



**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)



JINGMEN, HUBEI  
湖北 荊門



HO CHI MINH CITY, VIETNAM  
越南 胡志明市

ANNUAL REPORT 年報

2019

\* For identification purposes only  
僅供識別



**CORPORATE VISION**

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

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# CORPORATE INFORMATION

## EXECUTIVE DIRECTORS

Chung Yuk Sing (*Chairman and Chief Executive Officer*)  
Chen Hsiao Ying (*Vice Chairman*)  
Huang Yongbiao  
Chen Fang Mei, Christina  
Hu Dien Chien  
Lee Cheng Chuan

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Chan Cheuk Ho  
Lu Chi Chant  
Tham Kit Wan

## COMPANY SECRETARY

Woo Man Chi

## REGISTERED OFFICE

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

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

## LEGAL ADVISERS

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

## AUDITOR

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

## AUDIT COMMITTEE MEMBERS

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

## REMUNERATION COMMITTEE MEMBERS

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

## NOMINATION COMMITTEE MEMBERS

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

## PRINCIPAL BANKERS

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

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

## WEBSITE

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

## STOCK CODE

02368

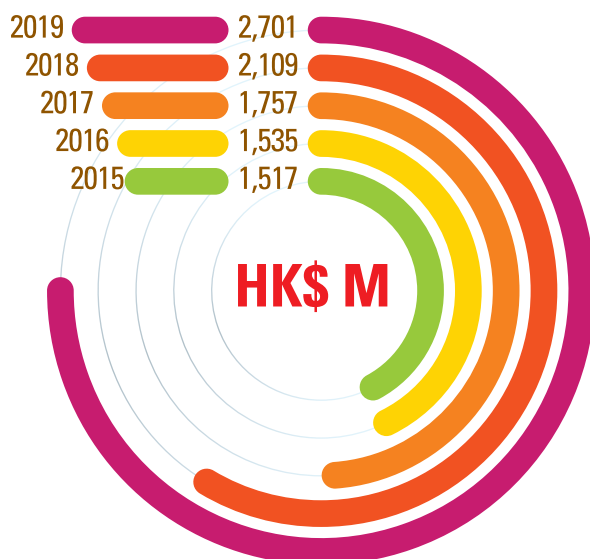


## FINANCIAL HIGHLIGHTS

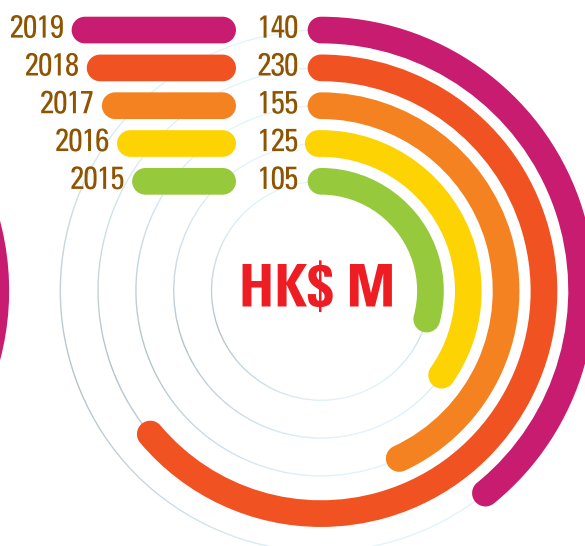
Results	2019	2018
	HK\$ Million	HK\$ Million
Revenue	2,701	2,109
Profit before depreciation, amortisation, interest and tax	273	334
Profit for the year attributable to owners of the Company	140	230
Basic earnings per share	HK27.7 cents	HK46.0 cents
Dividend per share		
— Interim	HK14 cents	HK18 cents
— Final	HK6 cents	HK12 cents

Financial Position	2019	2018
	HK\$ Million	HK\$ Million
Total assets	2,434	1,771
Interest-bearing bank borrowings	572	197
Shareholders' equity	1,304	1,271
Net assets per share attributable to owners of the Company	HK\$2.45	HK\$2.54

### REVENUE HK\$ MILLION



### PROFIT ATTRIBUTABLE TO OWNERS HK\$ MILLION





# CHAIRMAN'S STATEMENT — For The Financial Year Ended 31 March 2019 —

On behalf of the board of directors (the "Board") of Eagle Nice (International) Holdings Limited (the "Company"), I am pleased to present to the shareholders of the Company (the "Shareholders") the annual results of the Company and its subsidiaries (collectively the "Group") for the financial year ended 31 March 2019.

## GLOBAL ECONOMY

The global economy experienced a turbulent year in 2018. The EU economy was troubled by developments such as the Brexit, the refugee crisis problem and the yellow vests movement in France. The recent rise of trade protectionism was underpinned by a total of 40 new trade-restrictive measures applied by Group of 20 (G20) countries during a short span of six months from May to October 2018, including tariff increases, import bans and export duties. According to the statistics of the

World Trade Organization, the trade coverage of these new measures imposed by G20 economies is more than 6 times larger than that recorded in the previous six-month period. Coupled with escalating trade tussles between China and the United States in 2019, the increasing policy uncertainties and the continued volatility in the US Dollar — RMB exchange rate were posing a significantly higher level of risks and difficulties to export enterprises.

## INDUSTRY AND MARKET REVIEW

In tandem with the people's increasing health awareness, sports and exercises have become an indispensable part of their life. Consumers' demand for sportswear has been growing in both quantity and quality. After years of market absorption and correction, the sportswear industry welcomed a new phase of development. The markets of the sporting industry and sportswear sector were expanding with a growing level of industry concentration.



## BUSINESS REVIEW

The Group has been focusing on the manufacturing of professional and leisure sportswear on behalf of avant-garde international sportswear brands for worldwide supply. Despite the impact of the global economic slowdown and the China-U.S. trade tussle, the Group reported annual revenue in excess of HK\$2.7 billion on a 28% growth as it capitalised on opportunities arising amidst the growth trend of the sportswear market driven by the exponential growth of Internet-based channels and the crave for fashionable sportswear, thanks to the support of its customers. Nevertheless, profit was subject to pressure as the Group's production costs increased as a result of additional depreciation costs incurred on the new purchase of machineries and equipment following the completion of acquisitions of production bases (the

"Acquisitions") in Vietnam and in the Hubei Province, the PRC ("Hubei"), retraining costs and interest expenses. Going forward, the management will endeavor to shorten the run-in period and increase our overall production efficiency, in order to foster sustainable core competitiveness and deliver added value to shareholders.

## OUTLOOK

Following rapid development in previous years, the Group's plants in the PRC and Indonesia had been operating at close to full capacity. To capitalise on growth in the global sportswear market, the Group completed the Acquisitions during the year to increase its capacity in line with its future global development planning.





### China and Vietnam: a two-pronged strategy

Vietnam production base is located within the Vietnam Industrial Park which is owned and run by Yue Yuen Industrial (Holdings) Limited (“Yue Yuen”), a substantial shareholder of the Company, and its subsidiaries (the “Yue Yuen Group”). Vietnam production base has been in operation since 2005, employing approximately 3,000 skilled workers. By expanding its overseas production capacity, the Group has enhanced its ability to allocate and reallocate its capacity, which enables it to operate with added flexibility to support its customers’ global sales strategies in a fast-changing business environment.

The ratio of sales to Mainland China of the Group increased to 41% for the year. To further enhance the production efficiency and sales of sportswear to Mainland China, the Group acquired Hubei production base staffed with a sufficient number of skilled workers, so as to strengthen the Group’s team of talents and swiftly boost the Group’s production capacity. Meanwhile, a well-known Chinese sportswear brand has become the Group’s customer following the acquisition of Hubei production base, hence enlarging its customer base and its sales to Mainland China.

### Automated production

To keep up with the dominant trend of automation in industrial production, the Group has installed a range of intelligent automated machinery equipment at its plants (including recently acquired ones), and implemented the 4Ms of Manufacturing (Man, Machine, Materials, Method) management at these

plants, seeking to improve its overall production efficiency through Big Data analysis and equipment upgrades. In recent years, the Group has been focused on the development of technical innovation capabilities, with consistent efforts to improve R&D centres and install advanced equipment, such as 3D model design system, laser cutting and seamless adhesion, among others, at its major production facilities. Capitalising on mainstream fashion and major market trends, the Group continued to work diligently to improve the quality of its services and maintain close partnerships with customers.

## CORPORATE SOCIAL RESPONSIBILITY

In line with its consistent support for environmental protection and community care, the Group participated in the campaigns of Food Angel and hosted A Day with Food Angel to enhance staff understanding in food wastage and poverty in Hong Kong and encourage them to cherish food. The Group also teamed up with Food Angel to prepare more than 1,000 hot meals for the needy using surplus food collected, in an effort to reward the society.

The Group cares for each and every employee and supports employees’ quest for work-life balance and endeavour to foster a pleasant workplace for them. During the year, the Group was once again awarded the title of “Happy Company” under a programme hosted by the Promoting Happiness Index Foundation of Hong Kong and implemented by the Hong Kong Productivity Council.





## APPRECIATION

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

### Chung Yuk Sing

*Chairman*

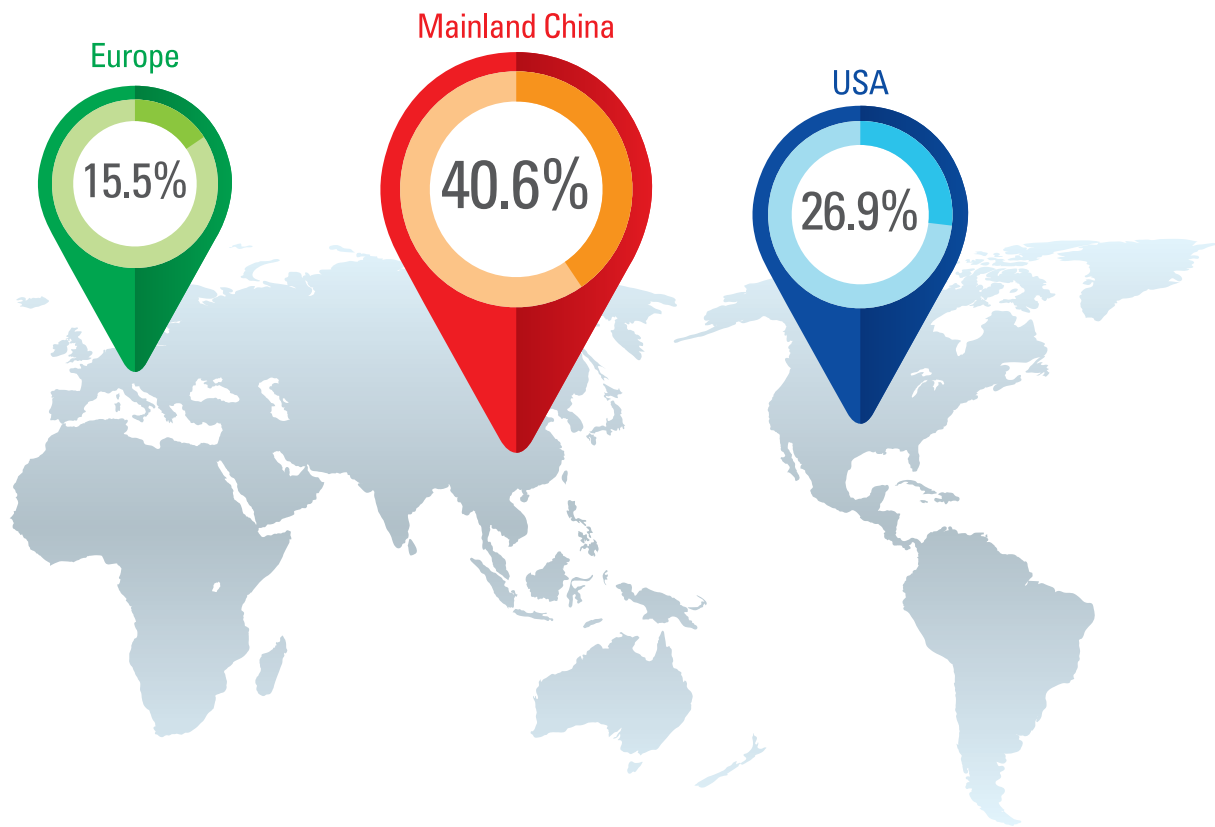
Hong Kong, 26 June 2019





# MANAGEMENT DISCUSSION AND ANALYSIS

## GEOGRAPHICAL REVENUE DISTRIBUTION



HK\$ MILLION



Mainland China	753
USA	637
Europe	312
Japan	68
Others	339

Mainland China	1098
USA	725
Europe	420
Japan	80
Others	378



## Management Discussion and Analysis (continued)

### FINANCIAL REVIEW

#### Financial Performance

For the year under review, the Group reported record-high total sales of HK\$2,700.8 million, representing a substantial increase of 28.0% or HK\$591.4 million as compared to total sales of HK\$2,109.4 million for last year, which was attributable to the significant expansion in production capacity following the Acquisitions and stronger sales of functional thermal sportswear products during the year. Gross profit for the year increased slightly by 2.9% to HK\$417.8 million (2018: HK\$405.8 million), while gross profit margin for the year dropped by 3.7% from 19.2% to 15.5%. The Group's profit before tax decreased by 33.2% to HK\$182.7 million (2018: HK\$273.7 million), while profit margin before tax also decreased by 6.2% from 13.0% to 6.8%. Included in the profit before tax for last year of HK\$273.7 million was a substantial gain of HK\$47.1 million arising from the deregistration of a subsidiary in the PRC during last year. Excluding such special gain, the Group's profit before tax for last year would have been HK\$226.6 million with a profit margin before tax of 10.7%. The Group's operating profit before tax dropped by 19.4% to HK\$182.7 million (2018: HK\$226.6 million, excluding the above gain on deregistration of a subsidiary of HK\$47.1 million), while operating profit margin before tax dropped by 3.9% from 10.7% to 6.8%.

Following a period of industry consolidation for the manufacturing sector over the years, the Group had become a major partner for its customers, and customer orders had been increasing. As the existing production facilities of the Group had been operating at close to full capacity, in order to step up with capacity expansion to meet increasing demands from customers, the Group acquired production bases in Vietnam and Hubei during the year. The Group's capacity has been substantially increased following the completion of the Acquisitions on 1 June 2018 and 22 January 2019, respectively. The production base in Vietnam had previously been engaged in the manufacturing of sportswear, and its products had been largely the same as those in the Group's business. It had approximately 3,000 workers. The Hubei production base had also been engaged in the manufacturing of sportswear. It had approximately 2,000 workers. The Acquisitions contributed to additional sales for the Group amounting to HK\$360.6 million during the year, while alleviating the challenge of labour costs and labour shortage faced by the Group's production bases in the Guangdong Province, the PRC. In terms of products, the Group's sales of functional thermal sportswear increased during the year. The significant increase in the market demand for functional thermal sportswear driven by extreme weather conditions in recent years is another factor contributing to the substantial increase in the Group's total sales.

Notwithstanding significant growth in total sales for the year, the Group reported only a slight increase in gross profit by HK\$12.0 million and a 3.7% decline in gross profit margin. While the Acquisitions provided extra capacity for the Group with immediate effect, production efficiency was affected as the existing manufacturing equipment at the two bases were not advanced enough, resulting in a lower gross profit margin. Substantial additional capital expenditures were incurred to purchase advanced machinery and equipment during the year to improve the production efficiency, but such a move also increased the Group's depreciation costs. During the early post-acquisition period when production efficiency at the two bases had yet to be improved, the Group's overall gross profit margin was inevitably compromised. Moreover, as discussed above, while the demand for functional thermal sportswear increased substantially amidst market anticipation of extreme weather conditions, the raw material costs for manufacturing of such sportswear also significantly increased with substantial demand for such raw material, which had a negative impact on the Group's profit margin. The ongoing rise in workers' minimum wage and benefits, meanwhile, further increased the Group's manufacturing costs and eroded its profit.



## Management Discussion and Analysis (continued)

While the Group's sales increased by HK\$591.4 million, there was a slight decrease in the Group's selling and distribution expenses by HK\$0.2 million, which was attributable primarily to the write-back of aged provisions for sales expenses. Moreover, the delivery charges relating to new sales arising from the acquisition of the Hubei production base during the year were borne by the customers. Excluding the aforesaid factors, selling and distribution expenses as a percentage of sales would have been flat compared to the previous year. Administrative expenses increased by HK\$42.5 million, reflecting mainly additional expenses in connection with the Acquisitions, coupled with the increase in staff salaries on annual reviews and the recruitment of additional staff to cope with business growth and capacity expansion. Additional legal and other professional costs were also incurred for the year in connection with the Acquisitions. The Group's overall average bank loan amount for the year increased substantially owing to the Acquisitions and expansion of business and capacity. The loan interest rate for the year also increased, as compared to the previous year, such that interest expenses increased substantially by HK\$8.3 million or 217.5% as compared to the previous year. In respect of taxation, the Group's overall tax expenses for the year increased by HK\$0.9 million (or 2.0%). As the production bases in Vietnam and Hubei acquired during the year did not generate profit for the Group in the early post-acquisition period, the effective tax rate for the year was 22.7% after the deduction of losses incurred by the production bases in Vietnam and Hubei, which was 3.4% higher than the effective tax rate of 19.3% of last year (excluding the exceptional gain of HK\$47.1 million on deregistration of a PRC subsidiary recorded in last year), reflecting the increase in profit from regions subject to higher tax rates.

Other income and gains amounted to HK\$7.6 million (2018: HK\$12.8 million), comprising mainly financial award granted by the PRC Government amounting to HK\$4.0 million (2018: HK\$3.9 million), bank interest income of HK\$1.7 million (2018: HK\$1.8 million). Other income and gains in last year also comprised gains on disposal of property, plant and equipment and prepaid land lease payments amounting to HK\$2.4 million.

Profit attributable to owners of the Company amounted to HK\$140.4 million for the year ended 31 March 2019, representing a decrease of HK\$89.6 million or 39.0% compared to HK\$230.0 million for last year. Net profit margin attributable to owners of the Company decreased by 5.7% from 10.9% to 5.2%. Excluding the gain on deregistration of a PRC subsidiary amounting to HK\$47.1 million incurred last year, net operating profit attributable to owners of the Company would have dropped by 23.2% to HK\$140.4 million (2018: HK\$182.9 million) and net operating profit margin attributable to owners of the Company would have dropped by 3.5% from 8.7% to 5.2%. Basic earnings per share attributable to owners of the Company for the year amounted to HK27.7 cents compared to HK46.0 cents for last year. The Board proposed to recommend payment of a final dividend of HK6 cents (2018: HK12 cents) per share. Together with the interim dividend of HK14 cents per share paid during the year, the dividend payout ratio for the year was 72.6% (2018: 65.2%).

### Liquidity and Financial Resources

During the year under review, the Group continued to maintain a healthy liquidity position. The Group generally finances its operations with internally generated resources and banking facilities. As at 31 March 2019, the Group had cash and bank balances amounted to HK\$193.8 million (31 March 2018: HK\$222.9 million) mainly denominated in Hong Kong dollars, Renminbi ("RMB"), US dollars, Indonesian Rupiah and Vietnamese Dong.

As at 31 March 2019, the Group's banking facilities of HK\$818.8 million (2018: HK\$627.1 million) were supported by the corporate guarantees of HK\$685.3 million (2018: HK\$627.1 million) executed by the Company and certain subsidiaries of the Company. As at 31 March 2019, an aggregate amount of the Group's banking facilities of HK\$572.2 million (31 March 2018: HK\$196.8 million) was utilised.



## Management Discussion and Analysis (continued)

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

Gearing ratio of the Group is defined as the net debt (represented by bank borrowings net of cash and bank balances) divided by the total equity. The Group's gearing ratio as at 31 March 2019 is 28.6% (31 March 2018: not applicable).

### Foreign Exchange Risk Management

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

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

### Material Acquisitions and Disposals

During the year under review, the Group had undertaken the following acquisitions:

#### (a) *The Acquisition in Vietnam*

On 29 March 2018, Pro Kingtex Industrial Company Limited ("Pro Kingtex") as vendor (an indirectly non-wholly-owned subsidiary of Yue Yuen (stock code: 00551), whose shares are listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange")), and Jespar Age Limited ("Jespar Age") as purchaser (a directly wholly-owned subsidiary of the Company) entered into a sale and purchase agreement, pursuant to which Pro Kingtex had conditionally agreed to sell, and Jespar Age had conditionally agreed to purchase, the entire shareholding interests in two companies incorporated in the British Virgin Islands, namely, Year Fortune Group Limited ("Year Fortune") and Faith Year Investment Limited ("Faith Year") and their respective branch and subsidiaries for an aggregate consideration of US\$31.6 million (equivalent to HK\$248.2 million) (the "Vietnam Acquisition"). As the Vietnam Acquisition constituted a discloseable and connected transaction for the Company under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), it was subject to the reporting, announcement and independent shareholders' approval requirements. At the extraordinary general meeting of the Company held on 21 May 2018, the independent shareholders of the Company had passed an ordinary resolution to approve the Vietnam Acquisition and completion of the Vietnam Acquisition took place during the year under review on 1 June 2018.

Upon completion of the Vietnam Acquisition, the Group owned (i) 100% shareholding interest of Year Fortune, which has a branch established in Taiwan, namely, Year Fortune Group Limited Taiwan Branch; and (ii) 100% shareholding interest of Faith Year, which has two subsidiaries, namely, Pro Kingtex Industrial Co., (HK) Limited ("Pro Kingtex HK") and Pro Kingtex Vietnam Co., Limited ("Pro Kingtex Vietnam").



## Management Discussion and Analysis (continued)

Details of the Vietnam Acquisition have been disclosed in the announcements of the Company dated 29 March 2018, 3 April 2018, 27 April 2018, 21 May 2018 and 1 June 2018, respectively, and the circular of the Company dated 30 April 2018.

### (b) *The Acquisition in Hubei*

On 18 October 2018, Excel Skill International Limited as vendor ("Excel Skill"), Mr. Huang Yongbiao as the vendor's guarantor, Jespar Age as purchaser and the Company as the purchaser's guarantor entered into a conditional sale and purchase agreement, pursuant to which Excel Skill had agreed to sell, and Jespar Age had agreed to purchase, the entire shareholding interest in Prospect Converge Limited (the "Target"), a company incorporated in the British Virgin Islands, and all the outstanding shareholder's loan owing by a wholly-owned subsidiary of the Target to Excel Skill, for a final consideration of RMB197.8 million (equivalent to HK\$224.2 million) comprising cash and consideration shares (the "Hubei Acquisition"). The Hubei Acquisition constituted a discloseable transaction for the Company under the Listing Rules and completion of the Hubei Acquisition took place during the year under review on 22 January 2019.

Details of the Hubei Acquisition have been disclosed in the announcements of the Company dated 18 October 2018 and 22 January 2019, respectively.

Save as disclosed above, there was no acquisition or disposal of subsidiary during the year ended 31 March 2019. During the year ended 31 March 2018, a PRC subsidiary was deregistered.

### Contingent Liabilities

The Group did not have any significant contingent liabilities as at 31 March 2019 (31 March 2018: Nil).

### Capital Commitments

The Group had the following capital commitments at the end of the reporting period:

	<b>As at 31 March 2019 HK\$'000</b>	As at 31 March 2018 HK\$'000
Contracted, but not provided for:		
Renovation of factories and purchases of items of machinery and equipment for the production base in Hubei	<b>12,208</b>	—
Renovation of factories and purchases of items of machinery and equipment for the production base in Vietnam	<b>4,743</b>	—
Renovation of factories and purchases of items of machinery and equipment	<b>9,352</b>	16,784
	<b>26,303</b>	16,784



## Management Discussion and Analysis (continued)

As at 31 March 2019, the Group's banking facilities of HK\$818.8 million (2018: HK\$627.1 million) were supported by the corporate guarantees of HK\$685.3 million (2018: HK\$627.1 million) executed by the Company and certain subsidiaries of the Company. As at 31 March 2019, an aggregate amount of the Group's banking facilities of HK\$572.2 million (31 March 2018: HK\$196.8 million) was utilised.

### Employees and Remuneration Policies

As at 31 March 2019, the Group employed a total of approximately 14,000 employees including directors (31 March 2018: approximately 9,000). Total employee benefit expenses including directors' and chief executive's emoluments were HK\$705.6 million for the year under review (2018: HK\$546.0 million).

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



# DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

## EXECUTIVE DIRECTORS

**Chung Yuk Sing**, aged 58, has been the Chairman of the Board and Executive Director of the Company since October 2002. He has been appointed as the Chief Executive Officer of the Company since June 2013. He is the founder of the Group and a director of other members of the Group. Mr. Chung provides leadership to the Board and is responsible for corporate development. He has been accredited as "Honorary Citizen of Shantou City" in the PRC. Mr. Chung holds several public positions, including the Honorary President of Shantou Overseas Sodality, Honorary President of Shantou Overseas Communication Association and Honorary President of Social Security and Welfare Association of Lunghu, Shantou City.

**Chen Hsiao Ying**, aged 55, has joined the Group as Executive Director of the Company since October 2007. He was Chief Executive Officer of the Company from October 2007 to June 2013. He has been appointed as the Vice Chairman of the Board since August 2013. He is also a director of other members of the Group. Mr. Chen had worked as Factory Manager in a sportswear manufacturing and trading company in Taiwan since 1981 prior to founding Actex Garment Co., Limited, a company specializing in the manufacturing and trading of sportswear, in 1997. Mr. Chen has over 20 years of manufacturing and management experience in the garment industry. He is in charge of the corporate strategy, management, business development and manufacturing management of the Group. He is a brother of Ms. Chen Li Ying, a member of senior management of the Group.

**Huang Yongbiao**, aged 53, has joined the Group as Executive Director of the Company since May 2019. He is currently a director of certain subsidiaries of the Company. He is also a director of Guangdong Dalian Garment Co., Limited (廣東達聯製衣有限公司) and Foshan City Honglian Garment Co., Limited (佛山市宏聯製衣有限公司), all established in the PRC and principally engaged in garment manufacturing. Mr. Huang received his secondary school education in Shunde, the PRC and has over 30 years of experience of manufacturing and management experience in the garment industry.

**Chen Fang Mei, Christina**, aged 56, has joined the Group as Executive Director of the Company since May 2009. She is responsible for overseeing the financial matters of the Group. She had been the Spokesperson and Vice President of Pou Chen Corporation (stock code: 9904) ("Pou Chen"), a company listed on the Taiwan Stock Exchange Corporation, during 2004 to 2013. She graduated from Soochow University in Taiwan in 1986 and holds a Bachelor's Degree in International Business. Ms. Chen was Vice President and Head of Underwriting of Citibank Securities (Taiwan) Limited from 2001 to 2004. She has over 20 years of experience in the investment and securities industries in Taiwan. Ms. Chen had been an executive director of Symphony Holdings Limited (stock code: 01223), a company listed on the main board of the Stock Exchange from July 2009 to June 2015.





## Directors' and Senior Management's Biographies (continued)

**Hu Dien Chien**, aged 40, has joined the Group as Executive Director of the Company since May 2019. He holds a Master of Business Administration Degree in Finance and Accounting from New York University Leonard N. Stern School of Business and Bachelor of Business Administration Degree in Finance from National Taiwan University. Mr. Hu worked as a Business Analyst in Deutsche Asset Management in Taiwan after graduating from the university and then Research Associate in CLSA Asia Pacific Markets covering the telecom and petrochemical sectors in Taiwan. After business school, Mr. Hu joined Goldman Sachs (Asia) L.L.C. ("Goldman Sachs") in Hong Kong from 2006 to 2014, where he was responsible for leading strategic/capital market services including business origination and execution for a variety of corporate clients in Greater China. Mr. Hu last held the position of executive director with Goldman Sachs. In 2014, Mr. Hu joined an electric vehicle company in Taiwan as chief financial officer. Mr. Hu was an independent director of Growww Media Co., Ltd (formerly known as United Advertising Co., Ltd.), a company listed on the Taiwan Stock Exchange Corporation, from June 2016 to December 2016. Mr. Hu joined Yue Yuen in November 2016 and is currently an executive director and chief financial officer of Yue Yuen.

**Lee Cheng Chuan**, aged 55, has joined the Group as Executive Director of the Company since September 2016. He is a Vice President of Yue Yuen Group. He joined Pou Chen in 1989 and is currently in charge of the integration of garment manufacturing business of Yue Yuen Group. Mr. Lee graduated from National Taipei Institute of Technology (now known as National Taipei University of Technology) in Taiwan in 1986. Mr. Lee has over 25 years of experience in the business development and production management of international branded footwear market.



## Directors' and Senior Management's Biographies (continued)

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Chan Cheuk Ho**, aged 52, obtained a master's degree in Business Administration from the University of Manchester in 2003. He is a fellow member of the Hong Kong Institute of Certified Public Accountants. Mr. Chan has more than 20 years of experience in accounting and finance. He has been an executive director of Pine Technology Holdings Limited (stock code: 01079), a company listed on the main board of the Stock Exchange since June 2017. He has been Independent Non-Executive Director of the Company since November 2002.

**Lu Chi Chant**, aged 67, is currently an independent director of Lealea Enterprise Co., Ltd. (stock code: 1444) and Hannstar Board Corp. (stock code: 5469), all listed on the Taiwan Stock Exchange Corporation. He is also an independent director of Nyquest Technology Co., Ltd. (stock code: 6494), a company listed on the Taiwan GreTai Securities Market. From June 2015 to June 2018, he was an independent director of Li Peng Enterprise Co., Ltd. (stock code: 1447), a company listed on the Taiwan Stock Exchange Corporation. Mr. Lu has been an independent non-executive director of Natural Beauty Bio-Technology Limited (stock code: 00157), a company listed on the main board of the Stock Exchange, since December 2015. He obtained a bachelor's degree in Mechanical Engineering from National Taiwan University in 1974 and passed the professional qualification examinations in Taiwan for certified public accountant in 1983 and for securities investment analyst in 1988. During the period from 1976 to 1984, Mr. Lu worked as a mechanical engineer in Formosa Plastics Corporation, a company established in Taiwan which is principally engaged in the manufacturing of plastic raw materials and products. He joined Deloitte & Touche Taiwan as an auditor in 1984 and became a partner there in 1986. Mr. Lu left Deloitte & Touche Taiwan in 2011. He has been appointed as Independent Non-Executive Director of the Company since February 2013.

**Tham Kit Wan**, aged 58, is a qualified lawyer of Hong Kong, England and Wales and Singapore. Ms. Tham obtained a degree of Bachelor of Laws from The National University of Singapore in June 1983 and a degree of Master of Laws (International Business Law) from The City University of Hong Kong in November 2006. She has more than 25 years of experience in corporate finance and the commercial and banking fields. She was a director of Union Bank of Hong Kong Limited (formerly traded under the stock code: 349 of the Stock Exchange) and Union Bank Finance Limited from 1989 to 1993. She was the Head of Legal Department of K.Wah Construction Materials Limited (now known as Galaxy Entertainment Group (stock code: 00027)), a company listed on the main board of the Stock Exchange, from 1998 to 2007. She served as Legal Counsel and Senior Vice President of Symphony Holdings Limited (stock code: 01223), a company listed on the main board of the Stock Exchange, from 2007 to 2015. From 2014 to 2015, she also served as Company Secretary of Pak Tak International Limited (stock code: 02668), a company listed on the main board of the Stock Exchange. Currently, she is in private legal practice as a consultant at Messrs. David Lo & Partners, a law firm in Hong Kong. Ms. Tham is a regular Lex Omnibus speaker on topics related to corporate and commercial law in Hong Kong. She has been appointed as Independent Non-Executive Director of the Company since September 2016.



## Directors' and Senior Management's Biographies (continued)

### SENIOR MANAGEMENT

**Tsai Nai Chung**, aged 63, has joined the Group as Deputy Chief Executive Officer of the Company since July 2013. Mr. Tsai has over 30 years of manufacturing and management experience in shoes and apparel manufacturing industry. Mr. Tsai had been President and Vice President of certain companies within the group of Yue Yuen. By managing the factories in USA, Mexico, the PRC and Vietnam of Yue Yuen, he has extensive and global experience in manufacturing industry.

**Chung Chi Kit**, aged 30, joined the Group as Special Assistant to Chairman in April 2015 and was promoted to Business Managing Director in March 2016. He is responsible for business planning and development of the Group. He was the Chief Executive Officer of a wine distribution company up to March 2015. He graduated from Nottingham Trent University in 2011 and holds a Bachelor's Degree in Accounting and Finance. He obtained a master's degree in Marketing and a master's degree in International Business from the Royal Holloway, University of London and Hult International Business School in 2012 and 2013 respectively. He is the son of Mr. Chung Yuk Sing, the Chairman of the Board and an Executive Director of the Company.

**Tsang Sau Fan**, aged 52, has joined the Group since March 1996 and was appointed as Executive Director of the Company in October 2002. She resigned as Executive Director of the Company in May 2009. Currently, she is General Manager of the Group and is responsible for sales and marketing and administration management of the Group. She has over 20 years of experience in sales of garment products. Prior to joining the Group, she worked as a merchandiser in a garment manufacturing company in Hong Kong.

**Chen Li Ying**, aged 64, has joined the Group as Executive Director of the Company since October 2007 and resigned as Executive Director of the Company in May 2009. Currently, she is General Manager of the Group and is responsible for sales and marketing and manufacturing management of the Group. She is also a director of other members of the Group. She graduated from Ming Chuan University in Taiwan and had worked as an auditor in an accounting firm in Taiwan for around 5 years after graduation. She worked in the sales and marketing department of a sportswear manufacturing and trading company in Taiwan from 1981 to 1996 before she joined Actex Garment Co., Limited, a company founded by Mr. Chen Hsiao Ying, in 2001. She has over 25 years of manufacturing and management experience in the garment industry. She is the sister of Mr. Chen Hsiao Ying, an Executive Director of the Company.

**Woo Man Chi**, aged 47, has joined the Group as Financial Controller since May 2005 and has been appointed as Company Secretary of the Company since September 2005. She is responsible for the accounting, finance and compliance related functions of the Group. She previously worked in a reputable international accounting firm, Deloitte Touche Tohmatsu, in Hong Kong for five years. Prior to joining the Group, she worked in a manufacturing company listed on the main board of the Stock Exchange as Assistant Financial Controller. She has more than 15 years of experience in accounting and financial management. Ms. Woo holds a bachelor's degree in accounting from the Hong Kong University of Science and Technology. She is a practising member of the Hong Kong Institute of Certified Public Accountants.



## REPORT OF THE DIRECTORS

The directors of the Company (the “Directors”) present their report and the audited financial statements of the Company and of the Group for the year ended 31 March 2019.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries of the Company are set out in note 1 to the financial statements. There were no significant changes in the nature of the Group’s principal activities during the year.

### RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2019 are set out in the consolidated income statement and the consolidated statement of comprehensive income on pages 100 to 101 of this annual report.

An interim dividend of HK14 cents per ordinary share was paid on 17 December 2018. The Directors recommend the payment of a final dividend of HK6 cents per ordinary share in respect of the year. The proposed final dividend, if approved by the Shareholders at the annual general meeting on 20 August 2019, is expected to be distributed on 12 September 2019 to shareholders whose names appear on the register of members on 28 August 2019. Details of dividends are set out in note 11 to the financial statements.

### SUMMARY FINANCIAL INFORMATION

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements is set out below.

#### Results

	Year ended 31 March				
	2019 HK\$'000	2018 HK\$'000	2017 HK\$'000	2016 HK\$'000	2015 HK\$'000
Revenue	<b>2,700,780</b>	2,109,422	1,757,316	1,534,592	1,517,109
Profit before tax	<b>182,675</b>	273,666	185,155	152,186	130,311
Income tax expense	<b>(44,527)</b>	(43,654)	(30,036)	(27,057)	(25,128)
Profit for the year	<b>138,148</b>	230,012	155,119	125,129	105,183
Attributable to:					
Owners of the Company	<b>140,418</b>	230,012	155,119	125,129	105,183
Non-controlling interests	<b>(2,270)</b>	—	—	—	—
	<b>138,148</b>	230,012	155,119	125,129	105,183



## Report of the Directors (continued)

## SUMMARY FINANCIAL INFORMATION (continued)

## Assets and liabilities

	As at 31 March				
	2019 HK\$'000	2018 HK\$'000	2017 HK\$'000	2016 HK\$'000	2015 HK\$'000
Non-current assets	1,206,960	871,380	763,544	778,679	812,854
Current assets	1,226,784	899,443	765,170	779,840	756,567
Current liabilities	(1,055,221)	(470,249)	(395,347)	(439,152)	(462,019)
Net current assets	171,563	429,194	369,823	340,688	294,548
Non-current liabilities	(53,756)	(29,267)	(23,018)	(20,017)	(19,871)
	1,324,767	1,271,307	1,110,349	1,099,350	1,087,531

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

## SHARE CAPITAL

The movement in share capital of the Company during the year is set out in note 27 to the financial statements.

## PRE-EMPTIVE RIGHTS

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

## PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

## DISTRIBUTABLE RESERVES

At 31 March 2019, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Law of the Cayman Islands, amounted to HK\$885,336,000. The amount of HK\$885,336,000 includes the Company's share premium account and capital reserve of HK\$609,402,000 in aggregate at 31 March 2019, 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.



## Report of the Directors (continued)

### MAJOR CUSTOMERS AND SUPPLIERS

During the year under review, sales to the Group's five largest customers accounted for approximately 96.0% of the Group's total sales for the year and sales to the largest customer included therein accounted for approximately 67.4%.

Purchases from the Group's five largest suppliers accounted for approximately 28.7% of the Group's total purchases for the year and purchases from the largest supplier included therein accounted for approximately 6.0%.

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

### DIRECTORS

The Directors as at the date of this report were:

#### Executive Directors:

Mr. Chung Yuk Sing	<i>(Chairman and Chief Executive Officer)</i>
Mr. Chen Hsiao Ying	<i>(Vice Chairman)</i>
Mr. Huang Yongbiao	<i>(appointed on 1 May 2019)</i>
Ms. Chen Fang Mei, Christina	
Mr. Hu Dien Chien	<i>(appointed on 1 May 2019)</i>
Mr. Lee Cheng Chuan	

#### Independent Non-Executive Directors:

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

In accordance with article 87(1) of the Company's articles of association, Ms. Chen Fang Mei, Christina, Mr. Lee Cheng Chuan and Ms. Tham Kit Wan will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting. In accordance with article 86(3) of the Company's articles of association, Mr. Huang Yongbiao and Mr. Hu Dien Chien, who were appointed in May 2019 as an addition to the Board, shall hold office until the forthcoming annual general meeting and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmations of independence from Mr. Chan Cheuk Ho, Mr. Lu Chi Chant and Ms. Tham Kit Wan, 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 17 of this annual report.



## Report of the Directors (continued)

### DIRECTORS' SERVICE CONTRACTS

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

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

### EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

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

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

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

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

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

### PERMITTED INDEMNITY PROVISION

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



## Report of the Directors (continued)

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

As at 31 March 2019, the interests and short positions of the Directors and chief executive in the share capital and underlying shares 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 pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

#### The Company

Name of Director	Capacity	Number of shares held		Percentage of the Company's issued capital
		Long position	Short position	
Mr. Chung Yuk Sing	Interest in a controlled corporation	72,650,000 (Note 1)	—	13.66
	Beneficial owner	17,104,000	—	3.21
Mr. Chen Hsiao Ying	Beneficial owner	31,880,800	—	5.99
Mr. Huang Yongbiao	Interest in a controlled corporation	32,320,000 (Note 2)	—	6.08

Notes:

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

Save as disclosed above, as at 31 March 2019, none of the Directors and chief executive had registered an interest or short position in the shares and underlying shares 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

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





## Report of the Directors (continued)

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

As at 31 March 2019, the interests and short positions of the following persons, other than the Directors and the chief executive of the Company, in the shares and underlying shares of the Company which have been disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and which have been recorded in the register kept by the Company pursuant to Section 336 of the SFO:

Name	Capacity	Number of ordinary shares held		Percentage of the Company's issued capital
		Long position	Short position	
Time Easy	Beneficial owner	72,650,000 (Note 1)	—	13.66
Excel Skill	Beneficial owner	32,320,000 (Note 2)	—	6.08
Pou Chen	Interest in a controlled corporation	192,000,000 (Note 3)	—	36.09
Wealthplus Holdings Limited ("Wealthplus")	Interest in a controlled corporation	192,000,000 (Note 3)	—	36.09
Yue Yuen	Interest in a controlled corporation	192,000,000 (Note 3)	—	36.09
Pou Hing Industrial Co. Ltd ("Pou Hing")	Interest in a controlled corporation	192,000,000 (Note 3)	—	36.09
Great Pacific Investments Limited ("Great Pacific")	Beneficial owner	192,000,000 (Note 3)	—	36.09

Notes:

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

Save as disclosed above, as at 31 March 2019, no person, other than the Directors and chief executive of the Company, whose interests are set out in the section "Directors' and chief executive's interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

## SUFFICIENCY OF PUBLIC FLOAT

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



## Report of the Directors (continued)

**DIRECTORS' INTERESTS IN A COMPETING BUSINESS**

Interest of the Directors in a competing business during the year under review required to be disclosed pursuant to Rule 8.10 of the Listing Rules is as follows:

Name of Director	Name of company	Nature of competing business	Nature of interest	Appointment date
Mr. Lee Cheng Chuan ("Mr. Lee")	Yue Yuen (Note 1)	Garment manufacturing	As a vice president	June 2014
Ms. Chen Fang Mei, Christina ("Ms. Chen")	Faith Year (Note 2)	Garment manufacturing	As a director	August 2010
Mr. Lee			As a director	August 2016
Ms. Chen	Pro Kingtex HK (Note 2)	Garment manufacturing	As a director	August 2010
Mr. Lee			As a director	August 2016
Ms. Chen	Year Fortune (Note 2)	Garment manufacturing	As a director	October 2016
Mr. Lee			As a director	October 2016
Mr. Lee	Tien Pou International Ltd ("Tien Pou") (Note 3)	Garment manufacturing	As a director	October 2016

## Notes:

1. Yue Yuen is a company listed on the Stock Exchange and a substantial shareholder of the Company. The principal business activities of the Yue Yuen Group are manufacturing and sales of footwear products, and retail and distribution of sportswear products. Based on the published annual report of Yue Yuen, Yue Yuen recorded total revenue of around US\$5.9 billion for its footwear manufacturing business for the year ended 31 December 2018. As the Group is principally engaged in the manufacturing and trading of sportswear and garments, the businesses of Yue Yuen Group and the Group potentially compete with each other.

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

2. During the period from 1 October 2017 to 31 May 2018, Yue Yuen Group held 95% of the shareholding interests of Faith Year and Year Fortune. Faith Year owns the entire shareholding interests of Pro Kingtex HK. Year Fortune, Faith Year and its subsidiaries (the "Relevant Companies") were investee companies of the Yue Yuen Group prior to 1 June 2018. The principal business activities of the Relevant Companies are apparel manufacturing of sportswear and casual and outdoor clothes. Based on information provided by the Relevant Companies, it recorded US\$56 million in revenue for the year ended 31 December 2017. Both Ms. Chen and Mr. Lee had been nominated to the board of directors of the Relevant Companies to represent the interests of Yue Yuen Group as an investor. With effect from 1 June 2018, the Relevant Companies have become wholly-owned subsidiaries of the Company. Please refer to the section headed "Material Acquisitions or Disposals" on pages 11 to 12 of this annual report for details.

During the period from 1 April 2018 to 31 May 2018, while Ms. Chen was not involved in the operation of the Relevant Companies, Mr. Lee participated in the apparel manufacturing business of the Relevant Companies. Mr. Lee confirmed that he had no conflict of interest during the aforesaid period.



## Report of the Directors (continued)

### DIRECTORS' INTERESTS IN A COMPETING BUSINESS (continued)

Notes: (continued)

3. Tien Pou is a company incorporated in the Cayman Islands on 3 June 2016 and is held as to 40% by Yue Yuen Group and 60% by an independent corporation. The principal business activities of Tien Pou are apparel manufacturing of sportswear, casual and outdoor clothes. Based on information provided by Tien Pou, it recorded US\$65.7 million in revenue for the year ended 31 December 2018. Mr. Lee has been nominated to the board of directors of Tien Pou to represent the interest of the Yue Yuen Group as an investor.

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

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

### RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group for the year ended 31 March 2019 are set out in note 34 to the financial statements. Save as mentioned in the section headed "Continuing Connected Transactions" below, other related party transactions are fully exempted from the independent shareholders' approval, annual review and all disclosure requirements under Rule 14A.76 of the Listing Rules.

### CONTINUING CONNECTED TRANSACTIONS

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

#### (a) Master Services Agreement

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

	For the financial year ending 31 March			
	2019	2020	2021	2022
US\$ (exclusive of value-added tax)	1,500,000	1,800,000	1,800,000	300,000
Equivalent to approximately HK\$	11,700,000	14,040,000	14,040,000	2,340,000

For the year ended 31 March 2019, the actual amount paid by Pro Kingtex Vietnam to Pouyuen Vietnam under the Master Services Agreement amounted to US\$940,601 (equivalent to approximately HK\$7.4 million).



## Report of the Directors (continued)

**CONTINUING CONNECTED TRANSACTIONS** (continued)**(b) Tenancy Agreement**

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

	<b>For the financial year ending 31 March</b>			
	<b>2019</b>	2020	2021	2022
US\$ (exclusive of value-added tax)	<b>711,840</b>	854,208	854,208	142,368
Equivalent to approximately HK\$	<b>5,552,000</b>	6,663,000	6,663,000	1,110,000

For the year ended 31 March 2019, the actual amount paid by Pro Kingtex Vietnam to Pouyuen Vietnam under the Tenancy Agreement amounted to US\$711,840 (equivalent to approximately HK\$5.6 million).

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

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

**Confirmation of Independent Non-executive Directors**

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

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



## CONTINUING CONNECTED TRANSACTIONS (continued)

### *Confirmation of the Company's Auditor*

The Company's auditor was engaged to report on the Transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Company's auditor issued its unqualified letter containing its findings and conclusions in respect of the Transactions in accordance with Rule 14A.56 of the Listing Rules.

## CORPORATE GOVERNANCE

The Corporate Governance Report of the Company is set out on pages 29 to 44 of this annual report.

## BUSINESS REVIEW

The review of the business of the Group for the year ended 31 March 2019 including the challenges/uncertainties and the ways to tackle them together with a discussion on the Group's future development are set out in the sections headed "Financial Highlights", "Chairman's Statement" and "Management Discussion and Analysis" set out on page 3, pages 4 to 7 and pages 8 to 13 respectively of this annual report. Description of the risks faced by the Group is found in note 37 to the financial statements.

### **Environmental policy and performance**

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

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



## Report of the Directors (continued)

### BUSINESS REVIEW (continued)

#### Compliance with relevant laws and regulations

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

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

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

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

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

### AUDITOR

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

ON BEHALF OF THE BOARD

**Chung Yuk Sing**

*Chairman*

Hong Kong

26 June 2019



# CORPORATE GOVERNANCE REPORT

The Group is committed to maintaining a high level of corporate governance with an emphasis on the principles of transparency, accountability and independence. The Company has adopted the Corporate Governance Code (the "CG Code") as contained in Appendix 14 to the Listing Rules as its own code of corporate governance practices. The Company had, throughout the year ended 31 March 2019, complied with the code provisions of the CG Code except for the deviations specified with considered reasons for such deviations as explained in this corporate governance report.

## 1. DIRECTORS

### a. Board's Composition & Board Meetings

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

Name of Director	Number of board meetings attended/held	AGM	EGM
<b>Executive Directors</b>			
Mr. Chung Yuk Sing ( <i>Chairman and Chief Executive Officer</i> )	7/7	1/1	1/1
Mr. Chen Hsiao Ying ( <i>Vice Chairman</i> )	7/7	1/1	1/1
Ms. Chen Fang Mei, Christina	7/7	1/1	0/1
Mr. Lee Cheng Chuan	7/7	1/1	0/1
<b>Independent Non-Executive Directors</b>			
Mr. Chan Cheuk Ho	7/7	1/1	1/1
Mr. Lu Chi Chant	7/7	1/1	0/1
Ms. Tham Kit Wan	7/7	1/1	1/1

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

### b. Independent Non-Executive Directors

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

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



## Corporate Governance Report (continued)

### 1. DIRECTORS (continued)

#### c. Chairman and Chief Executive Officer

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

#### d. Distinctive Roles of the Board and the Management

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

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

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

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





## Corporate Governance Report (continued)

**1. DIRECTORS** (continued)**e. Appointment, re-election and removal**

Pursuant to the articles of association of the Company, all Directors are subject to retirement by rotation at least once every three years and any Directors appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the existing Board) and shall then be eligible for re-election.

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

**f. Directors' Securities Transactions**

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

**g. Directors' and Officers' Insurance**

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



## Corporate Governance Report (continued)

## 1. DIRECTORS (continued)

## h. Continuing professional development

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

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

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

A: having training provided by the Company

B: attending seminars/conferences/workshops/forums

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

## i. Company Secretary

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



## Corporate Governance Report (continued)

## 2. BOARD COMMITTEES

### a. Remuneration Committee

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

The main functions of the Remuneration Committee are to assist the Board in establishing a formal and transparent procedure for setting policy on Directors' and senior management's remuneration and to make recommendation to the Board on the remuneration packages of individual Executive Directors and senior management (i.e. the model described in code provision B.1.2(c)(ii) of the CG Code was adopted) as well as on the remuneration of INEDs by reference to the Company's operation results, individual performance and prevailing market rate.

The committee meets at least once a year. During the year under review, two committee meetings were held. The attendance of the individual member of the Remuneration Committee at the meetings is set out below:

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

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

- (i) review of the salary increment for the Directors and staff in Hong Kong, with a recommendation to the Board for approval; and
- (ii) recommendation to the Board on the payment of discretionary bonuses to the Executive Directors and the senior management in respect of the interim results of the Company for the six months ended 30 September 2018.



## Corporate Governance Report (continued)

### 2. BOARD COMMITTEES (continued)

#### a. Remuneration Committee (continued)

Pursuant to code provision B.1.5 of the CG Code, details of the annual remuneration of the members of the senior management (excluding directors) by band for the year ended 31 March 2019 is as follows:

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

Details of the remuneration of each director for the year ended 31 March 2019 are set out in note 8 to the financial statements.

#### b. Audit Committee

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

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

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



## Corporate Governance Report (continued)

## 2. BOARD COMMITTEES (continued)

### b. Audit Committee (continued)

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

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

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

- (i) review of the annual report and results announcement of the Company for the year ended 31 March 2018, with a recommendation to the Board for approval;
- (ii) review of the external auditor's independence and their report, with a recommendation to the Board for the re-appointment of the external auditor by the shareholders of the Company at its 2018 annual general meeting;
- (iii) review of the interim report and results announcement of the Company for the six months ended 30 September 2018, with a recommendation to the Board for approval;
- (iv) consideration of audit and non-audit services provided by the external auditor;
- (v) review of the effectiveness of the risk management and internal control systems of the Group through an independent internal audit service provider who was engaged to perform the aforesaid work on a half-yearly basis and no material findings had been identified;
- (vi) review of the adequacy of resources, qualifications and experience of staff of the Company's accounting, internal audit and financial reporting functions, and their training programmes and budget;
- (vii) review of the audit fees payable to the external auditor for the year ended 31 March 2019, with a recommendation to the Board for approval; and
- (viii) review of continuing connected transactions.



## Corporate Governance Report (continued)

### 2. BOARD COMMITTEES (continued)

#### b. Audit Committee (continued)

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

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

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

#### c. Nomination Committee

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

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



## Corporate Governance Report (continued)

## 2. BOARD COMMITTEES (continued)

### c. Nomination Committee (continued)

The committee meets at least once every year and additional meetings may be convened by the chairman of the committee as and when necessary. During the year ended 31 March 2019, the Nomination Committee met once to recommend suitable candidates to be Board members, review the existing structure, size, diversity and composition of the Board, and to assess the independence of the INEDs. The attendance of individual member of the Nomination Committee at the meeting is set out below:

<b>Committee Members</b>	<b>Number of meeting attended/held</b>
Mr. Chan Cheuk Ho ( <i>Chairman</i> )	1/1
Mr. Chung Yuk Sing	1/1
Mr. Lu Chi Chant	1/1

### **Board Diversity Policy**

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

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

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

### **Nomination Policy**

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



## Corporate Governance Report (continued)

### 2. BOARD COMMITTEES (continued)

#### c. Nomination Committee (continued)

##### *Selection Criteria*

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

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

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





## 2. BOARD COMMITTEES (continued)

### c. Nomination Committee (continued)

#### *Nomination Procedures*

##### *Appointment of Directors*

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

##### *Re-appointment of Directors*

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



## Corporate Governance Report (continued)

### 3. ACCOUNTABILITY AND AUDIT

#### a. Financial Reporting

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

The reporting responsibilities of the Company's auditor, Ernst & Young, are set out in the Independent Auditor's Report on pages 45 to 49 of this annual report.

#### b. Corporate Governance, Internal Control, Group Risk Management

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

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

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



## Corporate Governance Report (continued)

### 3. ACCOUNTABILITY AND AUDIT (continued)

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

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

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

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



## Corporate Governance Report (continued)

**3. ACCOUNTABILITY AND AUDIT** (continued)**c. Auditor's Remuneration**

For the year ended 31 March 2019, the fee payable to the Group's auditor, Ernst & Young, is set out as follows:

<b>Services rendered</b>	<b>Amount of fee payable</b> HK\$'000
Audit services	3,980
Non-audit services	592
	<b>4,572</b>

**4. SHAREHOLDERS' RIGHTS****a. Procedures for Shareholders to convene EGM**

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

**b. Procedures for directing Shareholders' enquiries to the Board**

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

**c. Putting forward proposal at general meeting**

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



## Corporate Governance Report (continued)

## 5. DIVIDEND POLICY

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

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

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



## Corporate Governance Report (continued)

### 6. COMMUNICATION WITH SHAREHOLDERS

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

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

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

On behalf of the Board

**Chung Yuk Sing**

*Chairman*

Hong Kong, 26 June 2019



# INDEPENDENT AUDITOR'S REPORT



## To the shareholders of Eagle Nice (International) Holdings Limited

*(Incorporated in the Cayman Islands with limited liability)*

### OPINION

We have audited the consolidated financial statements of Eagle Nice (International) Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 100 to 208, which comprise the consolidated statement of financial position as at 31 March 2019, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

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

### KEY AUDIT MATTERS

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

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



## Independent Auditor's Report (continued)

### To the shareholders of Eagle Nice (International) Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

## KEY AUDIT MATTERS (continued)

### Key audit matter

### How our audit addressed the key audit matter

#### **Impairment of goodwill**

The carrying amount of goodwill was HK\$100,334,000 as at 31 March 2019. The Group performs an impairment test for goodwill on an annual basis. The impairment test is based on the recoverable amount of the cash-generating units to which the goodwill is associated. Management's assessment process involves significant judgements and assumptions, including those related to the expected future cash flow forecasts, associated growth rates and the discount rate applied, which are sensitive to expected future market conditions and the cash-generating units' actual performance.

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

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

## OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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





## Independent Auditor's Report (continued)

### To the shareholders of Eagle Nice (International) Holdings Limited

*(Incorporated in the Cayman Islands with limited liability)*

## RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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



## Independent Auditor's Report (continued)

### To the shareholders of Eagle Nice (International) Holdings Limited

*(Incorporated in the Cayman Islands with limited liability)*

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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



## Independent Auditor's Report (continued)

### To the shareholders of Eagle Nice (International) Holdings Limited

*(Incorporated in the Cayman Islands with limited liability)*

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

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

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

### Ernst & Young

*Certified Public Accountants*

22/F CITIC Tower

1 Tim Mei Avenue

Central

Hong Kong

26 June 2019



# CONSOLIDATED INCOME STATEMENT

## 綜合收益表

Year ended 31 March 2019

截至二零一九年三月三十一日止年度

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>REVENUE</b>	<b>營業收入</b>	5	<b>2,700,780</b>	2,109,422
Cost of sales	銷售成本		<b>(2,283,010)</b>	(1,703,605)
Gross profit	毛利		<b>417,770</b>	405,817
Other income and gains, net	其他收入及收益·淨額	5	<b>7,556</b>	12,828
Selling and distribution expenses	銷售及分銷開支		<b>(33,345)</b>	(33,528)
Administrative expenses	行政開支		<b>(197,186)</b>	(154,733)
Gain on deregistration of a subsidiary	註銷一間附屬公司之收益	30	—	47,099
Finance costs	融資成本	6	<b>(12,120)</b>	(3,817)
<b>PROFIT BEFORE TAX</b>	<b>除稅前溢利</b>	7	<b>182,675</b>	273,666
Income tax expense	所得稅開支	10	<b>(44,527)</b>	(43,654)
<b>PROFIT FOR THE YEAR</b>	<b>本年度溢利</b>		<b>138,148</b>	230,012
Attributable to:	應佔：			
Owners of the Company	本公司擁有人		<b>140,418</b>	230,012
Non-controlling interests	非控股股東權益		<b>(2,270)</b>	—
			<b>138,148</b>	230,012
<b>EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>本公司擁有人應佔 每股盈利</b>	12	<b>HK cents 港仙</b>	HK cents 港仙
Basic	基本		<b>27.7</b>	46.0
Diluted	攤薄		<b>27.7</b>	46.0



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### 綜合全面收益表

Year ended 31 March 2019  
截至二零一九年三月三十一日止年度

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>PROFIT FOR THE YEAR</b>	<b>年度溢利</b>	<b>138,148</b>	230,012
<b>OTHER COMPREHENSIVE INCOME/ (EXPENSE)</b>	<b>其他全面收益/(支出)</b>		
Other comprehensive income/(expense) that will not be reclassified to profit or loss in subsequent periods:	於其後期間不會重新分類至損益的其他全面收益/(支出):		
Actuarial gain/(loss) on a defined benefit plan	定額福利計劃之精算收益/(虧損)	<b>4,067</b>	(4)
Other comprehensive income/(expense) that may be reclassified to profit or loss in subsequent periods:	於其後期間可重新分類至損益的其他全面收益/(支出):		
Exchange differences on translation of foreign operations	折算海外業務之匯兌差額	<b>(75,642)</b>	83,001
Realisation of exchange fluctuation reserve upon deregistration of a subsidiary	註銷一間附屬公司時匯率波動儲備之兌現	—	(32,128)
		<b>(75,642)</b>	50,873
<b>OTHER COMPREHENSIVE INCOME/ (EXPENSE) FOR THE YEAR, NET OF TAX</b>	<b>年度其他全面收益/(支出) (已扣除稅項)</b>	<b>(71,575)</b>	50,869
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>本年度全面收益總額</b>	<b>66,573</b>	280,881
Attributable to:	應佔:		
Owners of the Company	本公司擁有人	<b>68,639</b>	280,881
Non-controlling interests	非控股股東權益	<b>(2,066)</b>	—
		<b>66,573</b>	280,881



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

31 March 2019  
二零一九年三月三十一日

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 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>924,268</b>	768,759
Prepaid land lease payments	預付土地租賃款項	14	<b>130,270</b>	60,877
Goodwill	商譽	16	<b>100,334</b>	26,112
Intangible assets	無形資產	17	<b>16,817</b>	—
Deposits	按金	15	<b>35,271</b>	13,937
Deferred tax asset	遞延稅項資產	26	—	1,695
Total non-current assets	非流動資產總值		<b>1,206,960</b>	871,380
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	18	<b>501,901</b>	381,985
Accounts and bills receivables	應收賬款及票據	19	<b>411,242</b>	234,072
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	15	<b>96,515</b>	56,100
Tax recoverable	可收回稅款		<b>7,503</b>	1,777
Pledged deposits	已抵押存款	20	<b>15,204</b>	—
Restricted bank balance	受限制銀行結餘	20	<b>585</b>	2,639
Cash and bank balances	現金及銀行結餘	20	<b>193,834</b>	222,870
Total current assets	流動資產總值		<b>1,226,784</b>	899,443
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Accounts and bills payables	應付賬款及票據	21	<b>258,169</b>	145,767
Accrued liabilities and other payables	應計負債及其他應付款項	23	<b>187,589</b>	110,268
Interest-bearing bank borrowings	計息銀行貸款	24	<b>572,155</b>	196,800
Tax payable	應付稅項		<b>37,308</b>	17,414
Total current liabilities	流動負債總值		<b>1,055,221</b>	470,249
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>		<b>171,563</b>	429,194
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>資產總值扣除流動負債</b>		<b>1,378,523</b>	1,300,574



Consolidated Statement of Financial Position (continued)  
綜合財務狀況表(續)

31 March 2019  
二零一九年三月三十一日

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Pension scheme obligation	退休金計劃承擔	25	<b>14,321</b>	13,951
Deferred tax liabilities	遞延稅項負債	26	<b>39,435</b>	15,316
Total non-current liabilities	非流動負債總值		<b>53,756</b>	29,267
Net assets	資產淨值		<b>1,324,767</b>	1,271,307
<b>EQUITY</b>	<b>資本</b>			
<b>Equity attributable to owners of the Company</b>	<b>本公司擁有人應佔權益</b>			
Issued capital	已發行股本	27	<b>5,320</b>	4,997
Reserves	儲備	28	<b>1,298,760</b>	1,266,310
			<b>1,304,080</b>	1,271,307
<b>Non-controlling interests</b>	<b>非控股股東權益</b>		<b>20,687</b>	—
Total equity	資本總值		<b>1,324,767</b>	1,271,307

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 2019

截至二零一九年三月三十一日止年度

		Notes 附註	Attributable to owners of the Company 本公司擁有人應佔							Total 總計	
			Share Issued capital 已發行 股本	premium account 溢價賬	Capital reserve 資本 儲備	Statutory surplus reserve 法定 盈餘儲備	Exchange fluctuation reserve 匯率 波動儲備	Retained profits 留存溢利	Non- controlling interests 非控股 股東權益		
			HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元 (Note 28) (附註28)	HK\$'000 千港元 (Note 28) (附註28)	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元		HK\$'000 千港元
At 1 April 2017	於二零一七年四月一日		4,997	472,586	(229)	62,111	47,131	523,753	1,110,349	—	1,110,349
Profit for the year	年度溢利		—	—	—	—	—	230,012	230,012	—	230,012
Other comprehensive income/(expense) for the year:	年度其他全面收益/(支出):										
Actuarial loss on a defined benefit plan	定額福利計劃精算虧損		—	—	—	—	—	(4)	(4)	—	(4)
Exchange differences on translation of foreign operations	折算海外業務之匯兌差額		—	—	—	—	83,001	—	83,001	—	83,001
Realisation of exchange fluctuation reserve upon deregistration of a subsidiary	註銷一間附屬公司時匯率 波動儲備之兌現		—	—	—	—	(32,128)	—	(32,128)	—	(32,128)
Total comprehensive income for the year	年度全面收益總額		—	—	—	—	50,873	230,008	280,881	—	280,881
Transfer to reserve	轉撥至儲備		—	—	—	2,194	—	(2,194)	—	—	—
Transfer of reserve upon deregistration of a subsidiary	註銷一間附屬公司時轉撥之 儲備		—	—	—	(7,758)	—	7,758	—	—	—
Final 2017 dividend	二零一七年末期股息	11	—	—	—	—	—	(29,981)	(29,981)	—	(29,981)
Interim 2018 dividend	二零一八年中中期股息	11	—	—	—	—	—	(89,942)	(89,942)	—	(89,942)
At 31 March 2018	於二零一八年三月三十一日		4,997	472,586*	(229)*	56,547*	98,004*	639,402*	1,271,307	—	1,271,307
At 1 April 2018	於二零一八年四月一日		4,997	472,586	(229)	56,547	98,004	639,402	1,271,307	—	1,271,307
Profit for the year	年度溢利		—	—	—	—	—	140,418	140,418	(2,270)	138,148
Other comprehensive income/(expense) for the year:	年度其他全面收益/(支出):										
Actuarial gain on a defined benefit plan	定額福利計劃精算收益		—	—	—	—	—	4,067	4,067	—	4,067
Exchange differences on translation of foreign operations	折算海外業務之匯兌差額		—	—	—	—	(75,846)	—	(75,846)	204	(75,642)
Total comprehensive income/(expense) for the year	年度全面收益/(支出)總額		—	—	—	—	(75,846)	144,485	68,639	(2,066)	66,573
Acquisition of subsidiaries	收購附屬公司	29(b)	—	—	—	—	—	—	—	22,753	22,753
Transfer to reserve	轉撥至儲備		—	—	—	4,694	—	(4,694)	—	—	—
Issue of shares	發行股份	27	323	93,728	—	—	—	—	94,051	—	94,051
Final 2018 dividend	二零一八年末期股息	11	—	—	—	—	—	(59,962)	(59,962)	—	(59,962)
Interim 2019 dividend	二零一九年中中期股息	11	—	—	—	—	—	(69,955)	(69,955)	—	(69,955)
At 31 March 2019	於二零一九年三月三十一日		5,320	566,314*	(229)*	61,241*	22,158*	649,276*	1,304,080	20,687	1,324,767

\* These reserve accounts comprise the consolidated reserves of HK\$1,298,760,000 (31 March 2018: HK\$1,266,310,000) in the consolidated statement of financial position.

\* 該等儲備賬項包括載於綜合財務狀況表內綜合儲備1,298,760,000港元(二零一八年三月三十一日: 1,266,310,000港元)。





# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

Year ended 31 March 2019  
截至二零一九年三月三十一日止年度

	Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>經營業務產生之現金流量</b>		
Profit before tax	除稅前溢利	<b>182,675</b>	273,666
Adjustments for:	按以下項目調整：		
Finance costs	融資成本	6	3,817
Bank interest income	銀行利息收入	5	(1,789)
Depreciation	折舊	7	53,986
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	7	2,037
Amortisation of intangible assets	無形資產攤銷	7	—
Loss/(gain) on disposal of items of property, plant and equipment	出售物業、廠房及設備項目虧損/(收益)	5	(719)
Gain on disposal of prepaid land lease payments	出售預付土地租賃款項收益	5	(1,645)
Gain on deregistration of a subsidiary	註銷一間附屬公司收益	7	(47,099)
		<b>271,470</b>	282,254
Decrease/(increase) in inventories	存貨減少/(增加)	<b>37,070</b>	(85,333)
Increase in accounts and bills receivables	應收賬款及票據增加	<b>(23,541)</b>	(108,621)
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款項增加	<b>(8,926)</b>	(6,010)
Increase/(decrease) in accounts and bills payables	應付賬款及票據增加/(減少)	<b>(57,097)</b>	12,220
Increase/(decrease) in accrued liabilities and other payables	應計負債及其他應付款項增加/(減少)	<b>(22,507)</b>	33,896
Increase in pension scheme liabilities	退休金計劃負債增加	<b>5,044</b>	4,279
Settlement of pension scheme liabilities	結算退休金計劃負債	<b>(156)</b>	(53)
Decrease/(increase) in restricted bank balance	受限制銀行結餘減少/(增加)	<b>2,054</b>	(2,639)
Exchange realignment	匯兌調整	<b>(20,753)</b>	5,834
Cash generated from operations	營運產生之現金	<b>182,658</b>	135,827
Interest paid	已付利息	<b>(12,120)</b>	(3,817)
Dividends paid	已付股息	<b>(129,917)</b>	(119,923)
Hong Kong profits tax paid	已付香港利得稅	<b>(15,013)</b>	(26,507)
Overseas tax paid	已付海外稅項	<b>(24,166)</b>	(17,421)
Net cash flows from/(used in) operating activities	來自/(用於)經營業務之現金流量淨值	<b>1,442</b>	(31,841)



## Consolidated Statement of Cash Flows (continued)

## 綜合現金流量表(續)

Year ended 31 March 2019

截至二零一九年三月三十一日止年度

	Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>CASH FLOWS FROM INVESTING 來自投資活動之現金流量</b>			
<b>ACTIVITIES</b>			
Proceeds from disposal of items of property, plant and equipment, net	出售物業、廠房及設備項目所得款項淨值	1,002	993
Proceeds from disposal of prepaid land lease payments, net	出售預付土地租賃款項所得款項淨值	—	2,463
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	(96,348)	(116,957)
Acquisition of subsidiaries	收購附屬公司	(190,286)	—
Interest received	已收利息	1,695	1,789
Decrease/(increase) in non-current portion of deposits	按金非流動部分減少/(增加)	(21,334)	8,175
Increase in pledged deposits	已抵押存款增加	(5,941)	—
Net cash flows used in investing activities	用於投資活動之現金流量淨值	(311,212)	(103,537)
<b>CASH FLOWS FROM A 來自融資活動之現金流量</b>			
<b>FINANCING ACTIVITY</b>			
New bank loans, net and net cash flows from a financing activity	新增銀行貸款淨值及來自融資活動之現金流量淨值	296,615	53,200
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS 現金及現金等值項目減少淨值</b>			
		(13,155)	(82,178)
Cash and cash equivalents at beginning of year	年初之現金及現金等值項目	222,870	290,934
Effect of foreign exchange rate changes, net	匯率變動之影響淨值	(15,881)	14,114
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR 年終之現金及現金等值項目</b>	<b>現金及現金等值項目</b>	<b>193,834</b>	<b>222,870</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS 現金及現金等值項目之結餘分析</b>			
Cash and bank balances	現金及銀行結餘	209,623	225,509
Less: Restricted bank balance	減：受限制銀行結餘	(585)	(2,639)
Less: Pledged deposits	減：已抵押存款	(15,204)	—
		<b>193,834</b>	<b>222,870</b>



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2019  
二零一九年三月三十一日

### 1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands. The principal place of business of the Company is located at Units 0902-0903 and 0905-0906, 9/F, Tower B, Regent Centre, 70 Ta Chuen Ping Street, Kwai Chung, New Territories, Hong Kong.

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

#### Information about subsidiaries

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

Name 公司名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Issued share/paid-up registered capital 已發行股份/ 繳足註冊資本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			2019 二零一九年	2018 二零一八年	
Eagle Nice (EAG) Limited 鷹美(鷹美集團)有限公司	Hong Kong 香港	Ordinary HK\$2; Non-voting deferred HK\$10,000 (Note (a)) (2018: Ordinary HK\$2; Non-voting deferred HK\$10,000) 普通股2港元; 無投票權遞延股 10,000港元(附註(a)) (二零一八年: 普通股2港元; 無投票權遞延股10,000港元)	100	100	Investment holding 投資控股
裕美(汕頭)製衣有限公司 ("YM (Shantou)") (Notes (b) and (d)) (「裕美(汕頭)」)(附註(b)及(d))	The People's Republic of China ("PRC")/ Mainland China 中華人民共和國 (「中國」)/中國大陸	US\$23,500,000 (2018: US\$23,500,000) 23,500,000美元 (二零一八年: 23,500,000美元)	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服及成衣
Eagle Nice Development Limited 鷹美發展有限公司	Hong Kong 香港	HK\$1 (2018: HK\$1) 1港元(二零一八年: 1港元)	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服及成衣
Maitex (EAG) Limited 源瀚(鷹美集團)有限公司	Hong Kong 香港	HK\$1,000 (2018: HK\$1,000) 1,000港元 (二零一八年: 1,000港元)	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服及成衣
惠來縣源瀚製衣有限公司 ("Maitex PRC") (Notes (b) and (d)) (「惠來源瀚」)(附註(b)及(d))	PRC/Mainland China 中國/中國大陸	HK\$40,000,000 (2018: HK\$40,000,000) 40,000,000港元 (二零一八年: 40,000,000港元)	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服及成衣
湖北動能體育用品有限公司 ("Hubei Dongneng") (Notes (c) and (d)) (「湖北動能」)(附註(c)及(d))	PRC/Mainland China 中國/中國大陸	RMB100,000,000 人民幣100,000,000元	80	—	Manufacture and trading of sportswear and garments 生產及買賣運動服及成衣
Pro Kingtex Vietnam Co., Limited (Note (d)) (附註(d))	Vietnam 越南	US\$1,800,000 1,800,000美元	100	—	Manufacture and trading of sportswear and garments 生產及買賣運動服及成衣

### 1. 公司及集團資料

本公司為於開曼群島註冊成立之有限公司。本公司註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。本公司之主要營業地點位於香港新界葵涌打磚坪街70號麗晶中心B座九樓0902-0903室及0905-0906室。

本集團之主要業務為生產及買賣運動服及成衣。

#### 附屬公司之資料

本公司主要附屬公司詳情如下：



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

31 March 2019  
二零一九年三月三十一日

### 1. CORPORATE AND GROUP INFORMATION (continued)

#### Information about subsidiaries (continued)

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

Name 公司名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Issued share/paid-up registered capital 已發行股份/ 繳足註冊資本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			2019 二零一九年	2018 二零一八年	
King Eagle (EAG) Limited 金鷹(鷹美集團)有限公司	Hong Kong 香港	HK\$1 (2018: HK\$1) 1港元(二零一八年: 1港元)	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服及成衣
惠來縣宏鷹製衣有限公司 ("Hung Eagle Garment") (Notes (b) and (d)) (「惠來宏鷹」)(附註(b)及(d))	PRC/Mainland China 中國/中國大陸	US\$4,000,000 (2018: US\$4,000,000) 4,000,000美元 (二零一八年: 4,000,000美元)	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服及成衣
Eagle Nice (Indonesia) Holdings Limited 鷹美(印尼)控股有限公司	Hong Kong 香港	HK\$1 (2018: HK\$1) 1港元(二零一八年: 1港元)	100	100	Investment holding 投資控股
P.T. Eagle Nice Indonesia ("EN Indonesia") (「鷹美印尼」)	Indonesia 印尼	US\$32,000,000 (2018: US\$32,000,000) 32,000,000美元 (二零一八年: 32,000,000美元)	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服及成衣
Eagle Nice (Jiangxi) Garment Limited 鷹美(江西)製衣有限公司	Hong Kong 香港	HK\$10,000 (2018: HK\$10,000) 10,000港元 (二零一八年: 10,000港元)	100	100	Investment holding 投資控股
鷹美(宜豐)製衣有限公司 ("EN (Yifeng)") (Notes (b) and (d)) (「鷹美(宜豐)」)(附註(b)及(d))	PRC/Mainland China 中國/中國大陸	US\$25,000,000 (2018: US\$25,000,000) 25,000,000美元 (二零一八年: 25,000,000美元)	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服及成衣

Notes:

- The non-voting deferred shares carry no rights to dividends, no rights to attend or vote at general meetings and no rights to receive any surplus assets in a return of capital in a winding-up (other than the nominal amount paid up or credited as paid-up on such shares, after the sum of HK\$100,000,000,000,000 per ordinary share has been distributed to the holders of the ordinary shares of the company in such winding-up).
- YM (Shantou), Maitex PRC, Hung Eagle Garment and EN (Yifeng) are registered as wholly-foreign-owned enterprises under PRC law.
- Hubei Dongneng is registered as a limited liability company under PRC law.
- The statutory financial statements of these entities are not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

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

### 1. 公司及集團資料(續)

#### 附屬公司之資料(續)

本公司主要附屬公司詳情如下:(續)

Name 公司名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Issued share/paid-up registered capital 已發行股份/ 繳足註冊資本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			2019 二零一九年	2018 二零一八年	
King Eagle (EAG) Limited 金鷹(鷹美集團)有限公司	Hong Kong 香港	HK\$1 (2018: HK\$1) 1港元(二零一八年: 1港元)	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服及成衣
惠來縣宏鷹製衣有限公司 ("Hung Eagle Garment") (Notes (b) and (d)) (「惠來宏鷹」)(附註(b)及(d))	PRC/Mainland China 中國/中國大陸	US\$4,000,000 (2018: US\$4,000,000) 4,000,000美元 (二零一八年: 4,000,000美元)	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服及成衣
Eagle Nice (Indonesia) Holdings Limited 鷹美(印尼)控股有限公司	Hong Kong 香港	HK\$1 (2018: HK\$1) 1港元(二零一八年: 1港元)	100	100	Investment holding 投資控股
P.T. Eagle Nice Indonesia ("EN Indonesia") (「鷹美印尼」)	Indonesia 印尼	US\$32,000,000 (2018: US\$32,000,000) 32,000,000美元 (二零一八年: 32,000,000美元)	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服及成衣
Eagle Nice (Jiangxi) Garment Limited 鷹美(江西)製衣有限公司	Hong Kong 香港	HK\$10,000 (2018: HK\$10,000) 10,000港元 (二零一八年: 10,000港元)	100	100	Investment holding 投資控股
鷹美(宜豐)製衣有限公司 ("EN (Yifeng)") (Notes (b) and (d)) (「鷹美(宜豐)」)(附註(b)及(d))	PRC/Mainland China 中國/中國大陸	US\$25,000,000 (2018: US\$25,000,000) 25,000,000美元 (二零一八年: 25,000,000美元)	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服及成衣

附註:

- 無投票權遞延股並無權利獲派股息、出席股東大會或在會上投票，亦無權在清盤退還資本時獲得任何剩餘資產(清盤時每股普通股總數100,000,000,000,000港元分派予公司普通股持有人後，有關股份之繳足或入賬列作繳足的面值除外)。
- 裕美(汕頭)、惠來源瀚、惠來宏鷹及鷹美(宜豐)為根據中國法律註冊之外商獨資企業。
- 湖北動能為根據中國法律註冊之有限責任公司。
- 該等實體的法定財務報表未經香港安永會計師事務所或安永國際網絡其他成員公司審核。

上述所有附屬公司由本公司間接持有。



Notes to Financial Statements (continued)

財務報表附註(續)

31 March 2019

二零一九年三月三十一日

## 1. CORPORATE AND GROUP INFORMATION *(continued)*

### Information about subsidiaries *(continued)*

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

## 2.1 BASIS OF PREPARATION

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

### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2019. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

## 1. 公司及集團資料 *(續)*

### 附屬公司之資料 *(續)*

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

## 2.1 編製基準

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

### 綜合基準

綜合財務報表包括本公司及其附屬公司(統稱「本集團」)截至二零一九年三月三十一日止年度之財務報表。附屬公司指受本公司直接或間接控制的實體(包括結構性實體)。倘本集團透過參與被投資方業務而享有或有權取得被投資方的可變回報，且有能力行使在被投資方的權力影響有關回報，則本集團擁有該實體的控制權(即現時賦予本集團指導被投資方相關活動的能力的現有權利)。



## Notes to Financial Statements (continued)

### 財務報表附註(續)

31 March 2019

二零一九年三月三十一日

## 2.1 BASIS OF PREPARATION (continued)

### Basis of consolidation (continued)

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

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

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

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

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

## 2.1 編製基準(續)

### 綜合基準(續)

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

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

附屬公司編製相同報告期間的財務報表，所用的會計政策與本公司所用的相符。附屬公司之業績以自本集團取得控制權之日起綜合計算，並在有關控制權終止前繼續綜合計入。

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

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



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

二零一九年三月三十一日

## 2.1 BASIS OF PREPARATION (continued)

**Basis of consolidation (continued)**

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

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>
Amendments to HKFRS 4	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts</i>
HKFRS 9	<i>Financial Instruments</i>
HKFRS 15	<i>Revenue from Contracts with Customers</i>
Amendments to HKFRS 15	<i>Clarifications to HKFRS 15 Revenue from Contracts with Customers</i>
Amendments to HKAS 40	<i>Transfers of Investment Property</i>
HK(IFRIC)-Int 22	<i>Foreign Currency Transactions and Advance Consideration</i>
<i>Annual Improvements 2014-2016 Cycle</i>	Amendments to HKFRS 1 and HKAS 28

## 2.1 編製基準(續)

**綜合基準(續)**

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

## 2.2 會計政策及披露變動

本集團就本年度財務報表首次採納以下新訂及經修訂準則：

香港財務報告準則第2號修訂	以股份為基礎付款交易之分類及計量
香港財務報告準則第4號修訂	根據香港財務報告準則第4號保險合約應用
香港財務報告準則第9號	金融工具
香港財務報告準則第15號	來自客戶合約的營業收入
香港財務報告準則第15號修訂	澄清香港財務報告準則第15號來自客戶合約的營業收入
香港會計準則第40號修訂	轉讓投資物業
香港(國際財務報告詮釋委員會)詮釋第22號	外幣交易及預付代價
二零一四年至二零一六年週期的年度改造	香港財務報告準則第1號及香港會計準則第28號修訂



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

31 March 2019  
二零一九年三月三十一日

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Other than as explained below regarding the impact of HKFRS 9 *Financial Instruments*, HKFRS 15 *Revenue from Contracts with Customers* and Amendments to HKFRS 15, the adoption of the above new and revised standards has had no significant financial effect on these financial statements.

- (a) HKFRS 9 *Financial Instruments* replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 April 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

#### Classification and measurement

The adoption of HKFRS 9 has had no significant impact on the classification and measurement of the Group's financial liabilities. Upon adoption of HKFRS 9 on 1 April 2018, all of the Group's financial assets are reclassified from loans and receivables under HKAS 39 to financial assets at amortised cost under HKFRS 9.

#### Impairment

HKFRS 9 requires an impairment on debt instruments not held at fair value through profit or loss to be recorded based on an expected credit loss ("ECL") model either on a twelve-month basis or on a lifetime basis. The Group applied the simplified approach and recorded lifetime expected losses that are estimated based on the present values of all cash shortfalls over the remaining life of all of its accounts receivable. Furthermore, the Group applied the general approach and recorded twelve-month expected credit losses that are estimated based on the possible default events on its other financial assets within the next twelve months. The effect of replacing HKAS 39's incurred credit loss calculations with HKFRS 9's expected credit losses ("ECLs") is disclosed in notes 19 and 37 to the financial statements. The adoption of the ECL model has had no significant impact on the impairment allowance for doubtful debts as at 1 April 2018.

### 2.2 會計政策及披露變動(續)

除香港財務報告準則第9號金融工具、香港財務報告準則15號來自客戶合約的營業收入及香港財務報告準則第15號修訂澄清香港財務報告準則第15號來自客戶合約的影響闡述如下，採用以上此等新訂及經修訂之準則對財務報表並無產生重大財務影響。

- (a) 香港財務報告準則第9號：金融工具於二零一八年四月一日或之後開始的年度期間生效，以代替香港會計準則第39號金融工具：確認及計量。該等準則匯總金融工具會計的所有三個方面：分類及計量，減值及對沖會計。

#### 分類及計量

採用香港財務報告準則第9號對本集團金融負債的分類及計量並無重大影響。於二零一八年四月一日採納香港財務報告準則第9號後，本集團所有金融資產均根據香港會計準則第39號從貸款及應收款項重新分類至根據香港財務報告準則第9號按攤銷成本計量之金融資產。

#### 減值

香港財務報告準則第9號規定就並非按公平值計入損益而持有的債務工具進行減值，並按十二個月或全期為基準之預期信貸虧損（「預期信貸虧損」）模型記錄。本集團應用簡化模式以及記錄根據所有其應收賬款之餘下年期中所有現金差額現值估算之全期預期虧損。再者，本集團應用一般模式以及記錄根據其他金融資產於未來十二個月內可能出現之違約事件估算之十二個月預期信貸虧損。以香港財務報告準則第9號的預期信貸虧損（「預期信貸虧損」）替代香港會計準則第39號產生信貸虧損計算的影響披露於財務報表附註19及37。採納預期信貸虧損模型對截至二零一八年四月一日之減值撥備並無任何重大影響。





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

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## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) HKFRS 15 and its amendments replace HKAS 11 *Construction Contracts*, HKAS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The disclosures are included in note 5 to the financial statements. As a result of the application of HKFRS 15, the Group has changed the accounting policy with respect to revenue recognition in note 2.4 to the financial statements.

The Group has adopted HKFRS 15 using the modified retrospective method of adoption. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group has elected to apply the standard to contracts that are not completed as at 1 April 2018.

The Group's contracts with customers for the sale of goods include only one single performance obligation. Revenue from the sale of goods is recognised at the point in time when control of goods is transferred to the customer, generally on delivery of the goods. The Group has concluded that the adoption of HKFRS 15 has had no significant impact on these financial statements.

## 2.2 會計政策及披露變動(續)

(b) 香港財務報告準則第15號及其修訂取代香港會計準則第11號*建築合約*、香港會計準則第18號*營業收入*及相關詮釋，除少數例外情況外，新準則適用於與客戶訂立合約產生的所有營業收入。香港財務報告準則第15號建立一個新的五步模式，以確認客戶合約營業收入。根據香港財務報告準則第15號，營業收入按能反映實體預期就向客戶轉讓貨物或服務作交換而有權獲得的代價金額確認。香港財務報告準則第15號的原則為計量及確認營業收入提供更加結構化的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆營業收入總額，關於履行績效責任、不同期間的合約資產及負債賬目結餘的變動以及主要判斷及估計的資料。披露資料載於財務報表附註5。由於採用香港財務報告準則第15號，本集團已就財務報表附註2.4的營業收入確認更改會計政策。

本集團採納香港財務報告準則第15號時應用該準則下經修訂之追溯法。根據這種方法，標準既可以應用於首次申請之日的所有合同，也可以應用於此日未完成的合同。本集團已選擇將該準則應用於二零一八年四月一日尚未完成的合同。

本集團與客戶就銷售貨品訂立的合約僅包括一項履約責任。銷售貨品的營業收入在貨品控制權轉移給客戶時確認，一般發生在交付貨品時。本集團認為採納香港財務報告準則第15號對該等財務報表並無重大影響。



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

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### 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

Amendments to HKFRS 3	<i>Definition of a Business</i> <sup>2</sup>
Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i> <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>4</sup>
HKFRS 16	<i>Leases</i> <sup>1</sup>
HKFRS 17	<i>Insurance Contracts</i> <sup>3</sup>
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i> <sup>2</sup>
Amendments to HKAS 19	<i>Plan Amendment, Curtailment or Settlement</i> <sup>1</sup>
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i> <sup>1</sup>
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i> <sup>1</sup>
<i>Annual Improvements 2015–2017 Cycle</i>	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23 <sup>1</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2019
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2020
- <sup>3</sup> Effective for annual periods beginning on or after 1 January 2021
- <sup>4</sup> No mandatory effective date yet determined but available for adoption

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

### 2.3 已頒佈但尚未生效的香港財務報告準則

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

香港財務報告準則第3號修訂	業務之定義 <sup>2</sup>
香港財務報告準則第9號修訂	具負補償的提早還款特性 <sup>1</sup>
香港財務報告準則第10號及香港會計準則第28號(二零一一年)修訂	投資者與其聯營公司或合營公司之間的資產銷售或注資 <sup>4</sup>
香港財務報告準則第16號	租賃 <sup>1</sup>
香港財務報告準則第17號	保險合約 <sup>3</sup>
香港會計準則第1號及香港會計準則第8號修訂	材料之定義 <sup>2</sup>
香港會計準則第19號修訂	計劃修訂、縮減或清償 <sup>1</sup>
香港會計準則第28號修訂	於聯營公司及合營公司之長期權益 <sup>1</sup>
香港(國際財務報告詮釋委員會)詮釋第23號	所得稅處理的不確定性 <sup>1</sup>
二零一五年至二零一七年週期的年度改進	香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號的修訂 <sup>1</sup>

- <sup>1</sup> 於二零一九年一月一日或之後開始之年度期間生效
- <sup>2</sup> 於二零二零年一月一日或之後開始之年度期間生效
- <sup>3</sup> 於二零二一年一月一日或之後開始之年度期間生效
- <sup>4</sup> 尚未釐定強制生效日期，惟可供採納

預期適用於本集團的香港財務報告準則之進一步資料概述如下。



Notes to Financial Statements (continued)

財務報表附註(續)

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

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases — Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees — leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. HKFRS 16 requires lessees and lessors to make more extensive disclosures than under HKAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group will adopt HKFRS 16 from 1 April 2019. The Group plans to adopt the transitional provisions in HKFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 April 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying HKAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of initial application. The Group plans to use the exemptions allowed by the standard on lease contracts whose lease terms end within 12 months as of the date of initial application.

## 2.3 已頒佈但尚未生效的香港財務報告準則(續)

香港財務報告準則第16號取代香港會計準則第17號租賃、香港(國際財務報告詮釋委員會)一詮釋第4號釐定安排是否包括租賃、香港(準則詮釋委員會)一詮釋第15號經營租賃—優惠及香港(準則詮釋委員會)一詮釋第27號評估涉及租賃法律形式交易的內容。該準則載列確認、計量、呈報及披露租賃的原則，並要求承租人就大部分租賃確認資產及負債。該準則包括給予承租人兩項選擇性租賃確認豁免—低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認於租賃期作出租賃付款為負債(即租賃負債)及代表可使用相關資產的權利為資產(即有使用權資產)。除非有使用權資產符合香港會計準則第40號投資物業的定義，或與適用於重估模型的一類物業、廠房及設備有關，否則有使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債其後會因反映租賃負債利息而增加及因租賃付款而減少。承租人將須分別確認租賃負債的利息開支及有使用權資產的折舊開支。承租人將亦須於若干事件發生時重新計量租賃負債，例如由於租賃期變更或用於釐定該等付款的一項指數或比率變更而引致未來租賃付款變更。承租人一般將重新計量租賃負債的數額確認為有使用權資產的調整。香港財務報告準則第16號大致沿用香港會計準則第17號內出租人的會計處理方式。出租人將繼續使用與香港會計準則第17號相同的分類原則對所有租賃進行分類，並將之分為經營租賃及融資租賃。與香港會計準則第17號相比，香港財務報告準則第16號要求承租人及出租人作出更加詳細的披露。承租人在採用該準則時，可選擇全面追溯或經修訂的追溯方式。本集團預期自二零一九年四月一日起採納香港財務報告準則第16號。本集團計劃採納香港財務報告準則第16號的過渡性條款，確認首次採納的累計影響為於二零一九年四月一日對保留盈利期初結餘所作的調整，且不會重列比較資料。另外，本集團計劃將新規定應用於先前應用香港會計準則第17號獲識別為租賃的合約，並按餘下租賃付款現值計量租賃負債，使用本集團首次應用日期之增量借貸利率折現。使用權資產將按租賃負債金額計量，並按緊接首次應用日期前在財務狀況表中確認的租賃相關的任何預付或應計租賃付款金額進行調整。本集團計劃採用該準則允許的除外情況，應用於租期在首次應用日期起12個月內結束的租賃合約。



## Notes to Financial Statements (continued)

## 財務報表附註(續)

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

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

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

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

## 2.4 主要會計政策概要

### 業務合併及商譽

業務合併乃以購買法入賬。轉讓代價乃以收購日期之公平值計量，該公平值為本集團轉讓之資產、本集團對收購對象前擁有人承擔之負債及本集團為換取收購對象控制權所發行股本權益於收購日期之公平值之總和。於各業務合併中，本集團選擇是否以公平值或收購對象可識別資產淨值之應佔比例，計量於收購對象之非控股股東權益，即於收購對象中賦予持有人在清盤時按比例分佔資產淨值之現有所有權權益。非控股股東權益之所有其他部分乃按公平值計量。收購成本於產生時列為開支。

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

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

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



Notes to Financial Statements (continued)

財務報表附註(續)

31 March 2019

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Business combinations and goodwill (continued)

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

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

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

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

## 2.4 主要會計政策概要(續)

### 業務合併及商譽(續)

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

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

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

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



## Notes to Financial Statements (continued)

## 財務報表附註(續)

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**Fair value measurement**

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

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

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

**2.4 主要會計政策概要** (續)**公平值計量**

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

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

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



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財務報表附註(續)

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Fair value measurement (continued)

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

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

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

### Impairment of non-financial assets

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

## 2.4 主要會計政策概要(續)

### 公平值計量(續)

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

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

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

### 非金融資產減值

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



## Notes to Financial Statements (continued)

## 財務報表附註(續)

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**Impairment of non-financial assets** (continued)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises in those expense categories consistent with the function of the impaired asset.

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

**2.4 主要會計政策概要** (續)**非金融資產減值** (續)

減值虧損只會於資產賬面值超出其可收回金額時確認。於評估使用價值時，會使用可反映目前市場對貨幣時間價值及特定資產風險的評估之稅前折現率，將估計其日後現金流量折現至現值。減值虧損於產生期間自收益表中在與減值資產之功能一致的開支類別扣除。

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





Notes to Financial Statements (continued)

財務報表附註(續)

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Related parties

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

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

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);

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

或

- (b) 有關人士為符合任何下述條件的實體：
  - (i) 與本集團同屬一個集團成員公司的實體；
  - (ii) 一間實體為另一實體(或另一實體之母公司、附屬公司、同系附屬公司)之聯營公司或合營企業；
  - (iii) 與本集團同為相同第三方的合營企業的實體；
  - (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；
  - (v) 該實體為本集團或與本集團有關的實體的僱員利益而設立之離職後福利計劃；
  - (vi) 該實體由(a)項所述人士控制或與他人共同控制；



## Notes to Financial Statements (continued)

## 財務報表附註(續)

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**Related parties** (continued)

(b) (continued)

- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

**Property, plant and equipment and depreciation**

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

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

**2.4 主要會計政策概要** (續)**關連人士** (續)

(b) (續)

- (vii) (a)(i)項所述人士對該實體有重大影響力或屬該實體(或該實體的母公司)主要管理人員；及
- (viii) 實體或實體所屬集團任何成員公司向本集團或本集團的母公司提供主要管理人員服務。

**物業、廠房及設備及折舊**

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

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



Notes to Financial Statements (continued)

財務報表附註(續)

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Property, plant and equipment and depreciation

(continued)

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

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

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

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

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

## 2.4 主要會計政策概要(續)

### 物業、廠房及設備及折舊(續)

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

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

倘部份物業、廠房及設備之可使用年期不同，該項目之成本於有關部分按合理基準分配，而各部分將分別折舊。剩餘價值、可使用年期及折舊方法將最少於各財政年度末審閱及作出調整(如適用)。

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

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



## Notes to Financial Statements (continued)

### 財務報表附註(續)

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Intangible assets (other than goodwill)

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

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

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

### Leases

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

## 2.4 主要會計政策概要(續)

### 無形資產(商譽除外)

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

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

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

### 租賃

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



Notes to Financial Statements (continued)

財務報表附註(續)

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Leases (continued)

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

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

### Investments and other financial assets (policies under HKFRS 9 applicable from 1 April 2018)

#### Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition (applicable from 1 April 2018)" below.

## 2.4 主要會計政策概要(續)

### 租賃(續)

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

經營租賃之預付土地租賃款項初始按成本列賬，其後則按租期以直線法確認。

### 投資及其他金融資產(自二零一八年四月一日起適用的香港財務報告準則第9號的政策)

#### 初步確認及計量

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

金融資產在初始確認時的分類取決於其合約現金流量特徵以及本集團管理該等金融資產的業務模式。惟不包含重要融資成分的應收賬項或本集團就應收賬項採取不調整重大融資成分影響的可行權宜方法除外，本集團初始按其公平值加交易成本(如屬並非按公平值計入損益的金融資產)計量金融資產。不包含重要融資成分或本集團已就其採取可行權宜方法的應收賬項，根據香港財務報告準則第15號按下文「營業收入確認(自二零一八年四月一日起適用)」所載列政策釐定的交易價格計量。



## Notes to Financial Statements (continued)

## 財務報表附註(續)

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**Investments and other financial assets (policies under HKFRS 9 applicable from 1 April 2018)**

(continued)

**Initial recognition and measurement** (continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

**Subsequent measurement**

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

*Financial assets at amortised cost (debt instruments)*

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**2.4 主要會計政策概要** (續)**投資及其他金融資產(自二零一八年四月一日起適用的香港財務報告準則第9號的政策)** (續)**初步確認及計量** (續)

金融資產如按攤銷成本或按公平值計入其他全面收益進行分類及計量，其需產生就未償還本金的純粹本息付款(「純粹本息付款」)的現金流量。

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式釐定現金流量是否來自收取合約現金流量、出售金融資產或兩者同時進行。

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

**其後計量**

金融資產的其後計量視以下分類而定：

*按攤銷成本計量的金融資產(債務工具)*

倘符合以下兩個條件，本集團將按攤銷成本計量金融資產：

- 於旨在持有金融資產以收取合約現金流量的業務模式中持有的金融資產。
- 金融資產的合約條款於特定日期產生的現金流量純粹為支付本金及未償還本金的利息。



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

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Investments and other financial assets (policies under HKFRS 9 applicable from 1 April 2018)

(continued)

#### Subsequent measurement (continued)

##### Financial assets at amortised cost (debt instruments) (continued)

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

##### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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

## 2.4 主要會計政策概要(續)

### 投資及其他金融資產(自二零一八年四月一日起適用的香港財務報告準則第9號的政策)(續)

#### 其後計量(續)

##### 按攤銷成本計量的金融資產(債務工具)(續)

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

##### 按公平值計入損益之金融資產

按公平值計入損益之金融資產包括持作買賣的金融資產、於首次確認時指定為按公平值計入損益之金融資產或強制規定按公平值計量的金融資產。金融資產倘收購作近期內出售或購回，則分類為持作買賣。衍生工具(包括單獨內嵌的衍生工具)亦分類為持作買賣，除非其被指定為實際對沖工具。不論業務模式，擁有並非僅用於支付本金及利息的現金流量的金融資產分類為按公平值計入損益計量。儘管債務工具存在按攤銷成本或按公平值計入其他全面收益分類的標準，如上文所述，倘可消除或大幅減少會計錯配，債務工具於首次確認時可能獲指定為按公平值計入損益。

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



## Notes to Financial Statements (continued)

## 財務報表附註(續)

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**Investments and other financial assets (policies under HKFRS 9 applicable from 1 April 2018)**

(continued)

**Subsequent measurement** (continued)*Financial assets at fair value through profit or loss* (continued)

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

**Investments and other financial assets (policies under HKAS 39 applicable before 1 April 2018)****Initial recognition and measurement**

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

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

**2.4 主要會計政策概要** (續)**投資及其他金融資產(自二零一八年四月一日起適用的香港財務報告準則第9號的政策)** (續)**其後計量** (續)*按公平值計入損益之金融資產* (續)

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

**投資及其他金融資產(於二零一八年四月一日前適用的香港會計準則第39號的政策)****初始確認及計量**

金融資產於初始確認時分類為按公平值計入損益金融資產、貸款及應收款項、可供出售金融投資或衍生工具指定作有效對沖的對沖工具(如適用)。金融資產初始確認時，以公平值加上收購金融資產應佔之交易成本計量，惟金融資產按公平值計入損益除外。

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。





Notes to Financial Statements (continued)

財務報表附註(續)

31 March 2019

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Investments and other financial assets (policies under HKAS 39 applicable before 1 April 2018)

(continued)

#### Subsequent measurement

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

#### Loans and receivables

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

#### Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

## 2.4 主要會計政策概要(續)

### 投資及其他金融資產(於二零一八年四月一日前適用的香港會計準則第39號的政策)(續)

#### 後續計量

金融資產後續計量視乎下列分類而定：

#### 貸款及應收款項

貸款及應收款項為不在活躍市場報價的固定或可確定付款非衍生金融資產。初始計量後，該等資產其後採用實際利率法按攤銷成本減任何減值撥備計量。攤銷成本計及任何收購折讓或溢價，且包括作為實際利率不可或缺部分的費用或成本。實際利率攤銷額計入收益表內的其他收入。減值產生的虧損在收益表內確認為貸款的融資成本。

#### 可供出售的金融投資

可供出售的金融投資指那些上市和非上市權益投資及債務證券的非衍生金融資產。分類為可供出售的權益投資為既無分類作為交易而持有，亦無指定為以公平值計入損益者。債務證券類別為有意持有一段不確定時間以及可因應流動資金需要及因應市場狀況變動而出售。



## Notes to Financial Statements (continued)

## 財務報表附註(續)

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**Investments and other financial assets (policies under HKAS 39 applicable before 1 April 2018)**

(continued)

**Subsequent measurement** (continued)*Available-for-sale financial investments* (continued)

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the income statement in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the income statement in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the income statement as other income in accordance with the policies set out for "Revenue recognition (applicable before 1 April 2018)" below.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

**2.4 主要會計政策概要** (續)**投資及其他金融資產(於二零一八年四月一日前適用的香港會計準則第39號的政策)** (續)**後續計量** (續)*可供出售的金融投資* (續)

初始確認後，可供出售的金融投資其後按公平值計量，未變現損益在可供出售投資重估儲備確認為其他全面收益，直到該投資終止確認，屆時累計損益會在收益表確認為其他收入，或直到該投資被認定發生減值，屆時累計損益會從可供出售投資重估儲備重新分類至收益表的其他損益。持有可供出售的金融投資時所賺取的利息及股息分別呈報為利息收入及股息收入，並根據下文「營業收入確認」政策(於二零一八年四月一日前適用)在收益表內確認為其他收入。

如果非上市的權益投資，由於(a)合理的公平值估計數範圍的變動對於該投資影響重大或(b)符合該範圍的多種估計數不能合理評估並用於估計公平值，而導致公平值不能可靠計量，則此類投資按成本減去減值虧損列賬。

本集團會評估於近期出售其可供出售的金融資產的能力和意向是否仍然合適。在較罕有的情況下，當市場不活躍導致本集團無法買賣該等金融資產，如果管理層有能力及有意在可見將來持有有關資產或持有其至到期日，本集團可能選擇將該等金融資產重新分類。



Notes to Financial Statements (continued)

財務報表附註(續)

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Investments and other financial assets (policies under HKAS 39 applicable before 1 April 2018)

(continued)

#### Subsequent measurement (continued)

##### Available-for-sale financial investments (continued)

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to the income statement over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the income statement.

### Derecognition of financial assets (policies under HKFRS 9 applicable from 1 April 2018 and policies under HKAS 39 applicable before 1 April 2018)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

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

## 2.4 主要會計政策概要(續)

### 投資及其他金融資產(於二零一八年四月一日前適用的香港會計準則第39號的政策)(續)

#### 後續計量(續)

##### 可供出售的金融投資(續)

有關從可供出售類別重新分類的金融資產，其於重新分類日期的公平值賬面金額成為其新的攤銷成本，之前在權益中確認的任何資產損益會在投資剩餘年期以實際利率法攤銷至收益表。新的攤銷成本與到期金額兩者之間的任何差額亦會在資產剩餘年期以實際利率法攤銷。如果資產其後確定已經減值，則記錄在權益的金額會重新分類至收益表。

### 剔除確認金融資產(自二零一八年四月一日起適用的香港財務報告準則第9號的政策及於二零一八年四月一日前適用的香港會計準則第39號的政策)

金融資產(或(如適用)一項金融資產的一部分或一組相若金融資產的一部分)在下列情況將被剔除確認(即從本集團的綜合財務狀況表中剔除):

- 收取該項資產所得現金流量的權利經已屆滿; 或
- 本集團已轉讓其收取該項資產所得現金流量的權利, 或已根據一項「轉付」安排, 承擔在沒有重大延誤的情況下, 向第三方全數支付已收現金流量的義務; 且(a)本集團已轉讓該項資產的絕大部分風險及回報; 或(b)本集團並未轉讓或保留該項資產絕大部分風險及回報, 但已轉讓該項資產的控制權。



## Notes to Financial Statements (continued)

### 財務報表附註(續)

31 March 2019

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Derecognition of financial assets (policies under HKFRS 9 applicable from 1 April 2018 and policies under HKAS 39 applicable before 1 April 2018) (continued)

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

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

### Impairment of financial assets (policies under HKFRS 9 applicable from 1 April 2018)

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

## 2.4 主要會計政策概要(續)

### 剔除確認金融資產(自二零一八年四月一日起適用的香港財務報告準則第9號的政策及於二零一八年四月一日前適用的香港會計準則第39號的政策)(續)

當本集團已轉讓其收取該項資產所得現金流量的權利或訂立轉付安排，會評估是否保留該資產所有權的風險和回報以及保留的程度。當本集團並未轉讓或保留該項資產的絕大部分風險及回報，且並未轉讓該項資產的控制權，該項轉讓資產將按本集團持續參與程度而持續確認。在該情況下，本集團亦確認相關負債。已轉讓資產及相關負債按可反映本集團所保留權利及責任的基準計量。

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

### 金融資產減值(自二零一八年四月一日起適用的香港財務報告準則第9號的政策)

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



Notes to Financial Statements (continued)

財務報表附註(續)

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Impairment of financial assets (policies under HKFRS 9 applicable from 1 April 2018) (continued)

#### General approach

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

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

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

## 2.4 主要會計政策概要(續)

### 金融資產減值(自二零一八年四月一日起適用的香港財務報告準則第9號的政策)(續)

#### 一般方式

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

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

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



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

二零一九年三月三十一日

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

## Impairment of financial assets (policies under HKFRS 9 applicable from 1 April 2018) (continued)

## General approach (continued)

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

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

## Simplified approach

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

## 2.4 主要會計政策概要(續)

## 金融資產減值(自二零一八年四月一日起適用的香港財務報告準則第9號的政策)(續)

## 一般方式(續)

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

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

## 簡化方式

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



Notes to Financial Statements (continued)

財務報表附註(續)

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Impairment of financial assets (policies under HKAS 39 applicable before 1 April 2018)

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

#### *Financial assets carried at amortised cost*

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

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition).

## 2.4 主要會計政策概要(續)

### 金融資產減值(於二零一八年四月一日前適用的香港會計準則第39號的政策)

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

#### *按攤銷成本入賬之金融資產*

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

任何已識別之減值虧損將會按該項資產的賬面值與估計未來現金流量現值(不包括未產生的未來信貸虧損)的差額計量。估計未來現金流量現值會按金融資產的原實際利率(即初始確認時的計算實際利率)折現。



## Notes to Financial Statements (continued)

## 財務報表附註(續)

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**Impairment of financial assets (policies under HKAS 39 applicable before 1 April 2018)**

(continued)

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

**Financial liabilities (policies under HKFRS 9 applicable from 1 April 2018 and HKAS 39 applicable before 1 April 2018)****Initial recognition and measurement**

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

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

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

**2.4 主要會計政策概要** (續)**金融資產減值(於二零一八年四月一日前適用的香港會計準則第39號的政策)** (續)

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

**金融負債(自二零一八年四月一日起適用的香港財務報告準則第9號的政策及於二零一八年四月一日前適用的香港會計準則第39號的政策)****初始確認及計量**

金融負債於初始確認時分類為以公平值計入損益的金融負債、貸款及借款，或衍生工具指定為有效對沖的對沖工具(如適用)。

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

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





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

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Financial liabilities (policies under HKFRS 9 applicable from 1 April 2018 and HKAS 39 applicable before 1 April 2018) (continued)

#### Subsequent measurement

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

#### Loans and borrowings

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

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

### Derecognition of financial liabilities (policies under HKFRS 9 applicable from 1 April 2018 and HKAS 39 applicable before 1 April 2018)

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

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

## 2.4 主要會計政策概要(續)

### 金融負債(自二零一八年四月一日起適用的香港財務報告準則第9號的政策及於二零一八年四月一日前適用的香港會計準則第39號的政策)(續)

#### 後續計量

金融負債的後續計量視乎其如下分類而定：

#### 貸款與借貸

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

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

### 剔除確認金融負債(自二零一八年四月一日起適用的香港財務報告準則第9號的政策及於二零一八年四月一日前適用的香港會計準則第39號的政策)

倘負債項下之責任已履行或取消或屆滿，將會剔除確認金融負債。

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



## Notes to Financial Statements (continued)

### 財務報表附註(續)

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Offsetting of financial instruments (policies under HKFRS 9 applicable from 1 April 2018 and HKAS 39 applicable before 1 April 2018)

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

### Inventories

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

### Cash and cash equivalents

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

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

## 2.4 主要會計政策概要(續)

金融工具的抵銷(自二零一八年四月一日起適用的香港財務報告準則第9號的政策及於二零一八年四月一日前適用的香港會計準則第39號的政策)當目前有強制執行的法律權力要求抵銷已確認金額並有意以淨額結算或同時變現資產及償還負債時,金融資產和金融負債可抵銷並按淨值列報於財務狀況表內。

### 存貨

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

### 現金及現金等值項目

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

就綜合財務狀況表而言,現金及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。



Notes to Financial Statements (continued)

財務報表附註(續)

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Provisions

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

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

### Income tax

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

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

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

## 2.4 主要會計政策概要(續)

### 撥備

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

若折現之影響重大,則撥備所確認的數額是為預期履行該責任所需未來開支於報告期末之現值。隨時間推移而產生之折現現值增加計入收益表的融資成本內。

### 所得稅

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

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

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



## Notes to Financial Statements (continued)

### 財務報表附註(續)

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Income tax (continued)

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

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

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

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

## 2.4 主要會計政策概要(續)

### 所得稅(續)

遞延稅項負債就所有應課稅暫時性差額確認，除下列情況外：

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

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

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



## Notes to Financial Statements (continued)

## 財務報表附註(續)

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Income tax (continued)

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

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

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

### Government grants

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

## 2.4 主要會計政策概要(續)

### 所得稅(續)

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

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

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

### 政府補助

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



## Notes to Financial Statements (continued)

## 財務報表附註(續)

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**Revenue recognition (applicable from 1 April 2018)****Revenue from contracts with customers**

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

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

**Other income**

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

**Revenue recognition (applicable before 1 April 2018)**

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

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

**2.4 主要會計政策概要** (續)**營業收入確認(於二零一八年四月一日起適用)****客戶合約營業收入**

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

銷售貨品的營業收入於貨品控制權轉移客戶時(一般發生在交付貨品時)予以確認。

**其他收入**

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

**營業收入確認(於二零一八年四月一日前適用)**

營業收入乃於本集團有可能獲得經濟利益及該營業收入能可靠計算時，按以下基準確認：

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



Notes to Financial Statements (continued)

財務報表附註(續)

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Employee benefits

#### Defined contribution plans

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

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

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

## 2.4 主要會計政策概要(續)

### 僱員福利

#### 定額供款計劃

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

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

本集團在中國大陸及越南所經營附屬公司之僱員須參加由當地市政府推行的中央退休金計劃。有關附屬公司須就中央退休金計劃向登記為中國大陸及越南永久居民之僱員作出相當於支薪成本若干百分比之供款。有關供款在根據中央退休金計劃之規定應付供款時自收益表扣除。



## Notes to Financial Statements (continued)

## 財務報表附註(續)

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**Employee benefits** (continued)**Defined benefit plan**

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

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

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

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

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

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

**2.4 主要會計政策概要** (續)**僱員福利** (續)**定額福利計劃**

根據該定額福利計劃提供福利之成本，乃運用預測單位信貸精算估值法釐定。

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

過往服務成本按下列較早者於收益表內確認：

- 計劃修訂或縮減之日；及
- 本集團確認重組相關成本之日。

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

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





Notes to Financial Statements (continued)

財務報表附註(續)

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Borrowing costs

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

### Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the income statement.

## 2.4 主要會計政策概要(續)

### 借貸成本

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

### 外幣

此財務報表以港元呈報,港元乃本公司之功能貨幣。本集團各實體釐定其本身功能貨幣,而各實體於財務報表計入之項目乃按該功能貨幣計算。本集團旗下實體記錄的外幣交易初步按交易日期各自之功能貨幣匯率記錄。以外幣列值的貨幣資產及負債按報告期末的功能貨幣匯率換算。因貨幣項目結算或換算產生的差額均於收益表確認。



## Notes to Financial Statements (continued)

### 財務報表附註(續)

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Foreign currencies (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or the income statement is also recognised in other comprehensive income or the income statement, respectively).

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

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

## 2.4 主要會計政策概要(續)

### 外幣(續)

按外幣過往成本計算的非貨幣項目乃按初步交易日期匯率換算。以外幣按公平值計算的非貨幣項目則按公平值釐定之日期匯率換算。換算非貨幣項目產生的盈虧與項目公平值變動產生的損益按相同方式確認，即公平值損益於其他全面收益或收益表確認的項目之匯兌差額亦分別於其他全面收益或收益表確認。

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

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



Notes to Financial Statements (continued)

財務報表附註(續)

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Foreign currencies (continued)

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

## 3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

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

### Estimation uncertainty

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

## 2.4 主要會計政策概要(續)

### 外幣(續)

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

## 3. 重要會計判斷及估計

編製本集團的財務報表時，管理層須作出會影響營業收入、開支、資產及負債的報告金額、其相應的披露資料及或然負債披露的判斷、估計及假設。由於有關假設和估計的不確定因素，可導致須就未來受影響的資產或負債賬面值作出重大調整。

### 估計之不確定性

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



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

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### 3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

*(continued)***Estimation uncertainty** *(continued)***Impairment of goodwill**

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 March 2019 was HK\$100,334,000 (2018: HK\$26,112,000). Further details are given in note 16.

**Provision for expected credit losses on accounts receivable**

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

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

### 3. 重要會計判斷及估計(續)

**估計之不確定性(續)****商譽減值**

本集團最少每年釐定商譽是否有所減值。釐定時須估計商譽所獲分配之現金產生單位之使用價值。估計使用價值時，本集團須估計現金產生單位所產生之預期日後現金流量，亦須選擇合適之折現率，以計算該等現金流量之現值。商譽於二零一九年三月三十一日之賬面值為100,334,000港元(二零一八年：26,112,000港元)。進一步資料載於附註16。

**應收賬款的預期信貸虧損撥備**

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

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



Notes to Financial Statements (continued)

財務報表附註(續)

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### 3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

(continued)

#### Estimation uncertainty (continued)

##### **Provision for expected credit losses on accounts receivable (continued)**

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

The carrying amount of accounts receivable at 31 March 2019 was HK\$403,624,000 (2018: HK\$233,831,000). Further details are given in note 19.

##### **Business combinations**

When the Group completes a business combination, the identifiable assets acquired and the liabilities assumed are recognised at their fair value. Management estimation is required to determine the fair values of the assets acquired, the liabilities assumed, and the purchase consideration, and on the allocation of the purchase consideration to the identifiable assets and liabilities. The fair values of the identifiable assets acquired and the liabilities assumed may require the use of valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable market where possible, but where this is not feasible, a degree of judgement and estimation is required to estimate the expected future cash flows and discount rate in establishing fair values.

### 3. 重要會計判斷及估計(續)

#### 估計之不確定性(續)

##### **應收賬款的預期信貸虧損撥備(續)**

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

於二零一九年三月三十一日，應收賬款的賬面值為403,624,000港元(二零一八年：233,831,000港元)。詳情載於附註19。

##### **業務合併**

倘本集團完成業務合併，則所收購的可識別資產及所承擔的負債按其公平值確認。釐定所收購資產、所承擔負債、購買代價的公平值，以及分配購買代價到可識別資產及負債時須運用管理層估算。所收購的可識別資產及所承擔的負債的公平值或需運用估值技術(包括折現現金流模式)釐定。該等模式所用數據在可能情況下從可觀察市場取得，惟在不可行情況下，則須作出判斷和估算，以確立公平值預計未來現金流量和貼現率。



## Notes to Financial Statements (continued)

### 財務報表附註(續)

31 March 2019

二零一九年三月三十一日

#### 4. OPERATING SEGMENT INFORMATION

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

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

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

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

#### 4. 經營分類資料

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

管理層獨立監察其經營分部業績，以便作出有關資源分配及表現評估的決策。分部表現乃根據可報告分部溢利評估，而可報告分部溢利則以經調整除稅前溢利計量。經調整除稅前溢利的計量方式與本集團除稅前溢利計量方式一致，惟有關計量並不計入利息收入、其他未編配收入及收益、註銷一家附屬公司之收益及未編配支出。

分類資產不包括未分配資產，原因是該等資產是集體管理。

分類負債不包括未分配負債，原因是該等負債是集體管理。



Notes to Financial Statements (continued)

財務報表附註(續)

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#### 4. OPERATING SEGMENT INFORMATION (continued)

2019

#### 4. 經營分類資料(續)

二零一九年

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

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

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



## Notes to Financial Statements (continued)

## 財務報表附註(續)

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## 4. OPERATING SEGMENT INFORMATION (continued)

## 4. 經營分類資料(續)

2018

二零一八年

		Mainland China 中國大陸 HK\$'000 千港元	USA 美國 HK\$'000 千港元	Europe 歐洲 HK\$'000 千港元	Japan 日本 HK\$'000 千港元	Others 其他地區 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Segment revenue:	分類營業收入：						
Sales to external customers	銷售予外界客戶	753,101	636,840	311,858	67,848	339,775	2,109,422
Segment results	分類業績	125,291	109,997	51,000	11,379	54,516	352,183
Interest income and other unallocated income and gains	利息收入及其他未編配收入及收益						12,828
Gain on deregistration of a subsidiary	註銷一家附屬公司之收益						47,099
Unallocated expenses	未編配支出						(138,444)
Profit before tax	除稅前溢利						273,666
Income tax expense	所得稅開支						(43,654)
Profit for the year	本年度溢利						230,012
Segment assets	分類資產	504,506	399,641	243,274	81,321	239,671	1,468,413
Unallocated assets	未編配資產						302,410
							1,770,823
Segment liabilities	分類負債	106,298	93,715	44,194	9,352	49,157	302,716
Unallocated liabilities	未編配負債						196,800
							499,516
Other segment information:	其他分類資料：						
Depreciation and amortisation	折舊及攤銷	12,053	14,226	6,277	1,564	7,251	41,371
Unallocated amounts	未編配金額						14,652
							56,023
Capital expenditure*	資本開支*	35,726	32,180	15,822	4,234	17,170	105,132
Unallocated amounts	未編配金額						11,825
							116,957

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

\* 資本開支代表物業、廠房及設備的添置。





Notes to Financial Statements (continued)

財務報表附註(續)

31 March 2019

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#### 4. OPERATING SEGMENT INFORMATION (continued)

##### Geographical information – non-current assets

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Hong Kong	香港	19,701	19,955
Mainland China	中國大陸	871,884	644,565
Indonesia	印尼	170,931	179,053
Vietnam	越南	44,110	—
		<b>1,106,626</b>	843,573

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

##### Information about major customers

Revenue of HK\$1,819,380,000 (2018: HK\$1,407,865,000) and HK\$553,259,000 (2018: HK\$529,600,000) was derived from sales to the largest customer and the second largest customer of the Group, respectively. The above amounts include sales to groups of entities which are known to be under common control with these customers.

#### 4. 經營分類資料(續)

##### 地區資料 — 非流動資產

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Hong Kong	香港	19,701	19,955
Mainland China	中國大陸	871,884	644,565
Indonesia	印尼	170,931	179,053
Vietnam	越南	44,110	—
		<b>1,106,626</b>	843,573

上列非流動資產資料是按資產所在地區劃分呈列，不包括商譽及一項遞延稅項資產。

##### 有關主要客戶的資料

向本集團第一及第二大客戶銷售所得的營業收入分別為1,819,380,000港元(二零一八年: 1,407,865,000港元)，及553,259,000港元(二零一八年: 529,600,000港元)。上述金額包括向一群實體(該等實體受上述客戶共同控制)的銷售。



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

二零一九年三月三十一日

## 5. REVENUE AND OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue from contracts with customers	來自客戶合約的營業收入	2,700,780	—
Sale of goods	銷售商品	—	2,109,422
		<b>2,700,780</b>	<b>2,109,422</b>

## Revenue from contracts with customers

## (i) Disaggregated revenue information

For the year ended 31 March 2019

Geographical markets	市場地區	HK\$'000 千港元
Mainland China	中國大陸	1,097,635
USA	美國	725,423
Europe	歐洲	419,467
Japan	日本	80,337
Others	其他地區	377,918
		<b>2,700,780</b>

## (ii) Performance obligation

## Sale of goods

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

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

## 5. 營業收入及其他收入及收益，淨額

營業收入之分析如下：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue from contracts with customers	2,700,780	—
Sale of goods	—	2,109,422
	<b>2,700,780</b>	<b>2,109,422</b>

## 來自客戶合約的營業收入

## (i) 分類營業收入資料

截至二零一九年三月三十一日止年度

Geographical markets	市場地區	HK\$'000 千港元
Mainland China	中國大陸	1,097,635
USA	美國	725,423
Europe	歐洲	419,467
Japan	日本	80,337
Others	其他地區	377,918
		<b>2,700,780</b>

## (ii) 履約責任

## 銷售商品

履約責任於交付貨物時完成，而付款一般在交付後一至三個月內到期。

銷售商品之營業收入於貨物控制權轉移客戶時確認，一般發生在交付貨物時。



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

二零一九年三月三十一日

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

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

## 5. 營業收入及其他收入及收益，淨額(續)

其他收入及收益，淨額之分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Bank interest income	銀行利息收入	1,695	1,789
Income derived from financial assets at fair value through profit or loss/available-for-sale investments	按公平值計入損益的金融資產/可供出售投資的收入	1,184	633
Government grants*	政府補助*	4,031	3,872
Gain/(loss) on disposal of items of property, plant and equipment, net	出售物業、廠房及設備項目之收益/(虧損)，淨額	(317)	719
Gain on disposal of prepaid land lease payments	出售預付土地租賃款項之收益	—	1,645
Foreign exchange differences, net	匯兌差額淨額	—	3,437
Others	其他	963	733
		<b>7,556</b>	<b>12,828</b>

\* There are no unfulfilled conditions or contingencies relating to these grants.

\* 該等補助並無尚未達成的條件或相關或然事項。

## 6. FINANCE COSTS

## 6. 融資成本

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest on bank loans	銀行貸款利息	12,120	3,817



## Notes to Financial Statements (continued)

### 財務報表附註(續)

31 March 2019  
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## 7. PROFIT BEFORE TAX

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cost of inventories sold	已售存貨成本	2,283,010	1,703,605
Auditor's remuneration	核數師酬金	3,980	2,767
Depreciation (note 13)*	折舊(附註13)*	72,621	53,986
Amortisation of prepaid land lease payments (note 14)*	預付土地租賃款項攤銷(附註14)*	2,485	2,037
Amortisation of intangible assets (note 17)	無形資產攤銷(附註17)	2,947	—
Employee benefit expenses (excluding directors' and chief executive's remuneration — note 8):	僱員福利支出(不包括董事及行政總裁酬金 — 附註8):		
Wages and salaries	工資及薪金	582,404	458,287
Pension contributions, including a pension cost for a defined benefit plan of HK\$5,044,000 (2018: HK\$4,279,000) (note 25)	退休金供款, 包括於定額福利計劃的退休金成本5,044,000港元(二零一八年: 4,279,000港元)(附註25)	104,687	71,955
Less: Forfeited contributions	減: 已沒收供款	—	(12)
Net pension contributions	退休金供款淨額	104,687	71,943
Total employee benefit expenses*	總僱員福利支出*	687,091	530,230
Foreign exchange differences, net	匯兌差額淨額	1,205	(3,437)
Minimum lease payments under operating leases	經營租約下之最低租賃款項	5,688	—
Loss/(gain) on disposal of items of property, plant and equipment, net	出售物業、廠房及設備項目之虧損/(收益), 淨額	317	(719)
Gain on disposal of prepaid land lease payments	出售預付土地租賃款項之收益	—	(1,645)
Income derived from financial assets at fair value through profit or loss/available-for-sale investments	按公平值計入損益的金融資產/可供出售投資的收入	(1,184)	(633)
Gain on deregistration of a subsidiary	註銷一間附屬公司之盈利	—	(47,099)

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

\* 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:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Depreciation	折舊	51,674	39,678
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	2,163	1,693
Employee benefit expenses	僱員福利支出	600,877	452,916



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

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## 8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Fees	袍金	456	438
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	10,039	9,620
Discretionary bonuses	酌情花紅	6,716	4,500
Pension scheme contributions	退休金計劃供款	1,288	1,234
		<b>18,043</b>	15,354
		<b>18,499</b>	15,792

### (a) Independent non-executive directors

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Mr. Chan Cheuk Ho	陳卓豪先生	152	146
Mr. Lu Chi Chant	盧啟昌先生	152	146
Ms. Tham Kit Wan	譚潔雲女士	152	146
		<b>456</b>	438

There were no other emoluments payable to the independent non-executive directors during the year (2018: Nil).

## 8. 董事及行政總裁酬金

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

### (a) 獨立非執行董事

年內付予獨立非執行董事之袍金如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Mr. Chan Cheuk Ho	陳卓豪先生	152	146
Mr. Lu Chi Chant	盧啟昌先生	152	146
Ms. Tham Kit Wan	譚潔雲女士	152	146
		<b>456</b>	438

年內並無其他應付獨立非執行董事之酬金(二零一八年：無)。



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

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## 8. DIRECTORS' AND CHIEF EXECUTIVE'S 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	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>2019</b>	<b>二零一九年</b>					
Executive directors:	執行董事:					
Mr. Chung Yuk Sing ("Mr. Chung")*	鍾育升先生 (「鍾先生」)*	—	3,730	3,642	517	7,889
Mr. Chen Hsiao Ying	陳小影先生	—	3,497	2,984	484	6,965
Ms. Chen Fang Mei, Christina	陳芳美女士	—	2,529	79	287	2,895
Mr. Lee Cheng Chuan	李鎮全先生	—	283	11	—	294
		—	10,039	6,716	1,288	18,043

		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	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>2018</b>	<b>二零一八年</b>					
Executive directors:	執行董事:					
Mr. Chung Yuk Sing	鍾育升先生	—	3,568	2,500	495	6,563
Mr. Chen Hsiao Ying	陳小影先生	—	3,345	2,000	464	5,809
Ms. Chen Fang Mei, Christina	陳芳美女士	—	2,436	—	275	2,711
Mr. Lee Cheng Chuan	李鎮全先生	—	271	—	—	271
		—	9,620	4,500	1,234	15,354

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

\* 鍾先生亦為本公司的主席及行政總裁。



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

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## 8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

(continued)

### (b) Executive directors (continued)

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

The directors' remuneration shown above does not include the estimated monetary value of the Group's owned premises provided rent-free to an executive director, Mr. Chung, during the year. The estimated rental value of such accommodation was HK\$154,000 (2018: HK\$184,000) for the year ended 31 March 2019.

## 9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2018: three) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining two (2018: two) non-director, highest paid employees for the year ended 31 March 2019 are set out below:

## 8. 董事及行政總裁酬金(續)

### (b) 執行董事(續)

本年度內並無任何董事放棄或同意放棄任何酬金之安排。

上述所示董事酬金並未包括於年內向執行董事鍾先生提供免租的本集團自置物業之估計幣值。截至二零一九年三月三十一日止年度，該住宿之估計租值為154,000港元(二零一八年：184,000港元)。

## 9. 五名最高薪酬僱員

年內，五名最高薪酬僱員包括三名(二零一八年：三名)董事，有關彼等薪酬的詳情已在上文附註8披露。於截至二零一九年三月三十一日止年度內，餘下兩名(二零一八年：兩名)最高酬金的非董事僱員的酬金詳情如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	4,585	4,027
Discretionary bonuses	酌情花紅	2,075	1,500
Pension scheme contributions	退休金計劃供款	631	316
		<b>7,291</b>	5,843



## Notes to Financial Statements (continued)

## 財務報表附註(續)

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## 9. FIVE HIGHEST PAID EMPLOYEES

(continued)

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

		Number of employees 僱員數目	
		2019 二零一九年	2018 二零一八年
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	—	—
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	—	—
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	—	—
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	—	1
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	1	1
HK\$3,500,001 to HK\$4,000,000	3,500,001港元至4,000,000港元	—	—
HK\$4,000,001 to HK\$4,500,000	4,000,001港元至4,500,000港元	1	—
		<b>2</b>	<b>2</b>

During the year, no emoluments were paid by the Group to the directors or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2018: Nil).

## 10. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

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

## 9. 五名最高薪酬僱員(續)

酬金介乎以下範圍的最高薪酬非董事僱員的數目如下：

年內，本集團概無向董事或任何五名最高薪酬人士支付酬金作為加入或加入本集團後的報酬或作為離職補償(二零一八年：無)。

## 10. 所得稅

年內，香港利得稅按在香港產生的估計應課稅溢利以16.5% (二零一八年：16.5%) 稅率作撥備。其他地方應課稅溢利的稅項，則根據本集團業務所在國家的現行稅率計算。

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





## Notes to Financial Statements (continued)

## 財務報表附註(續)

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## 10. INCOME TAX (continued)

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

## 10. 所得稅(續)

根據有關的中國大陸稅務法及規則，一家公司可將其於一個財政年度產生之虧損，抵銷其於其後一個或多個財政年度之溢利，但最多不得超過五個財政年度。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current tax charge for the year:	本年度即期稅項支出：		
Hong Kong	香港	17,138	17,176
Elsewhere	其他地方	25,512	14,380
Underprovision/(overprovision) for current tax in respect of prior years	過往年度即期稅項撥備不足/(超額)	(200)	2,358
Deferred (note 26)	遞延(附註26)	2,077	9,740
<b>Total tax charge for the year</b>	<b>本年度稅項支出總額</b>	<b>44,527</b>	43,654

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

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit before tax	除稅前溢利	182,675	273,666
Tax at the applicable rates to profit in the tax jurisdictions concerned	按有關稅務司法權區對溢利適用之稅率計算之稅項	37,560	48,872
Adjustments in respect of current tax of previous years	就過往年度即期稅項作出調整	(200)	2,358
Income not subject to tax	毋須課稅之收入	(3,239)	(9,046)
Expenses not deductible for tax	不可扣稅之費用	2,596	4,103
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	扣繳本集團之中國附屬公司可分派溢利預扣稅之影響	1,500	1,435
Tax losses utilised from previous periods	動用以前期間的稅務虧損	—	(4,068)
Tax loss not recognised	未確認稅項虧損	6,310	—
<b>Tax charge at the Group's effective rate</b>	<b>按本集團實際稅率計算之稅項支出</b>	<b>44,527</b>	43,654



## Notes to Financial Statements (continued)

## 財務報表附註(續)

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## 11. DIVIDENDS

## 11. 股息

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Dividends paid during the year:	年內已付股息：		
Final in respect of the financial year ended 31 March 2018 — HK12 cents (2018: HK6 cents) per ordinary share	截至二零一八年三月三十一日止財政年度末期股息 — 每股普通股12港仙(二零一八年：6港仙)	<b>59,962</b>	29,981
Interim — HK14 cents (2018: HK18 cents) per ordinary share	中期股息 — 每股普通股14港仙(二零一八年：18港仙)	<b>69,955</b>	89,942
		<b>129,917</b>	119,923
Proposed final dividend HK6 cents (2018: HK12 cents) per ordinary share	擬派末期股息 每股普通股6港仙(二零一八年：12港仙)	<b>31,920</b>	59,962

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

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

## 12. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

## 12. 本公司擁有人應佔每股盈利

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company for the year of HK\$140,418,000 (2018: HK\$230,012,000) and the weighted average number of ordinary shares of 505,790,000 (2018: 499,680,000) in issue during the year, as adjusted to reflect the new shares issued during the year.

每股基本盈利乃根據年內本公司擁有人應佔溢利140,418,000港元(二零一八年：230,012,000港元)，以及年內已發行普通股之加權平均數505,790,000股(二零一八年：499,680,000股)計算，經調整以反映年內發行的新股。

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 March 2019 and 2018 as the Group had no potentially dilutive ordinary shares in issue during those years.

於截至二零一九年及二零一八年三月三十一日止年度，均無具潛在攤薄影響之已發行普通股，因此概無呈列調整每股基本盈利。



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

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

		Leasehold land and buildings 租賃土地及 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
<b>31 March 2019</b>	<b>二零一九年三月三十一日</b>					
Cost:	成本:					
At beginning of year	年初	763,971	172,460	318,957	81,860	1,337,248
Acquisition of subsidiaries (note 29)	收購附屬公司(附註29)	118,342	4,413	40,785	6,000	169,540
Additions	添置	—	38,302	46,693	11,353	96,348
Disposals	出售	—	—	(2,966)	(329)	(3,295)
Exchange realignment	匯兌調整	(35,795)	(9,605)	(13,580)	(3,212)	(62,192)
At 31 March 2019	於二零一九年三月三十一日	846,518	205,570	389,889	95,672	1,537,649
Accumulated depreciation:	累積折舊:					
At beginning of year	年初	181,575	113,786	207,350	65,778	568,489
Provided during the year (note 7)	年內撥備(附註7)	25,994	16,080	24,642	5,905	72,621
Disposals	出售	—	—	(1,664)	(312)	(1,976)
Exchange realignment	匯兌調整	(8,709)	(6,435)	(8,103)	(2,506)	(25,753)
At 31 March 2019	於二零一九年三月三十一日	198,860	123,431	222,225	68,865	613,381
Net book value:	賬面淨值:					
At 31 March 2019	於二零一九年三月三十一日	647,658	82,139	167,664	26,807	924,268
<b>31 March 2018</b>	<b>二零一八年三月三十一日</b>					
Cost:	成本:					
At beginning of year	年初	703,728	111,221	245,061	68,520	1,128,530
Additions	添置	2,257	48,843	54,944	10,913	116,957
Disposals	出售	(406)	(567)	—	(2,288)	(3,261)
Write-off	撇銷	—	(65)	(1,078)	—	(1,143)
Exchange realignment	匯兌調整	58,392	13,028	20,030	4,715	96,165
At 31 March 2018	於二零一八年三月三十一日	763,971	172,460	318,957	81,860	1,337,248
Accumulated depreciation:	累積折舊:					
At beginning of year	年初	143,334	97,076	178,953	60,522	479,885
Provided during the year (note 7)	年內撥備(附註7)	25,365	7,690	17,157	3,774	53,986
Disposals	出售	(136)	(567)	—	(2,284)	(2,987)
Write-off	撇銷	—	(65)	(1,078)	—	(1,143)
Exchange realignment	匯兌調整	13,012	9,652	12,318	3,766	38,748
At 31 March 2018	於二零一八年三月三十一日	181,575	113,786	207,350	65,778	568,489
Net book value:	賬面淨值:					
At 31 March 2018	於二零一八年三月三十一日	582,396	58,674	111,607	16,082	768,759

As at 31 March 2019, certain of the Group's leasehold buildings with a carrying amount of approximately HK\$61,884,000 (2018: Nil) was pledged for the banking facilities for issuing bills payable.

於二零一九年三月三十一日，為取得銀行備用信貸以發行應付票據，本集團已抵押賬面值約61,884,000港元(二零一八年：無)的若干租賃樓宇。



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

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## 14. PREPAID LAND LEASE PAYMENTS

## 14. 預付土地租賃款項

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Carrying amount at beginning of year	年初賬面值	63,019	59,541
Acquisition of subsidiaries (note 29)	收購附屬公司(附註29)	77,003	—
Amortisation recognised during the year (note 7)	於年內確認攤銷(附註7)	(2,485)	(2,037)
Disposals	出售	—	(818)
Exchange realignment	匯兌調整	(3,320)	6,333
Carrying amount at 31 March	於三月三十一日之賬面值	134,217	63,019
Current portion included in prepayments, deposits and other receivables (note 15)	計入預付款項、按金及其他應收款項之即期部分(附註15)	(3,947)	(2,142)
Non-current portion	非即期部分	130,270	60,877

One of the Group's prepaid land lease payments with a net carrying amount of HK\$1,356,000 (2018: HK\$1,480,000), together with the leasehold buildings thereon, has been provided as rent-free accommodation to Mr. Chung, an executive director of the Company during the year.

As at 31 March 2019, certain of the Group's prepaid land lease payments with a carrying amount of HK\$39,958,000 (2018: Nil) was pledged for the banking facilities for issuing bills payable.

本集團其中一項賬面淨值1,356,000港元(二零一八年: 1,480,000港元)之預付土地租賃款項, 連同其上的租賃樓宇於年內提供作為鍾先生(本公司一名執行董事)之免租住宿。

於二零一九年三月三十一日, 為取得銀行備用信貸以發行應付票據, 本集團已抵押賬面值39,958,000港元(二零一八年: 無)的若干預付土地租賃款項。



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

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## 15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

## 15. 預付款項、按金及其他應收款項

		Note 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Prepaid land lease payments	預付土地租賃款項	14	3,947	2,142
Prepayments	預付款項		37,330	32,018
Deposits and other receivables	按金及其他應收款項		90,509	35,877
			<b>131,786</b>	70,037
Less: Non-current portion of deposits for purchases of items of property, plant and equipment	減：購買物業、廠房及設備項目的非即期部分按金		(35,271)	(13,937)
Current portion	即期部分		<b>96,515</b>	56,100

None of the financial assets included in the above balances is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default. Their recoverability was assessed with reference to the credit status of the debtors, and the expected credit loss as at 31 March 2019 is considered to be minimal.

上述結餘包括的金融資產並無逾期或減值。包括在以上應收款項結餘內的金融資產，近期並無欠款記錄。其可收回性參照債務人的信貸狀況評定，而於二零一九年三月三十一日的預期信貸虧損只屬輕微。



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

31 March 2019  
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## 16. GOODWILL

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cost and net carrying amount:	成本值及賬面值：		
At beginning of year	於年初	<b>26,112</b>	26,112
Acquisition of subsidiaries (note 29)	收購附屬公司(附註29)	<b>74,222</b>	—
At end of year	於年末	<b>100,334</b>	26,112

### Impairment testing of goodwill

#### PRC CGU ONE

Goodwill of HK\$26,112,000 (2018: HK\$26,112,000), arising from an acquisition during the year ended 31 March 2008, was allocated to a cash-generating unit in Mainland China which is engaged in the manufacture and trading of sportswear and garments (the "PRC CGU ONE").

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

## 16. 商譽

### 商譽減值測試

#### 中國現金產生單位一號

於截至二零零八年三月三十一日止年度進行收購所產生的商譽26,112,000港元(二零一八年: 26,112,000港元)撥歸在中國大陸從事運動服及成衣製造及買賣之現金產生單位(「中國現金產生單位一號」)。

所收購中國現金產生單位一號之附屬公司產生的現金流入大體上獨立於來自其他資產的現金流入。



Notes to Financial Statements (continued)

財務報表附註(續)

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## 16. GOODWILL (continued)

### Impairment testing of goodwill (continued)

#### PRC CGU ONE (continued)

The recoverable amount of the PRC CGU ONE has been determined from the value in use, which is calculated with reference to cash flow projections based on a five-year period financial budget approved by senior management. The financial budgets are prepared reflecting actual and prior year performance and development expectations. The key assumptions for the cash flow projections are the budgeted gross margin which is the average gross profit margin achieved in the year immediately before budgeted years and the discount rate of 16% (2018: 18%), which is before tax and reflects specific risks relating to the PRC CGU ONE. The cash flows beyond the five-year period are extrapolated using a growth rate of 3% (2018: 3%). The directors believe that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the PRC CGU ONE to exceed the aggregate recoverable amount. Since the recoverable amount of the PRC CGU ONE is higher than its carrying amount, the directors consider there was no impairment of the goodwill at the end of the reporting period.

#### Vietnam CGU

Goodwill of HK\$36,075,000 (2018: Nil), arising from an acquisition as stated in note 29(a) during the year ended 31 March 2019, was allocated to a cash-generating unit in Vietnam which is engaged in the manufacturing of sportswear (the "Vietnam CGU").

## 16. 商譽(續)

### 商譽減值測試(續)

#### 中國現金產生單位一號(續)

中國現金產生單位一號之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期財政預算所預測之現金流量計算。財政預算之編算乃反映實際、過往年度表現及預期發展。現金流量之主要假設為所預算之毛利率(即緊接預算年度前該年度所達致之平均毛利率)及折現率16%(二零一八年: 18%)(乃除稅前及反映與中國現金產生單位一號有關之特定風險)。五年期以後的現金流量使用3%之增長率(二零一八年: 3%)推斷。董事相信，任何該等假設可能合理地出現之變動，將不會導致中國現金產生單位一號之總賬面值超出總可收回金額。由於中國現金產生單位一號之可收回金額高於其賬面值，董事認為於報告期末商譽並無出現減值。

#### 越南現金產生單位

於截至二零一九年三月三十一日止年度進行收購(於附註29(a)說明)所產生的商譽36,075,000港元(二零一八年: 無)撥歸在越南從事運動服製造之現金產生單位(「越南現金產生單位」)。



## Notes to Financial Statements (continued)

## 財務報表附註(續)

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**16. GOODWILL** (continued)**Impairment testing of goodwill** (continued)**Vietnam CGU** (continued)

The recoverable amount of the Vietnam CGU has been determined from the value in use, which is calculated with reference to cash flow projections based on a five-year period financial budget approved by senior management. The financial budgets are prepared reflecting actual performance and development expectations. The key assumptions for the cash flow projections are the budgeted gross margin which is the average gross profit margin achieved in the year immediately before budgeted years and the discount rate of 15%, which is before tax and reflects specific risks relating to the Vietnam CGU. The cash flows beyond the five-year period are extrapolated using a growth rate of 3%. The directors believe that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the Vietnam CGU to exceed the aggregate recoverable amount. Since the recoverable amount of the Vietnam CGU is higher than its carrying amount, the directors consider there was no impairment of the goodwill at the end of the reporting period.

**PRC CGU TWO**

Goodwill of HK\$38,147,000 (2018: Nil), arising from an acquisition as stated in note 29(b) during the year ended 31 March 2019, was allocated to a cash-generating unit in Mainland China which is engaged in the manufacture and trading of sportswear (the "PRC CGU TWO").

**16. 商譽** (續)**商譽減值測試** (續)**越南現金產生單位** (續)

越南現金產生單位之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期財政預算所預測之現金流量計算。財政預算之編算乃反映實際表現及預期發展。現金流量之主要假設為所預算之毛利率(即緊接預算年度前該年度所達致之平均毛利率)及折現率15%(乃除稅前及反映與越南現金產生單位有關之特定風險)。五年期以後的現金流量使用3%之增長率推斷。董事相信，任何該等假設可能合理地出現之變動，將不會導致越南現金產生單位之總賬面值超出總可收回金額。由於越南現金產生單位之可收回金額高於其賬面值，董事認為於報告期末商譽並無出現減值。

**中國現金產生單位二號**

於截至二零一九年三月三十一日止年度進行收購(於附註29(b)說明)所產生的商譽38,147,000港元(二零一八年:無)撥歸在中國大陸從事運動服製造及買賣之現金產生單位(「中國現金產生單位二號」)。





Notes to Financial Statements (continued)

財務報表附註(續)

31 March 2019

二零一九年三月三十一日

## 16. GOODWILL (continued)

### Impairment testing of goodwill (continued)

#### PRC CGU TWO (continued)

The recoverable amount of the PRC CGU TWO has been determined from the value in use, which is calculated with reference to cash flow projections based on a five-year period financial budget approved by senior management. The financial budgets are prepared reflecting actual performance and development expectations. The key assumptions for the cash flow projections are the budgeted gross margin which is the average gross profit margin achieved in the year immediately before budgeted years and the discount rate of 16%, which is before tax and reflects specific risks relating to the PRC CGU TWO. The cash flows beyond the five-year period are extrapolated using a growth rate of 3%. The directors believe that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the PRC CGU TWO to exceed the aggregate recoverable amount. Since the recoverable amount of the PRC CGU TWO is higher than its carrying amount, the directors consider there was no impairment of the goodwill at the end of the reporting period.

## 16. 商譽(續)

### 商譽減值測試(續)

#### 中國現金產生單位二號(續)

中國現金產生單位二號之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期財政預算所預測之現金流量計算。財政預算之編算乃反映實際表現及預期發展。現金流量之主要假設為所預算之毛利率(即緊接預算年度前該年度所達致之平均毛利率)及折現率16%(乃除稅前及反映與中國現金產生單位二號有關之特定風險)。五年期以後的現金流量使用3%之增長率推斷。董事相信，任何該等假設可能合理地出現之變動，將不會導致中國現金產生單位二號之總賬面值超出總可收回金額。由於中國現金產生單位二號之可收回金額高於其賬面值，董事認為於報告期末商譽並無出現減值。



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

二零一九年三月三十一日

## 17. INTANGIBLE ASSETS

		<b>Backlog</b> 未完成合同 HK\$'000 千港元	<b>Customer relationship</b> 客戶關係 HK\$'000 千港元	<b>Total</b> 總計 HK\$'000 千港元
Cost at 1 April 2017, 31 March 2018 and 1 April 2018	於二零一七年四月一日、 二零一八年三月三十一日 及二零一八年四月一日的 成本	—	—	—
Acquisition of subsidiaries (note 29)	收購附屬公司(附註29)	2,838	16,926	19,764
Amortisation provided during the year (note 7)	年內攤銷撥備(附註7)	(2,365)	(582)	(2,947)
Net carrying amount at 31 March 2019	於二零一九年三月三十一日 的賬面淨值	473	16,344	16,817

## 17. 無形資產

## 18. INVENTORIES

		<b>2019</b> 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Raw materials	原材料	<b>221,100</b>	183,805
Work in progress	在製品	<b>156,213</b>	114,285
Finished goods	製成品	<b>124,588</b>	83,895
		<b>501,901</b>	381,985

## 18. 存貨



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

二零一九年三月三十一日

## 19. ACCOUNTS AND BILLS RECEIVABLES

The Group's accounts and bills receivables mainly relate to a few recognised and creditworthy customers. The credit period is generally for a period of 30 to 90 days (2018: 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 Group does not hold any collateral or other credit enhancements over its accounts and bills receivables balances. The accounts and bills receivables are non-interest-bearing. At the end of the reporting period, 55% (2018: 75%) and 15% (2018: 23%) of the total accounts and bills receivables were due from the Group's largest customer and the second largest customer, respectively.

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

## 19. 應收賬款及票據

本集團之應收賬款及票據主要與若干認可及信譽良好的客戶相關。信貸期一般為30天至90天(二零一八年: 30天至45天)。本集團致力對未償還應收賬款餘額保持嚴密監控, 將信貸風險控制至最低水平。逾期未付之結餘由本集團管理層定期審閱。本集團並未就其應收賬款及票據持有任何抵押品或其他加強信貸措施。應收賬款及票據為免息賬款。於報告期末, 本集團最大客戶及第二大客戶分別佔本集團應收賬款及票據總額55%(二零一八年: 75%)及15%(二零一八年: 23%)。

截至本報告期止之應收賬款及票據根據發票日期的賬齡分析如下:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within 30 days	30天內	<b>284,442</b>	179,753
31 to 60 days	31至60天	<b>46,630</b>	14,312
61 to 90 days	61至90天	<b>68,711</b>	30,024
Over 90 days	90天以上	<b>11,459</b>	9,983
		<b>411,242</b>	234,072



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

二零一九年三月三十一日

## 19. ACCOUNTS AND BILLS RECEIVABLES

(continued)

**Impairment under HKFRS 9 for the year ended 31 March 2019**

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

**Impairment under HKAS 39 for the year ended 31 March 2018**

An ageing analysis of the accounts and bills receivables as at 31 March 2018 that were not considered to be impaired under HKAS 39 is as follows:

Neither past due nor impaired	既無逾期亦無減值	190,866
Past due:	逾期：	
Within 30 days	30天內	6,867
31 to 60 days	31至60天	33,100
61 to 90 days	61至90天	1,574
Over 90 days	90天以上	1,665
		234,072

Receivables that were neither past due nor impaired related to customers for whom there was no recent history of default.

## 19. 應收賬款及票據(續)

截至二零一九年三月三十一日止年度根據香港財務報告準則第9號的減值於各報告日期均採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率按擁相類虧損模式的各客戶群之逾期天數計量。該計量反映或然率加權結果、貨幣時值及於報告日期可得的有關過往事項、當前狀況及未來經濟條件預測的合理及可靠資料。由於應收賬款結餘與近期並無欠款記錄的客戶相關且結餘尚未逾期，故管理層認為預期信貸虧損只屬輕微，因此於二零一九年三月三十一日並無計提減值撥備。

**截至二零一八年三月三十一日止年度根據香港會計準則第39號的減值**

於二零一八年三月三十一日，根據香港會計準則第39號不視為減值的應收賬款及票據賬齡分析如下：

2018  
二零一八年  
HK\$'000  
千港元

未逾期亦未減值的應收賬款，與近期並無欠款記錄的客戶相關。



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

二零一九年三月三十一日

## 19. ACCOUNTS AND BILLS RECEIVABLES

(continued)

**Impairment under HKAS 39 for the year ended 31 March 2018 (continued)**

Receivables that were past due but not impaired related to a number of customers that had a good track records with the Group. Based on past experience, the directors of the Company were of the opinion that no provision for impairment under HKAS 39 was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable.

## 19. 應收賬款及票據(續)

截至二零一八年三月三十一日止年度根據香港會計準則第39號的減值(續)已逾期但未減值的應收賬款與本集團擁有良好的往績記錄的若干客戶相關。根據以往的經驗，本公司董事認為毋須根據香港會計準則第39號就該等結餘作出減值撥備，因信貸質素並無顯著變動及結餘仍被視為可全數收回。

## 20. PLEDGED DEPOSITS, RESTRICTED BANK BALANCE AND CASH AND BANK BALANCES

## 20. 已抵押存款、受限制銀行結餘及現金及銀行結餘

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	209,623	225,509
Less: Restricted bank balance for import purchases in Mainland China	減：於中國大陸進口採購的受限制銀行結餘	(585)	(2,639)
Less: Pledged deposits for banking facilities for issuing bills payable	減：為取得銀行備用信貸以發行應付票據的已抵押存款	(15,204)	—
		<b>193,834</b>	222,870

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK\$150,054,000 (2018: HK\$139,567,000). RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

於報告期末，本集團以人民幣(「人民幣」)計值的現金及銀行結餘為150,054,000港元(二零一八年：139,567,000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。



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

二零一九年三月三十一日

**20. PLEDGED DEPOSITS, RESTRICTED BANK BALANCE AND CASH AND BANK BALANCES** (continued)

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, pledged deposits and restricted bank balance are deposited with creditworthy banks with no recent history of default.

**21. ACCOUNTS AND BILLS PAYABLES**

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within 90 days	90天內	<b>237,916</b>	143,246
91 to 180 days	91至180天	<b>519</b>	1,523
181 to 365 days	181至365天	<b>19,084</b>	147
Over 365 days	365天以上	<b>650</b>	851
		<b>258,169</b>	145,767

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

**20. 已抵押存款、受限制銀行結餘及現金及銀行結餘** (續)

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

**21. 應付賬款及票據**

於報告期末之應付賬款及票據根據發票日期的賬齡分析如下：

應付賬款及票據為免息賬款，信貸期一般為45天。



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

31 March 2019  
二零一九年三月三十一日

## 22. BANKING FACILITIES

As at 31 March 2019, the Group's banking facilities of HK\$818,750,000 (2018: HK\$627,100,000) were supported by the corporate guarantees of HK\$685,300,000 (2018: HK\$627,100,000) executed by the Company and certain subsidiaries of the Company. As at 31 March 2019, an aggregate amount of the Group's banking facilities of HK\$572,155,000 (31 March 2018: HK\$196,800,000) was utilised.

## 22. 銀行備用信貸

於二零一九年三月三十一日，本集團的銀行貸款額度818,750,000港元(二零一八年：627,100,000港元)以本公司及本公司若干附屬公司作公司擔保685,300,000港元(二零一八年：627,100,000港元)。於二零一九年三月三十一日，本集團的銀行貸款額度已動用合共572,155,000港元(二零一八年三月三十一日：196,800,000港元)。

## 23. ACCRUED LIABILITIES AND OTHER PAYABLES

Other payables	其他應付款項
Accruals	應計費用

## 23. 應計負債及其他應付款項

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Other payables	其他應付款項	66,236	47,950
Accruals	應計費用	121,353	62,318
		<b>187,589</b>	110,268

Other payables of the Group as at 31 March 2019 included a subsidy of HK\$2,043,000 (2018: HK\$2,253,000) received from the People's Government of Yifeng County, Jiangxi Province, the PRC for the construction cost of basic infrastructure by the Group for the development of the investment project in Jiangxi (the "Jiangxi Project"). During the year, an amount of HK\$210,000 (2018: HK\$424,000) was utilised and has been offset against the construction cost.

本集團於二零一九年三月三十一日的其他應付款項包括從中國江西省宜豐縣人民政府所收取2,043,000港元(二零一八年：2,253,000港元)的補助，作為本集團開發江西投資項目(「江西項目」)的基本建設建築成本。年內，已動用210,000港元(二零一八年：424,000港元)並以建築成本抵銷。



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

31 March 2019  
二零一九年三月三十一日

## 24. INTEREST-BEARING BANK BORROWINGS

## 24. 計息銀行貸款

		Effective interest rate (%)	實際利率 (%)	Maturity	到期日	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>Current</b>	<b>即期</b>						
Bank loans	銀行貸款	2.04% to 3.28% (2018: 1.42% to 2.50%)	2.04%至3.28% (二零一八年: 1.42%至 2.50%)	On demand	應要求	572,155	196,800

As at 31 March 2019, bank borrowings of HK\$442,550,000 (2018: HK\$196,800,000) were supported by corporate guarantees executed by the Company and certain subsidiaries of the Company.

於二零一九年三月三十一日，442,550,000港元(二零一八年：196,800,000港元)的銀行借貸由本公司及本公司若干附屬公司簽立的公司擔保作支持。

As at 31 March 2019, HK\$127,955,000 (2018: HK\$47,100,000) of the bank borrowings were denominated in US\$.

於二零一九年三月三十一日，銀行借貸中127,955,000港元(二零一八年：47,100,000港元)以美元計值。

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

根據銀行貸款之還款期，銀行貸款應付金額分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Analysed into:	分析為：		
Within one year and on demand	一年內及應要求	572,155	196,800





## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

二零一九年三月三十一日

## 25. PENSION SCHEME OBLIGATION

The Group provides benefits for its employees of its subsidiary in Indonesia who achieve the retirement age of 57 years (2018: 55 years) based on the provisions of the Indonesian Labour Law Number 13/2003, through an unfunded pension plan.

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

The most recent actuarial valuations of the present value of the defined benefit obligations were carried out at 31 March 2019 by Biro Pusat Aktuaria, an independent actuary with a licence from the Indonesia Ministry of Finance, using the projected unit credit method.

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

## 25. 退休金計劃承擔

本集團遵照印尼勞工法第13/2003號規定，通過無供款退休計劃為達到57歲(二零一八年：55歲)退休年齡的印尼附屬公司僱員提供福利。

該計劃面臨薪金上升風險、利率風險及預計壽命變動風險。

定額福利責任現值之最新精算估值由印尼財政部認可獨立精算顧問Biro Pusat Aktuaria採用預測單位信貸精算估值法於二零一九年三月三十一日釐定。

於報告期末所採用之主要精算假設如下：

		2019 二零一九年	2018 二零一八年
Discount rate (%)	折現率(%)	8.81	7.69
Expected rate of salary increase (%)	預計薪金增長率(%)	7.0	7.0



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

二零一九年三月三十一日

## 25. PENSION SCHEME OBLIGATION

(continued)

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

		Increase in rate	Increase/ (decrease) in net defined benefit obligation 界定福利 責任淨值 增加/ (減少)	Decrease in rate	Increase/ (decrease) in net defined benefit obligation 界定福利 責任淨值 增加/ (減少)
		比率上升 %	HK\$'000 千港元	比率下降 %	HK\$'000 千港元
<b>2019</b>	<b>二零一九年</b>				
Discount rate	折現率	<b>1</b>	<b>(2,564)</b>	<b>1</b>	<b>3,249</b>
Future salary increase	未來薪金增加	<b>1</b>	<b>3,277</b>	<b>1</b>	<b>(2,624)</b>
<b>2018</b>	<b>二零一八年</b>				
Discount rate	折現率	1	(2,499)	1	3,153
Future salary increase	未來薪金增加	1	3,143	1	(2,534)

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

## 25. 退休金計劃承擔(續)

於報告期末，重大假設之定量敏感度分析列示如下：

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



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

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## 25. PENSION SCHEME OBLIGATION

(continued)

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current service cost	現有服務成本	3,807	3,490
Past service cost	過去服務成本	211	—
Interest cost	利息成本	1,026	789
Net benefit expenses	福利開支淨額	5,044	4,279
Recognised in cost of sales	於銷售成本確認	4,291	3,559
Recognised in administrative expenses	於行政開支確認	753	720
		<b>5,044</b>	4,279

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

定額福利責任現值之變動如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 April	於四月一日	13,951	10,033
Current service cost	現有服務成本	3,807	3,490
Past service cost	過去服務成本	211	—
Interest cost	利息成本	1,026	789
Actuarial losses/(gains)	精算虧損/(收益)	(4,067)	4
Benefits paid	已付福利	(156)	(53)
Exchange differences	匯兌差額	(451)	(312)
At 31 March	於三月三十一日	<b>14,321</b>	13,951



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

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### 25. PENSION SCHEME OBLIGATION

(continued)

The movements in the defined benefit obligation are as follows:

2019

Pension cost charged to the income statement 於收益表扣除之退休金成本				Remeasurement (gains)/losses in other comprehensive income 其他全面收益之重新計量(收益)/虧損								
			Sub-total included in	Benefits paid	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in experience adjustments	Sub-total included in other comprehensive income	Exchange differences on a foreign plan			
1 April 2018	Service cost	Net interest	the income statement							31 March 2019		
於 二零一八年 四月一日	服務成本	利息淨額	計入收益表 之小計	已付福利	人口假設變動產 生之精算變動	財務假設 變動產生之 精算變動	經驗調整 變動產生 之精算變動	計入其他全面 收益之小計	境外計劃的 匯兌差額	二零一九年 三月 三十一日		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元		
Defined benefit obligation	定額福利責任	13,951	4,018	1,026	5,044	(156)	(1,411)	(3,654)	998	(4,067)	(451)	14,321

2018

Pension cost charged to the income statement 於收益表扣除之退休金成本				Remeasurement (gains)/losses in other comprehensive income 其他全面收益之重新計量(收益)/虧損								
			Sub-total included in	Benefits paid	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in experience adjustments	Sub-total included in other comprehensive income	Exchange differences on a foreign plan			
1 April 2017	Service cost	Net interest	the income statement							31 March 2018		
於 二零一七年 四月一日	服務成本	利息淨額	計入收益表 之小計	已付福利	人口假設變動產 生之精算變動	財務假設 變動產生之 精算變動	經驗調整 變動產生 之精算變動	計入其他全 面收益之小計	境外計劃的 匯兌差額	二零一八年 三月 三十一日		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元		
Defined benefit obligation	定額福利責任	10,033	3,490	789	4,279	(53)	—	557	(553)	4	(312)	13,951



## Notes to Financial Statements (continued)

## 財務報表附註(續)

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## 25. PENSION SCHEME OBLIGATION

(continued)

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Equity instruments	股本工具	N/A 不適用	N/A 不適用
Debt instruments	債務工具	N/A 不適用	N/A 不適用
Property	物業	N/A 不適用	N/A 不適用

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within the next 12 months	未來12個月內	—	—
Between 2 and 5 years	2至5年	63	48
Between 5 and 10 years	5至10年	1,043	1,520
Over 10 years	10年以上	1,311,571	871,719
Total expected payments	預期付款總額	1,312,677	873,287

The average duration of the defined benefit obligation at the end of the reporting period is 20.29 years (2018: 20.25 years).

## 25. 退休金計劃承擔(續)

計劃資產總值之公平值之主要類別如下：

未來數年之定額福利責任預期供款情況如下：

定額福利責任於報告期末的平均持續時間為20.29年(二零一八年：20.25年)。



## Notes to Financial Statements (continued)

## 財務報表附註(續)

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**26. DEFERRED TAX**

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

**Deferred tax asset**

At 1 April 2017	於二零一七年四月一日	9,096
Deferred tax charged to the consolidated income statement during the year (note 10)	年內計入綜合收益表的遞延稅項(附註10)	(7,911)
Exchange realignment	匯兌調整	510
At 31 March 2018 and 1 April 2018	於二零一八年三月三十一日及二零一八年四月一日	<b>1,695</b>
Deferred tax charged to the consolidated income statement during the year (note 10)	年內在綜合收益表扣除的遞延稅項(附註10)	<b>(1,582)</b>
Exchange realignment	匯兌調整	<b>(113)</b>
At 31 March 2019	於二零一九年三月三十一日	—

**26. 遞延稅項**

本集團於年內的遞延稅項資產及遞延稅項負債變動如下：

**遞延稅項資產**

**Losses available for offsetting against future taxable profits**  
可用以抵銷未來應課稅溢利的虧損  
HK\$'000  
千港元

At 1 April 2017	於二零一七年四月一日	9,096
Deferred tax charged to the consolidated income statement during the year (note 10)	年內計入綜合收益表的遞延稅項(附註10)	(7,911)
Exchange realignment	匯兌調整	510
At 31 March 2018 and 1 April 2018	於二零一八年三月三十一日及二零一八年四月一日	<b>1,695</b>
Deferred tax charged to the consolidated income statement during the year (note 10)	年內在綜合收益表扣除的遞延稅項(附註10)	<b>(1,582)</b>
Exchange realignment	匯兌調整	<b>(113)</b>
At 31 March 2019	於二零一九年三月三十一日	—



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

二零一九年三月三十一日

## 26. DEFERRED TAX (continued)

## Deferred tax liabilities

		Accelerated tax depreciation	Asset revaluation	Others	Withholding taxes on undistributed profits of PRC subsidiaries 中國附屬公司 未分派溢利 之預扣稅	Total
		加速稅項 折舊	資產重估	其他	之預扣稅	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2017	於二零一七年 四月一日	180	8,864	—	3,941	12,985
Deferred tax charged to the consolidated income statement during the year (note 10)	年內在綜合收益表扣除的遞延稅項(附註10)	394	—	—	1,435	1,829
Withholding tax on repatriation of earnings from subsidiaries in the PRC	中國附屬公司匯出利潤的預扣稅	—	—	—	(467)	(467)
Exchange realignment	匯兌調整	—	969	—	—	969
At 31 March 2018	於二零一八年三月三十一日	574	9,833	—	4,909	15,316

## 26. 遞延稅項(續)

## 遞延稅項負債

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



## Notes to Financial Statements (continued)

## 財務報表附註(續)

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

Pursuant to the PRC Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings accrued after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% (2018: 5%). In estimating the withholding taxes on dividends expected to be distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008, the directors have made an assessment based on the factors which included the dividend policy and the level of capital and working capital required for the Group's operations in the foreseeable future. The aggregate amount of temporary differences associated with the investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately HK\$60,176,000 (2018: HK\$41,120,000).

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

As at 31 March 2019, the Group has estimated tax losses arising in Vietnam of HK\$74,524,000 that will expire in five years for offsetting against future taxable profits. Deferred tax assets have not been recognised during the year in respect of losses of HK\$74,524,000 as the directors consider that it is uncertain whether sufficient taxable profits will be available against which the tax losses can be utilised.

**26. 遞延稅項** (續)**遞延稅項負債** (續)

根據中國稅法，於中國大陸成立之外商投資企業向外商投資者宣派之股息將被徵收10%預扣稅。該規定於二零零八年一月一日生效，並適用於二零零七年十二月三十一日後產生之盈利。倘中國大陸與外商投資者之司法權區訂立稅務條約，則可降低其適用預扣稅稅率。本集團之適用稅率為5% (二零一八年：5%)。在估計該等中國大陸成立附屬公司就二零零八年一月一日後產生的盈利預期派發股息所繳納的預扣稅時，董事已評估包括股息政策及在可見未來本集團營運所需資本及營運資金水平等因素。未確認遞延稅項負債的中國大陸附屬公司之投資的暫時性差額總額合共為約60,176,000港元(二零一八年：41,120,000港元)。

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

於二零一九年三月三十一日，本集團估計於越南產生之稅項虧損為74,524,000港元，將於五年內到期，用作抵銷日後應課稅溢利。由於董事認為不確定有足夠的應課稅溢利抵銷可利用的稅項虧損，所以該年內並無就74,524,000港元的虧損確認遞延稅項資產。





## Notes to Financial Statements (continued)

## 財務報表附註(續)

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## 26. DEFERRED TAX (continued)

**Deferred tax liabilities (continued)**

As at 31 March 2018, the Group had estimated tax losses arising in Mainland China of HK\$6,781,000 that will expire in five years for offsetting against future taxable profits. There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

## 26. 遞延稅項(續)

**遞延稅項負債(續)**

於二零一八年三月三十一日，本集團估計於中國大陸產生之稅項虧損為6,781,000港元，將於五年內到期，用作抵銷日後應課稅溢利。本公司向其股東派發股息概無附帶所得稅後果。

## 27. ISSUED CAPITAL

## 27. 已發行股本

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Authorised:	法定股本：		
10,000,000,000 (2018: 10,000,000,000) ordinary shares of HK\$0.01 each	10,000,000,000股 (二零一八年： 10,000,000,000股) 每股面值0.01港元之 普通股	<b>100,000</b>	100,000
Issued and fully paid:	已發行及繳足：		
532,000,000 (2018: 499,680,000) ordinary shares of HK\$0.01 each	532,000,000股 (二零一八年： 499,680,000股) 每股面值0.01港元之 普通股	<b>5,320</b>	4,997



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

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27. ISSUED CAPITAL (continued)

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

		Number of ordinary shares in issue 已發行 普通股數目	Issued capital 已發行股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2017, 31 March 2018 and 1 April 2018	於二零一七年 四月一日、 二零一八年三月 三十一日及 二零一八年 四月一日	499,680,000	4,997	472,586	477,583
Issue of shares (Note)	發行股份(附註)	32,320,000	323	93,728	94,051
At 31 March 2019	於二零一九年 三月三十一日	532,000,000	5,320	566,314	571,634

Note:

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

27. 已發行股本(續)

本公司已發行股本的變動概述如下：

附註：

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



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

二零一九年三月三十一日

## 28. RESERVES

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

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

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

## 29. BUSINESS COMBINATIONS

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

## 28. 儲備

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

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

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

## 29. 業務合併

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



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

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29. BUSINESS COMBINATIONS (continued)

(a) (continued)

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

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

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

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

29. 業務合併(續)

(a) (續)

於收購日期，越南集團的可識別資產及負債之公平值如下：

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

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

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



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

二零一九年三月三十一日

## 29. BUSINESS COMBINATIONS (continued)

## (a) (continued)

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

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

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

Since the acquisition, the Vietnam Group contributed HK\$245,933,000 to the Group's revenue and loss of HK\$3,205,000 to the consolidated profit of the Group for the year ended 31 March 2019.

Had the combination taken place at the beginning of the year, the revenue of the Group and the consolidated profit of the Group for the year ended 31 March 2019 would have been HK\$2,612,667,000 and HK\$141,439,000, respectively.

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

## 29. 業務合併(續)

## (a) (續)

預期概無已確認商譽可用於扣除所得稅。

有關收購越南集團之現金流量分析如下：

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

自收購日起，越南集團於截至二零一九年三月三十一日止年度貢獻本集團營業收入245,933,000港元，以及為本集團綜合溢利帶來3,205,000港元虧損。

倘合併於年初發生，於截至二零一九年三月三十一日止年度，本集團的營業收入及本集團綜合溢利將分別為2,612,667,000港元及141,439,000港元。

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



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

31 March 2019  
二零一九年三月三十一日

### 29. BUSINESS COMBINATIONS (continued)

(b) (continued)

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

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

### 29. 業務合併(續)

(b) (續)

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

於收購日期，湖北集團的可識別資產及負債之公平值如下：

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



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

二零一九年三月三十一日

## 29. BUSINESS COMBINATIONS (continued)

(b) (continued)

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

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

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

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

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

Since the acquisition, the Hubei Group contributed HK\$114,708,000 to the Group's revenue and loss of HK\$10,027,000 to the consolidated profit of the Group for the year ended 31 March 2019.

Had the combination taken place at the beginning of the year, the revenue of the Group and the consolidated profit of the Group for the year ended 31 March 2019 would have been HK\$2,819,873,000 and HK\$160,695,000, respectively.

## 29. 業務合併(續)

(b) (續)

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

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

預期概無已確認商譽可用於扣除所得稅。

有關收購湖北集團之現金流量分析如下：

自收購日起，湖北集團於截至二零一九年三月三十一日止年度貢獻本集團營業收入114,708,000港元，為本集團綜合溢利帶來10,027,000港元虧損。

倘合併於年初發生，於截至二零一九年三月三十一日止年度，本集團的營業收入及本集團綜合溢利將分別為2,819,873,000港元及160,695,000港元。



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

二零一九年三月三十一日

## 30. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

## Major non-cash transactions

## (i) Deregistration of a subsidiary

		2018 二零一八年 HK\$'000 千港元
Net liabilities disposed of:	所出售的負債淨值：	
Other receivable	其他應收款項	19
Accounts payable	應付賬款	(1,737)
Accrued liabilities and other payables	應計負債及其他應付款項	(8,468)
Tax payable	應付稅項	(4,785)
		(14,971)
Realisation of exchange fluctuation reserve	匯率波動儲備之兌現	(32,128)
Gain on deregistration of a subsidiary (note 7)	註銷一間附屬公司之收益 (附註7)	(47,099)

There was no net inflow/outflow of cash and cash equivalents in respect of the deregistration of a subsidiary during the year ended 31 March 2018.

截至二零一八年三月三十一日止年度內並無有關註銷附屬公司的現金及現金等值項目流入／流出淨額。

## 30. 綜合現金流量表附註

## 主要非現金交易

## (i) 註銷一間附屬公司





Notes to Financial Statements (continued)

財務報表附註(續)

31 March 2019

二零一九年三月三十一日

### 30. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(continued)

#### Major non-cash transactions (continued)

#### (ii) Changes in liabilities arising from financing activities

At 1 April 2017	於二零一七年四月一日	143,050
Financing cash flows	融資現金流量	53,200
<i>Non-cash changes</i>	<i>非現金變動</i>	
Effect of changes in foreign exchange	匯率變動之影響	550
At 31 March 2018 and 1 April 2018	於二零一八年三月三十一日及 二零一八年四月一日	196,800
Acquisition of subsidiaries (note 29(b))	收購附屬公司(附註29(b))	78,740
Financing cash flows	融資現金流量	296,615
At 31 March 2019	於二零一九年三月三十一日	572,155

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

### 31. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities not provided for at the end of the reporting period (2018: Nil).

As at 31 March 2019, corporate guarantees to banks to the extent of HK\$685,300,000 (2018: HK\$627,100,000) were given by the Company and certain subsidiaries of the Company for banking facilities granted to the Company and certain subsidiaries of the Company, which were utilised to the extent of approximately HK\$442,550,000 (2018: HK\$196,800,000) at the end of the reporting period.

### 30. 綜合現金流量表附註(續)

#### 主要非現金交易(續)

#### (ii) 融資活動產生的負債變動

Interest-bearing bank borrowings  
計息銀行貸款  
HK\$'000  
千港元

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

### 31. 或然負債

於報告期末，本集團並無任何尚未撥備之重大或然負債(二零一八年：無)。

於二零一九年三月三十一日，本公司及本公司若干附屬公司向銀行提供685,300,000港元(二零一八年：627,100,000港元)公司擔保，以取得授予本公司及本公司若干附屬公司的銀行備用信貸，其中於報告期末已動用約442,550,000港元(二零一八年：196,800,000港元)。



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

二零一九年三月三十一日

**32. OPERATING LEASE ARRANGEMENTS**

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

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

**32. 經營租賃安排**

本集團根據經營租賃安排租賃若干工廠及辦公室物業，租期商定為一年至六年五個月。

於二零一九年三月三十一日，本集團根據不可撤銷經營租賃而須於下列限期支付之未來最低租金總額如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within one year	一年內	8,404	—
In the second to fifth years, inclusive	第二年至第五年(包括首尾兩年)	13,773	—
After five years	五年後	1,573	—
		<b>23,750</b>	—

**33. COMMITMENTS**

The Group had the following capital commitments at the end of the reporting period:

**33. 承擔**

本集團於報告期末之資本承擔如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Contracted, but not provided for:	已訂約但未撥備：		
Renovation of factories and purchases of items of machinery and equipment for Hubei Group	為湖北集團廠房裝修、購買機器及設備項目	12,208	—
Renovation of factories and purchases of items of machinery and equipment for Vietnam Group	為越南集團廠房裝修、購買機器及設備項目	4,743	—
Renovation of factories and purchases of items of machinery and equipment	廠房裝修、購買機器及設備項目	9,352	16,784
		<b>26,303</b>	16,784



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

31 March 2019  
二零一九年三月三十一日

### 34. 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:

### 34. 關連人士交易

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

			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
A related company indirectly controlled by a substantial shareholder of the Company:	本公司一名主要股東間接控制的關連公司：			
Rental expense	租金開支	(i)	<b>5,581</b>	—
Service fee	服務費	(ii)	<b>7,412</b>	—
Related companies directly controlled by a person who is a director of certain subsidiaries of the Group and a shareholder of the Company:	一名為本集團若干附屬公司之董事兼本公司股東直接控制的關連公司：			
Subcontracting income	分包收入	(iii)	<b>1,288</b>	—
Subcontracting expense	分包開支	(iii)	<b>738</b>	—
Substantial shareholder of the Company:	本公司主要股東：			
Service fee	服務費	(iv)	<b>902</b>	—

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

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

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

- (ii) 給予Pouyuen Vietnam的服務費按雙方同意之基準支付。



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

31 March 2019  
二零一九年三月三十一日

### 34. RELATED PARTY TRANSACTIONS

(continued)

#### (a) (continued)

- (iii) The subcontracting income and subcontracting expense with Guangdong Dalian Garment Co., Limited (“Dalian Garment”) and Foshan City Honglian Garment Co., Limited (“Honglian Garment”), related companies controlled by Mr. Huang Yongbiao, a director of certain subsidiaries of the Group and a shareholder of the Company, were made on a basis mutually agreed by both parties.
- (iv) The service fee paid to Pou Chen Corporation, a substantial shareholder of the Company, was charged on actual cost incurred.

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

#### (b) Other transaction with a related party

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

#### (c) Outstanding balances with related parties

- (i) Included in accrued liabilities and other payables is an amount due to Pouyuen Vietnam of HK\$2,740,000, which is unsecured, interest-free and repayable on demand.
- (ii) Included in accounts and bills receivables are amounts due from Dalian Garment and Honglian Garment of HK\$1,264,000, which are unsecured, interest-free and repayable on demand.

### 34. 關連人士交易(續)

#### (a) (續)

- (iii) 與一名為本集團若干附屬公司之董事兼本公司股東黃永彪先生控制的關連公司廣東達聯製衣有限公司(「達聯製衣」)及佛山市宏聯製衣有限公司(「宏聯製衣」)相關之分包收入及分包開支按雙方同意之基準支付。
- (iv) 向本公司主要股東寶成工業股份有限公司支付的服務費按實際產生的成本收取。

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

#### (b) 與關連人士之其他交易

本集團於年內向裕元之間接非全資附屬公司Pro Kingtex收購越南集團。有關交易的進一步詳情載於財務報表附註29(a)。

#### (c) 與關連人士之未償付結餘

- (i) 應付Pouyuen Vietnam的款項2,740,000港元計入應計負債及其他應付款項，為無擔保、免息及須按要求償還。
- (ii) 應收達聯製衣及宏聯製衣的款項1,264,000港元計入應收賬款及票據，為無擔保、免息及須按要求償還。



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

二零一九年三月三十一日

## 34. RELATED PARTY TRANSACTIONS

(continued)

## (c) Outstanding balances with related parties

(continued)

- (iii) Included in prepayments, deposits and other receivables is an amount due from Dalian Garment of HK\$9,837,000, which is unsecured, interest-free and repayable on demand.
- (iv) Included in accrued liabilities and other payables is an amount due from Dalian Garment of HK\$760,000, which is unsecured, interest-free and repayable on demand.

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

## 34. 關連人士交易(續)

## (c) 與關連人士之未償付結餘(續)

- (iii) 應收達聯製衣的款項9,837,000港元計入預付款項、按金及其他應收款項，為無擔保、免息及須按要求償還。
- (iv) 應收達聯製衣的款項760,000港元計入應計負債及其他應付款項，為無擔保、免息及須按要求償還。

- (d) 董事為本集團之主要管理人員。彼等薪酬之詳情於財務報表附註8披露。

## 35. FINANCIAL INSTRUMENTS BY CATEGORY

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

## Financial assets

Financial assets at amortised cost:

- Accounts and bills receivables
- Financial assets included in prepayments, deposits and other receivables
- Pledged deposits
- Restricted bank balance
- Cash and bank balances

## 35. 金融工具分類

各類金融工具於報告期末的賬面值如下：

## 金融資產

按攤銷成本列賬的金融資產：

- 應收賬款及票據
- 列入預付款項、按金及其他應收款項的金融資產
- 已抵押存款
- 受限制銀行結餘
- 現金及銀行結餘

2019  
二零一九年  
HK\$'000  
千港元

411,242

22,866

15,204

585

193,834

643,731



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

二零一九年三月三十一日

## 35. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

## 35. 金融工具分類(續)

		2018 二零一八年 HK\$'000 千港元
Loans and receivables:	貸款及應收款項：	
Accounts and bills receivables	應收賬款及票據	234,072
Financial assets included in prepayments, deposits and other receivables	列入預付款項、按金及其他應收款的金融資產	8,215
Restricted bank balance	受限制銀行結餘	2,639
Cash and bank balances	現金及銀行結餘	222,870
		467,796

## Financial liabilities — Financial liabilities at amortised cost

## 金融負債 — 按攤銷成本列賬的金融負債

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Accounts and bills payables	應付賬款及票據	258,169	145,767
Financial liabilities included in accrued liabilities and other payables	列入應計負債及其他應付款項的金融負債	52,894	39,397
Interest-bearing bank borrowings	計息銀行貸款	572,155	196,800
		883,218	381,964

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

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



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

二零一九年三月三十一日

## 36. TRANSFERRED FINANCIAL ASSETS

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

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

*Bills endorsement under the Law of Negotiable Instruments of the PRC*

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

At 31 March 2019, the Group endorsed certain bills receivable accepted by banks in Mainland China (the "Endorsed Bills") with a carrying amount of HK\$7,618,000 (2018: Nil) to certain of its suppliers in order to settle the accounts payable due to such suppliers (the "Endorsement"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated accounts payable settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amount of the accounts payable settled by the Endorsed Bills during the year to which the suppliers have recourse was HK\$7,618,000 (2018: Nil) as at 31 March 2019.

## 36. 已轉讓金融資產

## (a) 未全部終止確認的已轉讓金融資產

下表概述以部分已轉讓金融資產不符合取消確認資格的方式轉讓的金融資產及相關負債：

*根據中國票據法的票據背書*

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Carrying amount of assets that continued to be recognised	7,618	—
Carrying amount of associated liabilities	7,618	—

於二零一九年三月三十一日，本集團向其若干供應商背書賬面值為7,618,000港元(二零一八年：無)已獲中國大陸銀行接受之若干應收票據(「背書票據」)，以結清應付該等供應商之應付賬款(「背書」)。董事認為，本集團已保留重大風險及回報，包括有關背書票據之違約風險，因此，其持續確認背書票據之所有賬面值及已結清之關聯應付賬款。於背書後，本集團並無保留任何可使用背書票據之權利，包括出售、轉讓或抵押背書票據予任何其他第三方之權利。年內透過背書票據支付之供應商有追索權之應付賬款於二零一九年三月三十一日之賬面總值為7,618,000元(二零一八年：無)。



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

二零一九年三月三十一日

## 36. TRANSFERRED FINANCIAL ASSETS

(continued)

## (b) Transferred financial assets that are derecognised in their entirety

*Bills endorsement under the Law of Negotiable Instruments of the PRC*

At 31 March 2019, the Group endorsed certain bills receivable accepted by certain reputable banks in Mainland China (the "Derecognised Bills") to certain of its suppliers in order to settle the accounts payable due to such suppliers with a carrying amount in aggregate of HK\$2,808,000 (2018: Nil). The Derecognised Bills had a maturity of one to three months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated accounts payable. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

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

## 36. 已轉讓金融資產(續)

## (b) 全部終止確認的已轉讓金融資產

*根據中國票據法的票據背書*

於二零一九年三月三十一日，本集團向其若干供應商背書賬面總值為2,808,000港元(二零一八年：無)已獲若干聲譽良好的中國大陸銀行接受之若干應收票據(「終止確認票據」)，以結清應付該等供應商之應付賬款。終止確認票據於報告期末一至三個月內到期。根據中國票據法，倘有關中國銀行違約，則終止確認票據之持有人有權向本集團提出追索(「持續參與」)。董事認為，本集團已轉移有關終止確認票據之絕大部分風險及回報。因此，本集團終止確認終止確認票據之所有賬面值以及關聯應付賬款。本集團就持續參與終止確認票據及購回該等終止確認票據之未折現現金流量之最大虧損風險相等於其賬面值。董事認為，本集團持續參與終止確認票據之公平值並不重大。

本年度，本集團於轉讓終止確認票據之日並無確認任何收益或虧損。於年內或累計過程，概無確認來自持續參與的收益或虧損。已於整個年度按等額作出背書。





Notes to Financial Statements (continued)

財務報表附註(續)

31 March 2019

二零一九年三月三十一日

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank borrowings and cash and bank balances. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as accounts and bills receivables, financial assets included in prepayments, deposits and other receivables, restricted bank balance, pledged deposits, accounts and bills payables and financial liabilities included in accrued liabilities and other payables, which arise directly from its operations.

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

#### Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank borrowings with floating interest rates.

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

### 37. 財務風險管理之目標及政策

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

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

#### 利率風險

本集團所承受之市場利率變動風險主要與本集團按浮動利率計息的銀行借貸有關。

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



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

二零一九年三月三十一日

**37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** (continued)**Interest rate risk** (continued)

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

		Increase in interest rate (basis points) 利率增加(基點)	Decrease in net profit 純利減少 HK\$'000 千港元
<b>2019</b>	<b>二零一九年</b>	<b>100</b>	<b>4,777</b>
2018	二零一八年	100	1,643

**Foreign currency risk**

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

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

**37. 財務風險管理之目標及政策** (續)**利率風險** (續)

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

		Increase in interest rate (basis points) 利率增加(基點)	Decrease in net profit 純利減少 HK\$'000 千港元
<b>2019</b>	<b>二零一九年</b>	<b>100</b>	<b>4,777</b>
2018	二零一八年	100	1,643

**外匯風險**

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

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



Notes to Financial Statements (continued)

財務報表附註(續)

31 March 2019

二零一九年三月三十一日

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Foreign currency risk (continued)

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

		Increase/ (decrease) in exchange rate 匯率上升/ (下跌)	Increase/ (decrease) in net profit 純利增加/ (減少) HK\$'000 千港元
<b>2019</b>	<b>二零一九年</b>		
If HK\$ strengthens against RMB	倘港元兌人民幣升值	<b>3%</b>	<b>(1,671)</b>
If HK\$ weakens against RMB	倘港元兌人民幣貶值	<b>(3%)</b>	<b>1,671</b>
<b>2018</b>	<b>二零一八年</b>		
If HK\$ strengthens against RMB	倘港元兌人民幣升值	3%	(719)
If HK\$ weakens against RMB	倘港元兌人民幣貶值	(3%)	719

#### Liquidity risk

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

The Group maintains a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings and other banking facilities. The directors have reviewed the Group's working capital and capital expenditure requirements and determined that the Group has no significant liquidity risk.

### 37. 財務風險管理之目標及政策 (續)

#### 外匯風險(續)

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

#### 流動資金風險

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

本集團透過使用計息銀行貸款及其他銀行備用信貸,維持資金持續供應及靈活性之間的平衡。董事已檢討本集團的營運資金及資本支出需求,並認為本集團並無重大的流動資金風險。



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

二零一九年三月三十一日

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

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

		On demand or within one year 應要求或一年內	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Accounts and bills payables	應付賬款及票據	258,169	145,767
Financial liabilities included in accrued liabilities and other payables	列入應計負債及其他應付款項的金融負債	52,894	39,397
Interest-bearing bank borrowings	計息銀行貸款	573,278	197,066
		<b>884,341</b>	382,230

**Credit risk**

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

**37. 財務風險管理之目標及政策** (續)**流動資金風險** (續)

於報告期末，本集團在根據合約未折現付款計算之金融負債到期情況如下：

**信貸風險**

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



Notes to Financial Statements (continued)

財務報表附註(續)

31 March 2019

二零一九年三月三十一日

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Maximum exposure and year-end staging as at 31 March 2019

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 March 2019. The amounts presented are gross carrying amounts for financial assets.

### 37. 財務風險管理之目標及政策 (續)

#### 於二零一九年三月三十一日的最高風險及年結階段分析

下表載列基於本集團的信貸政策的信貸質素及最高信貸風險，主要基於逾期資料（除非其他資料可在無須付出不必要成本或努力的情況下獲得），及於二零一九年三月三十一日的年結階段分析。所呈列的有關金額指金融資產總賬面值。

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

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

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

\* 有關本集團就減值撥備應用簡化方法的應收賬款詳情於財務報表附註19披露。

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



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

二零一九年三月三十一日

**37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** (continued)**Maximum exposure as at 31 March 2018**

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 bank balances and financial assets included in prepayments, deposits 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 and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. 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 2019 and 2018.

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.

**37. 財務風險管理之目標及政策** (續)**於二零一八年三月三十一日的最高風險**

由於本集團僅與認可及信譽良好的第三方進行交易，因此一般情況下無需取得抵押品。

本集團其他金融資產(包括現金及銀行結餘及預付款項、按金及其他應收款項所包含的金融資產)之信貸風險乃源自對方未能付款，所承受之最大風險相當於該等工具之賬面值。

**資本管理**

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

本集團因應經濟狀況變動及有關資產之風險特徵管理其資本架構及作出調整。為維持或調整資本架構，本集團可能須調整支付予股東之股息、向股東發還資本或發行新股。於截至二零一九年及二零一八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。



## Notes to Financial Statements (continued)

## 財務報表附註(續)

31 March 2019

二零一九年三月三十一日

### 38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

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

### 38. 本公司財務狀況表

有關本公司於報告期末的財務狀況表的資料如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 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	<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	<b>2,153,928</b>	1,727,109
Loan to a subsidiary	貸款予一間附屬公司	<b>118,500</b>	39,500
Prepayments	預付款項	<b>219</b>	249
Cash and bank balances	現金及銀行結餘	<b>1,439</b>	970
Total current assets	流動資產總值	<b>2,274,086</b>	1,767,828
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>		
Due to subsidiaries	應付附屬公司	<b>1,306,812</b>	954,554
Accrued liability	應計負債	<b>407</b>	24
Interest-bearing bank borrowings	計息銀行貸款	<b>118,500</b>	39,500
Tax payable	應付稅項	<b>1,079</b>	1,697
Total current liabilities	流動負債總值	<b>1,426,798</b>	995,775
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>	<b>847,288</b>	772,053
Net assets	資產淨值	<b>890,656</b>	815,421
<b>EQUITY</b>	<b>資本</b>		
Issued capital	已發行股本	<b>5,320</b>	4,997
Reserves (note)	儲備(附註)	<b>885,336</b>	810,424
Total equity	資本總值	<b>890,656</b>	815,421



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

31 March 2019  
二零一九年三月三十一日

### 38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

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

		Notes 附註	Share premium account 溢價賬 股份 溢價賬 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元	Retained profits 留存溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2017	於二零一七年四月一日		472,586	43,088	278,766	794,440
Profit and total comprehensive income for the year	年內溢利及全面收益總額		—	—	135,907	135,907
Final 2017 dividend	二零一七年末期股息	11	—	—	(29,981)	(29,981)
Interim 2018 dividend	二零一八年中期股息	11	—	—	(89,942)	(89,942)
At 31 March 2018 and 1 April 2018	於二零一八年三月三十一日及二零一八年四月一日		<b>472,586</b>	<b>43,088</b>	<b>294,750</b>	<b>810,424</b>
Profit and total comprehensive income for the year	年內溢利及全面收益總額		—	—	<b>111,101</b>	<b>111,101</b>
Issue of shares	發行股份	27	<b>93,728</b>	—	—	<b>93,728</b>
Final 2018 dividend	二零一八年末期股息	11	—	—	<b>(59,962)</b>	<b>(59,962)</b>
Interim 2019 dividend	二零一九年中期股息	11	—	—	<b>(69,955)</b>	<b>(69,955)</b>
At 31 March 2019	於二零一九年三月三十一日		<b>566,314</b>	<b>43,088</b>	<b>275,934</b>	<b>885,336</b>

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

### 39. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors of the Company on 26 June 2019.

### 38. 本公司財務狀況表(續)

附註：

本公司儲備之概要如下：

		Notes 附註	Share premium account 溢價賬 股份 溢價賬 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元	Retained profits 留存溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2017	於二零一七年四月一日		472,586	43,088	278,766	794,440
Profit and total comprehensive income for the year	年內溢利及全面收益總額		—	—	135,907	135,907
Final 2017 dividend	二零一七年末期股息	11	—	—	(29,981)	(29,981)
Interim 2018 dividend	二零一八年中期股息	11	—	—	(89,942)	(89,942)
At 31 March 2018 and 1 April 2018	於二零一八年三月三十一日及二零一八年四月一日		<b>472,586</b>	<b>43,088</b>	<b>294,750</b>	<b>810,424</b>
Profit and total comprehensive income for the year	年內溢利及全面收益總額		—	—	<b>111,101</b>	<b>111,101</b>
Issue of shares	發行股份	27	<b>93,728</b>	—	—	<b>93,728</b>
Final 2018 dividend	二零一八年末期股息	11	—	—	<b>(59,962)</b>	<b>(59,962)</b>
Interim 2019 dividend	二零一九年中期股息	11	—	—	<b>(69,955)</b>	<b>(69,955)</b>
At 31 March 2019	於二零一九年三月三十一日		<b>566,314</b>	<b>43,088</b>	<b>275,934</b>	<b>885,336</b>

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

### 39. 財務報表之批准

財務報表已於二零一九年六月二十六日獲本公司董事會批准並授權刊行。





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

(Incorporated in the Cayman Islands with limited liability)  
(於開曼群島註冊成立之有限公司)

**ANNUAL REPORT 年報**  
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\* For identification purposes only  
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