之未來最低租金總額須於下列期限償付：

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Within one year	2,618	2,818
In the second to fifth years, inclusive	5,146	863
	<b>7,764</b>	3,681

## 32. 承擔

除上文附註31詳列之經營租賃承擔外，本集團於資產負債表日之資本承擔如下：

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Contracted, but not provided for:		
Construction of a factory	7,279	9,403
Purchases of computer equipment	799	1,496
Purchases of machinery	77	—
	<b>8,155</b>	10,899

於資產負債表日，本公司並無任何重大承擔(二零零八年：無)。

### 33. Related Party Transactions

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

	Notes 附註	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Subcontracting fees payable to related companies	應支付關連公司之承包費 (i)	15,582	4,844
Sales of finished goods to related companies	向關連公司銷售製成品 (ii)	6,916	31,092
Purchases of raw materials from a related company	向一間關連公司購買原材料 (iii)	339	9,053

Notes:

- (i) The subcontracting fees paid to Pro Kingtex and 中山寶吉製衣有限公司, both of which are the subsidiaries of Yue Yuen, were made according to the terms similar to those offered by the Group's non-related subcontractors.
- (ii) The sales of finished goods to Yucheng (Kunshan) and 裕晟(昆山)體育用品有限公司, both of which are the subsidiaries of Yue Yuen, were made according to the terms similar to those offered to the Group's non-related customers.
- (iii) The purchases of raw materials from Shantou Xianda were determined by the directors of the Company and the related company with reference to the then prevailing market conditions.

The related party transaction in respect of item (i) above constitutes continuing connected transactions during the year as defined in Chapter 14A of the Listing Rules.

In respect of items (ii) and (iii), the contracts of these transactions were entered in last year and completed in the current year. No further contracts were signed in the current year. These transactions constituted continuing connected transactions for the year ended 31 March 2008.

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

- (b) Details of the Group's trade balances with its related parties as at the balance sheet date are disclosed in notes 19, 21 and 23 to the financial statements.
- (c) The directors are the key management personnel of the Group. Details of their remuneration are disclosed in note 7 to the financial statements.

### 33. 關連人士交易

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

	Notes 附註	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Subcontracting fees payable to related companies	應支付關連公司之承包費 (i)	15,582	4,844
Sales of finished goods to related companies	向關連公司銷售製成品 (ii)	6,916	31,092
Purchases of raw materials from a related company	向一間關連公司購買原材料 (iii)	339	9,053

附註：

- (i) 承包費乃支付予Pro Kingtex及中山寶吉製衣有限公司(兩家均為裕元之附屬公司)，並按照本集團非關連承包商所提供之類似條款進行。
- (ii) 向裕程(昆山)及裕晟(昆山)體育用品有限公司(兩家均為裕元之附屬公司)銷售製成品乃按照向本集團非關連客戶提供之類似條款進行。
- (iii) 向汕頭先達購買原材料乃由本公司董事與該關連公司參考當前之市場狀況釐訂。

上述第(i)項於年內的關連人士交易構成上市規則第14A章界定之持續關連交易。

就第(ii)及(iii)項交易而言，此等交易乃於去年訂立合約及於本年度完成。本年度並無進一步簽訂合約。此等交易構成於截至二零零八年三月三十一日止年度之持續關連交易。

董事認為，上述交易乃於本集團之一般日常業務過程中進行。

- (b) 本集團於資產負債表日與關連人士之貿易結餘詳情於財務報表附註19、21及23中披露。
- (c) 各董事為本集團之主要管理人員。彼等薪酬之詳情於財務報表附註7披露。

## 34. Financial Risk Management Objectives and Policies

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

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

### Interest rate risk

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

### Foreign currency risk

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

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

## 34. 財務風險管理之目標及政策

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

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

### 利率風險

本集團並無計息借貸，並相信所面對之利率風險屬輕微。

### 外匯風險

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

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

### 34. Financial Risk Management Objectives and Policies

(continued)

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

		Increase/ (decrease) in exchange rate 匯率上升/ (下降)	Increase/ (decrease) in net profit and equity 純利及權益 增加/(減少) HK\$'000 千港元
<b>2009</b>	<b>二零零九年</b>		
If HK\$ weakens against RMB	倘港元兌人民幣貶值	5%	9,580
If HK\$ strengthens against RMB	倘港元兌人民幣升值	(5%)	(9,580)
<b>2008</b>	<b>二零零八年</b>		
If HK\$ weakens against RMB	倘港元兌人民幣貶值	5%	8,474
If HK\$ strengthens against RMB	倘港元兌人民幣升值	(5%)	(8,474)

#### Liquidity risk

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

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

#### Group

		On demand 應要求 HK\$'000 千港元	Less than 1 year 少於一年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>2009</b>	<b>二零零九年</b>			
Accounts and bills payable	應付賬款及票據	-	55,051	55,051
Other payables	其他應付款項	25	30,024	30,049
		25	85,075	85,100

### 34. 財務風險管理之目標及政策(續)

下表列示本集團純利對人民幣匯率於資產負債表日可能出現之合理變動，而其他變動維持不變之敏感度(由於貨幣資產及負債公平值變動)。

		Increase/ (decrease) in exchange rate 匯率上升/ (下降)	Increase/ (decrease) in net profit and equity 純利及權益 增加/(減少) HK\$'000 千港元
<b>2009</b>	<b>二零零九年</b>		
If HK\$ weakens against RMB	倘港元兌人民幣貶值	5%	9,580
If HK\$ strengthens against RMB	倘港元兌人民幣升值	(5%)	(9,580)
<b>2008</b>	<b>二零零八年</b>		
If HK\$ weakens against RMB	倘港元兌人民幣貶值	5%	8,474
If HK\$ strengthens against RMB	倘港元兌人民幣升值	(5%)	(8,474)

#### 流動資金風險

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

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

#### 本集團

		On demand 應要求 HK\$'000 千港元	Less than 1 year 少於一年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>2009</b>	<b>二零零九年</b>			
Accounts and bills payable	應付賬款及票據	-	55,051	55,051
Other payables	其他應付款項	25	30,024	30,049
		25	85,075	85,100

## Notes to Financial Statements (continued)

### 財務報表附註(續)

(31 March 2009)

(二零零九年三月三十一日)

## 34. Financial Risk Management Objectives and Policies

(continued)

### Liquidity risk (continued)

Group (continued)

		On demand 應要求 HK\$'000 千港元	Less than 1 year 少於一年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
2008	二零零八年			
Accounts and bills payable	應付賬款及票據	-	55,599	55,599
Other payables	其他應付款項	680	39,807	40,487
		680	95,406	96,086

### Credit risk

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

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

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

### Capital management

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2009 and 2008.

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

## 35. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors of the Company on 2 July 2009.

## 34. 財務風險管理之目標及政策(續)

### 流動資金風險(續)

本集團(續)

### 信貸風險

本集團僅與獲確認及有信譽的第三方進行交易。本集團會對以除賬方式交易的客戶進行信貸審查。此外，應收款項結餘亦會作定期審閱。

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

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

### 資本管理

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

本集團因應經濟狀況變動管理其資本架構及作出調整。為維持或調整資本架構，本集團可能須調整支付予股東之股息、向股東發還資本或發行新股。於截至二零零九年及二零零八年三月三十一日止年度內，有關管理資本之目標、政策或程序並無變動。

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

## 35. 財務報表之批准

財務報表已於二零零九年七月二日獲本公司董事會批准並授權刊行。



# Eagle Nice (International) Holdings Limited

鷹美(國際)控股有限公司\*

(Incorporated in the Cayman Islands with limited liability)

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