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

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

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2018

FINANCIAL HIGHLIGHTS

- Revenue in 2018 increased by 20.0% to HK$2,109.4 million compared with HK$1,757.3 million in 2017.
- Gross profit margin in 2018 increased from 18.3% to 19.2% and net profit margin increased from 8.8% to 10.9% when compared with last year.
- Profit for the year attributable to owners of the Company was HK$230.0 million, representing 48.3% increase compared to HK$155.1 million in the previous year.

* *For identification purposes only*

The board of directors (the "Board") of Eagle Nice (International) Holdings Limited (the "Company") is pleased to announce the consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 March 2018 together with the comparative figures for the corresponding year in 2017 and the relevant explanatory notes as set out below.

CONSOLIDATED INCOME STATEMENT

Year ended 31 March 2018

	Notes	**2018**	2017
		HK$'000	HK$'000
REVENUE	*3*	**2,109,422**	1,757,316
Cost of sales		**(1,703,605)**	(1,436,456)
Gross profit		**405,817**	320,860
Other income and gains	*4*	**12,828**	17,636
Selling and distribution expenses		**(33,528)**	(22,518)
Administrative expenses		**(154,733)**	(127,947)
Gain on deregistration of a subsidiary		**47,099**	-
Finance costs	*5*	**(3,817)**	(2,876)
PROFIT BEFORE TAX	*6*	**273,666**	185,155
Income tax expense	*7*	**(43,654)**	(30,036)
PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		**230,012**	155,119
		HK cents	*HK cents*
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	*8*		
Basic		**46.0**	31.0
Diluted		**46.0**	31.0

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2018

	2018	2017
	HK$'000	HK$'000
PROFIT FOR THE YEAR	**230,012**	155,119
OTHER COMPREHENSIVE INCOME/(EXPENSE)		
Other comprehensive expense not to be reclassified to profit or loss in subsequent periods:		
Actuarial loss on a defined benefit plan	**(4)**	(765)
Other comprehensive income/(expense) may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**83,001**	(43,419)
Realisation of exchange fluctuation reserve upon deregistration of a subsidiary	**(32,128)**	-
	50,873	(43,419)
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR, NET OF TAX	**50,869**	(44,184)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR AND ATTRIBUTABLE TO OWNERS OF THE COMPANY	**280,881**	110,935

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**768,759**	648,645
Prepaid land lease payments		**60,877**	57,579
Goodwill		**26,112**	26,112
Deposits		**13,937**	22,112
Deferred tax asset		**1,695**	9,096
Total non-current assets		**871,380**	763,544
CURRENT ASSETS			
Inventories		**381,985**	296,652
Accounts and bills receivables	*10*	**234,072**	125,451
Prepayments, deposits and other receivables		**56,100**	49,929
Tax recoverable		**1,777**	2,204
Restricted bank balance		**2,639**	-
Cash and bank balances		**222,870**	290,934
Total current assets		**899,443**	765,170
CURRENT LIABILITIES			
Accounts payable	*11*	**145,767**	135,284
Accrued liabilities and other payables		**110,268**	84,840
Interest-bearing bank borrowings		**196,800**	143,050
Tax payable		**17,414**	32,173
Total current liabilities		**470,249**	395,347
NET CURRENT ASSETS		**429,194**	369,823
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,300,574**	1,133,367
NON-CURRENT LIABILITIES			
Pension scheme obligation		**13,951**	10,033
Deferred tax liabilities		**15,316**	12,985
Total non-current liabilities		**29,267**	23,018
Net assets		**1,271,307**	1,110,349
EQUITY			
Equity attributable to owners of the Company			
Issued capital		**4,997**	4,997
Reserves		**1,266,310**	1,105,352
Total equity		**1,271,307**	1,110,349

NOTES

1. BASIS OF PREPARATION

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

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKAS 7	*Disclosure Initiative*
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*
Amendments to HKFRS 12 included in *Annual Improvements to HKFRSs 2014-2016 Cycle*	*Disclosure of Interests in Other Entities: Clarification of the Scope of HKFRS 12*

The adoption of the above revised standards has had no significant financial effect on these financial statements.

3. 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 resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income and other unallocated income and gains, gain on deregistration of a subsidiary and unallocated expenses are excluded from such measurement.

An analysis of revenue and results by reportable segments is as follows:

	Segment revenue		**Segment results**	
	2018	2017	**2018**	2017
	HK$'000	HK$'000	**HK$'000**	HK$'000
Mainland China	**753,101**	506,047	**125,291**	77,295
USA	**636,840**	688,450	**109,997**	104,943
Europe	**311,858**	251,454	**51,000**	39,527
Japan	**67,848**	54,814	**11,379**	8,159
Others	**339,775**	256,551	**54,516**	37,446
	2,109,422	1,757,316	**352,183**	267,370
Interest income and other unallocated income and gains			**12,828**	17,636
Gain on deregistration of a subsidiary			**47,099**	-
Unallocated expenses			**(138,444)**	(99,851)
Profit before tax			**273,666**	185,155
Income tax expense			**(43,654)**	(30,036)
Profit for the year attributable to owners of the Company			**230,012**	155,119

<u>Geographical information - non-current assets</u>

	2018	2017
	HK$'000	HK$'000
Hong Kong	**19,955**	15,902
Mainland China	**644,565**	534,979
Indonesia	**179,053**	177,455
	843,573	728,336

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

<u>Information about major customers</u>

Revenue of HK$1,407,865,000 (2017: HK$987,896,000) and HK$529,600,000 (2017: HK$677,716,000) 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. OTHER INCOME AND GAINS

	2018	2017
	HK$'000	HK$'000
Other income and gains		
Bank interest income	**1,789**	2,123
Income derived from available-for-sale investments	**633**	646
Government grants*	**3,872**	8,312
Gain on disposal of items of property, plant and equipment	**719**	2,815
Gain on disposal of prepaid land lease payments	**1,645**	3,115
Foreign exchange differences, net	**3,437**	-
Others	**733**	625
	12,828	17,636

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

5. FINANCE COSTS

	2018	2017
	HK$'000	HK$'000
Interest on bank loans	**3,817**	2,876

6. PROFIT BEFORE TAX

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

	2018	2017
	HK$'000	HK$'000
Cost of inventories sold	**1,703,605**	1,436,456
Depreciation*	**53,986**	46,225
Amortisation of prepaid land lease payments*	**2,037**	2,072
Employee benefit expenses (including directors' and chief executive's remuneration):		
Wages and salaries	**472,845**	390,591
Pension contributions, including a pension cost for a defined benefit plan of HK$4,279,000 (2017: HK$3,129,000)	**73,189**	61,055
Less: Forfeited contributions	**(12)**	-
Net pension contributions	**73,177**	61,055
Total employee benefit expenses*	**546,022**	451,646
Foreign exchange differences, net	**(3,437)**	1,143
Gain on disposal of items of property, plant and equipment	**(719)**	(2,815)
Gain on disposal of prepaid land lease payments	**(1,645)**	(3,115)
Income derived from available-for-sale investments	**(633)**	(646)

6. PROFIT BEFORE TAX (continued)

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

	2018	2017
	HK$'000	HK$'000
Gain on deregistration of a subsidiary	(47,099)	-

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

	2018	2017
	HK$'000	HK$'000
Depreciation	39,678	33,336
Amortisation of prepaid land lease payments	1,693	1,679
Employee benefit expenses	452,916	380,320

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 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.

	2018	2017
	HK$'000	HK$'000
Current tax charge for the year:		
Hong Kong	17,176	20,202
Elsewhere	14,380	14,119
Underprovision for current tax in respect of prior years	2,358	3,305
Deferred	9,740	(7,590)
Total tax charge for the year	43,654	30,036

8. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company for the year of HK$230,012,000 (2017: HK$155,119,000) and 499,680,000 (2017: 499,680,000) ordinary shares in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 March 2018 and 2017 as the Group had no potentially dilutive ordinary shares in issue during those years.

9. DIVIDENDS

	2018	2017
	HK$'000	HK$'000
Dividends paid during the year:		
Final in respect of the financial year ended 31 March 2017 – HK6 cents (2017: HK5 cents) per ordinary share	**29,981**	24,984
Interim - HK18 cents (2017: HK15 cents) per ordinary share	**89,942**	74,952
	119,923	99,936
Proposed final dividend – HK12 cents (2017: HK6 cents) per ordinary share	**59,962**	29,981

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.

10. ACCOUNTS AND BILLS RECEIVABLES

The Group's accounts and bills receivables mainly relate to a few recognised and creditworthy customers. The credit period is generally for a period of 30 to 45 days (2017: 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, 75% (2017: 59%) and 23% (2017: 34%) 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:

	2018	2017
	HK$'000	HK$'000
Within 30 days	**179,753**	114,153
31 to 60 days	**14,312**	7,168
61 to 90 days	**30,024**	1,746
Over 90 days	**9,983**	2,384
	234,072	125,451

11. ACCOUNTS PAYABLE

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

	2018	2017
	HK$'000	HK$'000
Within 90 days	**143,246**	123,921
91 to 180 days	**1,523**	3,419
181 to 365 days	**147**	3,398
Over 365 days	**851**	4,546
	145,767	135,284

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

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy

The global economy was trending positively in general in 2017, with a better-than-expected growth rate of approximately 3.7%. The international community had been concerned that political conflicts and the refugee crisis in Europe coupled with the progress of the Brexit would send the European economy into prolonged doldrums. However, political developments in Europe turned out to be relatively stable in 2017, as the camps that stood for Europe's unity, stability and openness gained the upper hand in political elections, while the pace of recovery of the Eurozone economy also exceeded expectations. In the meantime, the growth rate of international trade picked up notably in defiance of the counter-globalisation trend, making a positive impact on the resurgence of the global manufacturing industry and the world economy in general. Benefiting from the increase in international demand and robust growth of China and emerging economies of developing Asian nations, the Group has positive expectations for global economic development in the coming year.

During the year under review, the Group reported excellent results with revenue increasing substantially by 20% to over HK$2 billion and continuously improving profit margin as the Group seized the excellent opportunities afforded by last year's global economic growth in a timely manner to achieve co-growth with customers.

Industry and Market Review

High-end fashion

As a result of the continuous shift of retail spending towards higher-end products, coupled with an increasing focus on health and fitness as well as generally changing lifestyles and spending patterns, fashionable outdoor sports and sportswear have been enjoying spectacular development. While typically concerned with functional qualities such as windproof and waterproof performance, light-weight, breathability and warmth, consumers have also become more discerning about the aesthetics and fashion of apparel designs.

As market demands for sportswear have become increasingly diversified, leading sportswear brands and manufacturers have been gearing up their effort in tandem with market changes to produce more high-quality leisure sportswear with equal emphasis on functionality and fashion to meet market demands. In this connection, the Group has been invited by major customer NIKE to become one of the suppliers for NIKE LAB, a specialty store offering limited-edition products underpinned by new concepts in sales and technologies. The appointment has come as a fine testimony to our proven quality in technology and production, as we look forward to tapping the enormous sports fashion market together with our customers.

Business Review

Upgrade and transformation

Because of the need to respond swiftly to fast-changing consumer requirements, top international sportswear brands tend to work with suppliers who are willing to invest in advanced technology and able to deliver with shorter lead-time. Apart from active efforts to enhance its capacity for mechanised and automated production, the Group has also sought to consolidate its production processes and shorten its lead-time to achieve better efficiency, quality and cost control through vertical integration and optimisation of resource allocation aided by the computerised ERP system, in close tandem with the development of its customers.

Financial Review

Financial Performance

For the year under review, the Group reported record-high total sales of HK$2,109.4 million, representing a substantial increase of 20.0% or HK$352.1 million as compared to total sales of HK$1,757.3 million for last year. Gross profit for the year increased by 26.5% to HK$405.8 million (2017: HK$320.9 million), and gross profit margin for the year rose by 0.9% from 18.3% to 19.2%. The Group's profit before tax increased by 47.8% to HK$273.7 million (2017: HK$185.2 million), and profit margin before tax also increased by 2.5% from 10.5% to 13.0%. The substantial growth was mainly due to a gain of HK$47.1 million (2017: Nil) arising from the deregistration of a subsidiary in the People's Republic of China (the "PRC") incurred during the year. Excluding such deregistration gain and other income and gains, the Group's operating profit before tax rose by 27.6% to HK$213.7 million (2017: HK$167.5 million) and the Group's operating profit margin before tax rose by 0.6% from 9.5% to 10.1%.

As the Group continued to optimise its marketing strategy, satisfactory performance in sales and profit was reported during the year under review. To strive for additional market shares, the Group continued to increase its production capacity through expansion of production lines, upgrade of production techniques and automation of production processes. Moreover, the Group adjusted its business strategy during the year. In the past, the Group had focused on functional products for the autumn and winter seasons, such that the peak production season for the Group had been the first half of the year given the requirement to deliver autumn and winter products before the winter season began, and the production capacity had not been fully utilised during the second half of the year. To address this problem, the Group shifted part of its production capacity to manufacture products less susceptible to the seasonal factor during the year under review and reduce the proportion of functional products for the autumn and winter seasons. On one hand, as a result of benefitting from efficient use of raw materials with increase in sales volume, the Group's overall raw material costs decreased year-on-year consequently, improving the gross profit margin of the Group. Nevertheless, on the other hand, with the continuous increase in workers' wage and welfare, the increase in the Group's manufacturing costs had eroded the gross profit margin, resulting in a net increase of the Group's gross profit margin of 0.9%.

As a result of the increase in sales, the Group's selling and distribution expenses increased by HK$11.0 million, comparable to that of last year as a percentage of total sales. Administrative expenses increased by HK$26.8 million mainly due to increase in staff salaries on annual reviews and increase in provision for bonus in line with the Group's excellent results for the year under review. Interest expenses for the year increased by HK$0.9 million (or 32.7%) compared to last year in line with the increase in the average outstanding balance of bank loans and the average interest rate on bank loans during the year. In respect of taxation, the Group's overall tax expenses increased by HK$13.6 million (or 45.3%). Excluding the gain on deregistration of a PRC subsidiary, the effective tax rate during the year was 19.3% (2017: 16.2%). The increase in effective tax rate was due to the utilisation of deferred tax asset arising from tax losses of Jiangxi Plant recorded in prior year.

Other income and gains amounted to HK$12.8 million (2017: HK$17.6 million), comprising mainly financial award granted by the PRC Government amounting to HK$3.9 million (2017: HK$8.3 million), gains on disposal of property, plant and equipment and prepaid land lease payments amounting to HK$2.4 million (2017: HK$5.9 million) and bank interest income of HK$1.8 million (2017: HK$2.1 million).

Profit attributable to owners of the Company amounted to HK$230.0 million for the year ended 31 March 2018, representing an increase of 48.3% compared to HK$155.1 million for last year. Net profit margin increased by 2.1% from 8.8% to 10.9%. Excluding the gain on deregistration of a PRC subsidiary and other income and gains, the Group's net profit rose by 23.7% to HK$170.1 million (2017: HK$137.5 million) and the Group's net profit margin rose by 0.3% from 7.8% to 8.1%. Basic earnings per share for the year amounted to HK46.0 cents compared to HK31.0 cents for last year. The Board proposed to recommend payment of a final dividend of HK12 cents (2017: HK6 cents) per share. Together with the interim dividend of HK18 cents per share paid during the year, the dividend payout ratio for the year was 65.2% (2017: 67.6%).

Liquidity and Financial Resources

During the year under review, the Group continued to maintain a healthy liquidity position. The Group generally finances its operations with internally generated resources and banking facilities. As at 31 March 2018, the Group had cash and bank balances amounted to HK$222.9 million (31 March 2017: HK$290.9 million) mainly denominated in Hong Kong dollars, RenMinBi ("RMB"), US dollars and Indonesian Rupiah.

As at 31 March 2018, the Group's banking facilities were supported by the corporate guarantees executed by the Company and certain subsidiaries of the Company to the extent of HK$627.1 million (31 March 2017: HK$647.8 million), of which an aggregate amount of HK$196.8 million (31 March 2017: HK$143.1 million) was utilised.

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

Gearing ratio of the Group is defined as the net debt (represented by bank borrowings net of cash and bank balances) divided by shareholders' equity. The Group's gearing ratios as at 31 March 2018 is not applicable (31 March 2017: 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

There was a deregistration of a subsidiary during the year ended 31 March 2018. During the year ended 31 March 2017, there was no material acquisition or disposal of subsidiaries.

Contingent Liabilities
The Group did not have any significant contingent liabilities as at 31 March 2018 (31 March 2017: Nil).

Outlook

Capacity expansion
The Group's production bases are located in China and Indonesia. Since the past few years, our Indonesian and Jiangxi production bases have been undergoing capacity expansion to meet the growth of the sportswear market and, thanks to the strong support of our customers, such production facilities have continued to operate close to their maximum capacity. The management believes the sportswear market will remain one of the major driving forces for global retail growth in the coming years. In order to seize opportunities presented by this market trend, the Group entered into negotiations for the acquisition of a production facility located in Vietnam during the year under review, with a view to further reducing the risk of concentration of production bases, increasing flexibility in production and enhancing our production capacity in anticipation of ongoing market growth.

The Vietnamese plant was officially incorporated into Eagle Nice Group on 1 June 2018. The plant is expected to add substantial driving force to the Group's production to provide additional productivity in the coming year.

Corporate Social Responsibility

The Group values and cares for each and every one of its staff members. We also believe that health and wealth are fundamental to anyone's well-being. During the year, we invited local health authorities and hospitals to conduct free gynaecological checks at its plants for female workers of appropriate age, with the aim of enhancing staff awareness for the prevention of gynaecological diseases so that they could stay healthy and fit to enjoy mutual growth with the Group.

Environmental protection is a matter of important concern for the Group, which has always supported related community programmes. During the year, we launched an outreach campaign entitled "Walk for the Protection of the Mother River" in association with local non-profit-making groups in Chaozhou and Shantou and organised our local employees to join the walk. Through the campaign, we advocated for the protection of Hanjiang, the "Mother River" of Chaozhou and Shantou in promotion of low-carbon green life and environmental protection as part of our effort to support community environmental programmes, enhance employees' environmental awareness and facilitate the Group's sustainable development.

Event after the Reporting Period

On 29 March 2018, Pro Kingtex Industrial Company Limited (the "**Vendor**") (an indirectly non-wholly-owned subsidiary of Yue Yuen Industrial (Holdings) Limited ("**Yue Yuen**"), whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (Stock Code: 00551)) and Jespar Age Limited (the "**Purchaser**") (a directly wholly-owned subsidiary of the Company) entered into a sale and purchase agreement (the "**Sale and Purchase Agreement**"), pursuant to which and subject to the satisfaction of the conditions set out therein, the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the entire shareholding interests in two companies incorporated in the British Virgin

Islands for a consideration of US$31,617,998 (equivalent to approximately HK$246.6 million) (the "**Acquisition**"). As the Acquisition contemplated under the Sale and Purchase Agreement constitutes a connected transaction for the Company under Chapter 14A of 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 Acquisition and completion of the Acquisition took place on 1 June 2018.

Details of the Sale and Purchase Agreement and the transactions contemplated thereunder have been disclosed in the announcements of the Company dated 29 March 2018, 3 April 2018, 27 April 2018, and 1 June 2018 respectively, and the circular of the Company dated 30 April 2018.

Employees and Remuneration Policies

As at 31 March 2018, the Group employed a total of approximately 9,000 employees including directors (31 March 2017: approximately 8,600). Total employee benefit expenses including directors' and chief executive's emoluments were HK$546.0 million for the year under review (2017: HK$451.6 million).

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

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

FINAL DIVIDEND

The Board has resolved to recommend a final dividend of HK12 cents (2017: HK6 cents) per ordinary share payable on Monday, 10 September 2018 to persons who are registered shareholders of the Company on Monday, 27 August 2018 subject to the approval of shareholders of the Company at the forthcoming annual general meeting (the "AGM"). Together with the interim dividend of HK18 cents per ordinary share (2017: HK15 cents), the total dividend for the financial year is HK30 cents (2017: HK21 cents) per ordinary share.

CLOSURE OF REGISTER OF MEMBERS

(a) Entitlement to Attend and Vote at the AGM

The AGM will be held on Thursday, 16 August 2018. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 10 August 2018 to Thursday, 16 August 2018, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, on Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 9 August 2018.

(b) Entitlement to the Proposed Final Dividend

For determining the entitlement to the proposed final dividend for the year ended 31 March 2018 (subject to approval by the shareholders of the Company at the AGM), the register of members of the Company will be closed from Friday, 24 August 2018 to Monday, 27 August 2018, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible for the above proposed final dividend, unregistered holders of shares of the Company should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at the above address for registration no later than 4:30 p.m. on Thursday, 23 August 2018.

CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied with the code provisions in the Corporate Governance Code (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the year ended 31 March 2018, except for the deviations set out below:

Code Provision A.2.1 of the 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.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

AUDIT COMMITTEE

Reviews of the audit committee of the Company ("Audit Committee") cover the accounting principles and practices adopted by the Group, findings of the independent internal audit service provider, and financial matters including the review of consolidated financial statements of the Group for the year ended 31 March 2018. Audit Committee comprises the three independent non-executive directors of the Company, namely Mr. Chan Cheuk Ho, Mr. Lu Chi Chant and Ms. Tham Kit Wan. The chairman of Audit Committee, Mr. Chan Cheuk Ho, has appropriate professional qualifications and experience in financial matters.

REVIEW OF PRELIMINARY RESULTS ANNOUNCEMENT BY INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2018 as set out in the preliminary announcement have been agreed by the Company's auditor to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Company's auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditors on the preliminary announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the websites of Hong Kong Exchanges and Clearing Limited (http://www.hkex.com.hk) and the Company (http://www.eaglenice.com.hk). The annual report for the year ended 31 March 2018 will be despatched to the shareholders and will be available on the aforesaid websites in due course.

By order of the Board
Chung Yuk Sing
Executive Director

Hong Kong, 21 June 2018

As at the date of this announcement, the Board comprises four executive directors, namely, Mr. Chung Yuk Sing, Mr. Chen Hsiao Ying, Ms. Chen Fang Mei, Christina and Mr. Lee Cheng Chuan and three independent non-executive directors, namely, Mr. Chan Cheuk Ho, Mr. Lu Chi Chant and Ms. Tham Kit Wan.