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## **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 2025**

#### **FINANCIAL HIGHLIGHTS**

- Revenue for the year increased by 18.0% to HK\$4,807.9 million compared with HK\$4,074.7 million for last year.
- Gross profit margin for the year decreased from 18.4% to 16.1% and net profit margin attributable to owners of the Company decreased from 6.5% to 4.5% when compared with last year.
- Profit for the year attributable to owners of the Company was HK\$217.2 million, representing 17.6% decrease compared to HK\$263.5 million for last year.
- Final dividend of HK4 cents (2024: HK8 cents) per ordinary share has been recommended by the Board for the 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 2025 together with the comparative figures for the corresponding year in 2024 and the relevant explanatory notes as set out below.

## CONSOLIDATED INCOME STATEMENT

Year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>REVENUE</b>	3	<b>4,807,899</b>	4,074,668
Cost of sales		<u>(4,035,190)</u>	<u>(3,325,976)</u>
Gross profit		<b>772,709</b>	748,692
Other income and gains, net	4	<b>21,073</b>	19,855
Selling and distribution expenses		<b>(39,766)</b>	(27,949)
Administrative expenses		<b>(356,554)</b>	(308,163)
Other operating expenses		<b>(4,626)</b>	(8,177)
Finance costs	5	<u><b>(69,015)</b></u>	<u>(43,479)</u>
<b>PROFIT BEFORE TAX</b>	6	<b>323,821</b>	380,779
Income tax	7	<u><b>(95,290)</b></u>	<u>(108,746)</u>
<b>PROFIT FOR THE YEAR</b>		<u><b>228,531</b></u>	<u>272,033</u>
<b>ATTRIBUTABLE TO:</b>			
Owners of the Company		<b>217,201</b>	263,510
Non-controlling interests		<u><b>11,330</b></u>	<u>8,523</u>
		<u><b>228,531</b></u>	<u>272,033</u>
		<b>HK cents</b>	<b>HK cents</b>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	8		
Basic		<u><b>38.5</b></u>	<u>49.3</u>
Diluted		<u><b>38.5</b></u>	<u>49.3</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2025

	2025 HK\$'000	2024 HK\$'000
<b>PROFIT FOR THE YEAR</b>	<b>228,531</b>	<b>272,033</b>
<b>OTHER COMPREHENSIVE EXPENSE</b>		
Other comprehensive expense that will not be reclassified to profit or loss in subsequent periods:		
Actuarial loss on defined benefit plans	(58)	(1,117)
Other comprehensive expense that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(48,659)	(83,874)
<b>OTHER COMPREHENSIVE EXPENSE FOR THE YEAR, NET OF TAX</b>	<b>(48,717)</b>	<b>(84,991)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>179,814</b>	<b>187,042</b>
<b>ATTRIBUTABLE TO:</b>		
Owners of the Company	168,585	181,303
Non-controlling interests	11,229	5,739
	<b>179,814</b>	<b>187,042</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		1,319,765	1,018,153
Right-of-use assets		474,188	351,961
Goodwill		163,922	104,076
Intangible assets		-	2,116
Deposits		54,129	41,916
<i>Total non-current assets</i>		<u>2,012,004</u>	<u>1,518,222</u>
<b>CURRENT ASSETS</b>			
Inventories		962,565	704,869
Accounts receivable	10	460,403	324,572
Prepayments, deposits and other receivables		150,256	128,487
Tax recoverable		345	3,195
Restricted bank balance		1,071	1,084
Cash and bank balances		387,390	490,058
<i>Total current assets</i>		<u>1,962,030</u>	<u>1,652,265</u>
<b>CURRENT LIABILITIES</b>			
Accounts payable	11	319,398	306,698
Accrued liabilities and other payables		177,626	164,851
Interest-bearing bank borrowings	12	1,307,462	651,074
Lease liabilities		7,425	3,366
Tax payable		101,872	85,179
<i>Total current liabilities</i>		<u>1,913,783</u>	<u>1,211,168</u>
<b>NET CURRENT ASSETS</b>		<u>48,247</u>	<u>441,097</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,060,251</u>	<u>1,959,319</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)***31 March 2025*

	Notes	2025 HK\$'000	2024 HK\$'000
<b>NON-CURRENT LIABILITIES</b>			
Pension scheme obligation		24,620	20,387
Interest-bearing bank borrowings	12	140,040	258,390
Lease liabilities		10,384	317
Deferred tax liabilities		61,117	45,809
		<u>236,161</u>	<u>324,903</u>
<i>Total non-current liabilities</i>			
		<u>236,161</u>	<u>324,903</u>
Net assets		<u>1,824,090</u>	<u>1,634,416</u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Issued capital	13	5,742	5,338
Reserves		1,748,587	1,570,545
		<u>1,754,329</u>	<u>1,575,883</u>
<b>Non-controlling interests</b>		<u>69,761</u>	<u>58,533</u>
Total equity		<u>1,824,090</u>	<u>1,634,416</u>

## NOTES

### 1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. They 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.

### 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRS Accounting Standards for the first time for the current year’s financial statements.

Amendments to HKFRS 16	<i>Lease liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current (the “2020 Amendments”)</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants (the “2022 Amendments”)</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The adoption of the above revised standards had no impact on the financial position and performance of the Group.

### 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group determines that there are six reportable operating segments, based on the locations of customers (the destinations of sales), including Chinese Mainland, the United States of America (the “USA”), Europe, South Korea, Japan and Others. These segments are managed separately as each segment is subject to risks and returns that are different from one another.

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

During the year, the management changed its reporting segments to (a) Chinese Mainland; (b) USA; (c) Europe; (d) South Korea; (e) Japan; and (f) Others as a result of the growing importance of South Korea to the operation of the Group. The corresponding information for the year ended 31 March 2024 has been re-presented accordingly.

### 3. OPERATING SEGMENT INFORMATION (continued)

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

	Segment revenue		Segment results	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Chinese Mainland	2,471,254	2,332,360	347,093	458,933
USA	985,367	728,809	128,530	99,264
Europe	609,789	488,067	89,406	76,133
South Korea	196,704	152,515	43,230	26,646
Japan	116,783	88,984	23,807	14,979
Others	428,002	283,933	100,877	46,397
	<u>4,807,899</u>	<u>4,074,668</u>	<u>732,943</u>	<u>722,352</u>
Interest income and other unallocated income and gains			16,447	19,514
Unallocated expenses			<u>(425,569)</u>	<u>(361,087)</u>
Profit before tax			323,821	380,779
Income tax			<u>(95,290)</u>	<u>(108,746)</u>
Profit for the year			<u>228,531</u>	<u>272,033</u>

**Geographical information - non-current assets**

	2025	2024
	HK\$'000	HK\$'000
Hong Kong	119,176	92,863
Chinese Mainland	900,420	842,123
Indonesia	380,052	332,284
Vietnam	448,434	146,876
	<u>1,848,082</u>	<u>1,414,146</u>

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

**An analysis of revenue is as follows:**

	2025	2024
	HK\$'000	HK\$'000
<i>Revenue from contracts with customers</i>		
Sale of sportswear and garments	4,799,156	4,071,097
Subcontracting services	<u>8,743</u>	<u>3,571</u>
	<u>4,807,899</u>	<u>4,074,668</u>

### 3. OPERATING SEGMENT INFORMATION (continued)

#### Information about major customers

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

	2025	2024
	HK\$'000	HK\$'000
Customer A	2,821,707	2,583,440
Customer B	1,050,785	644,691
Customer C	623,871	721,749
	<u>4,496,363</u>	<u>3,949,880</u>

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, NET

	2025	2024
	HK\$'000	HK\$'000
Bank interest income	3,150	5,502
Income derived from financial assets at fair value through profit or loss	928	2,264
Government grants*	8,440	9,435
Foreign exchange gain, net	3,403	-
Scrap sales	1,007	-
Others	4,145	2,654
	<u>21,073</u>	<u>19,855</u>

\* Various government grants have been received by certain subsidiaries of the Group established in Chinese Mainland for promoting the manufacturing industry and maintaining the employment rate. There are no unfulfilled conditions or contingencies relating to these grants.

### 5. FINANCE COSTS

	2025	2024
	HK\$'000	HK\$'000
Interest on bank loans	68,110	43,241
Interest on lease liabilities	905	238
	<u>69,015</u>	<u>43,479</u>



## 6. PROFIT BEFORE TAX

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

	2025	2024
	HK\$'000	HK\$'000
Cost of inventories sold and subcontracting services provided	4,035,190	3,325,976
Depreciation of property, plant and equipment*	126,101	99,355
Depreciation of right-of-use assets*	25,869	19,669
Amortisation of intangible assets	2,116	2,821
Employee benefit expenses (including remuneration of the Company's directors and the Chief Executive Officer):		
Wages and salaries and allowance	1,076,963	911,515
Pension contributions	156,582	141,121
Less: Forfeited contributions <sup>^</sup>	-	-
Net pension contributions	156,582	141,121
Total employee benefit expenses*	1,233,545	1,052,636
Foreign exchange (gain)/loss, net <sup>#</sup>	(3,403)	7,836
Lease payments not included in the measurement of lease liabilities*	217	314
Loss on disposal and write-off of items of property, plant and equipment, net <sup>&amp;</sup>	4,626	341
Income derived from financial assets at fair value through profit or loss	(928)	(2,264)

<sup>^</sup> There are no forfeited contributions that may be used by the Group as an employer to reduce the existing level of contributions.

<sup>#</sup> Included in "Other income and gains, net" (2024: "Other operating expenses") on the face of the consolidated income statement.

<sup>&</sup> These amounts are included in "Other operating expenses" on the face of the consolidated income statement.

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

	2025	2024
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	101,111	74,524
Depreciation of right-of-use assets	23,797	18,223
Employee benefit expenses	1,004,728	856,924
Lease payments not included in the measurement of lease liabilities	217	314

## 7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2 million (2024: HK\$2 million) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

	2025 HK\$'000	2024 HK\$'000
Current tax charge for the year:		
Hong Kong	17,596	16,498
Elsewhere	72,116	88,762
Overprovision for tax in respect of prior years	(2,211)	(394)
Deferred	7,789	3,880
	<u>95,290</u>	<u>108,746</u>
Total tax charge for the year	<u>95,290</u>	<u>108,746</u>

## 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\$217.2 million (2024: HK\$263.5 million) and the weighted average number of ordinary shares of the Company of 563,338,247 (2024: 533,800,000) in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 March 2025 and 2024 as the Group had no potentially dilutive ordinary shares in issue during those years.

## 9. DIVIDENDS

	2025 HK\$'000	2024 HK\$'000
Dividends paid during the year:		
Final dividend in respect of the financial year ended		
31 March 2024 – HK8 cents (2024: HK8 cents) per ordinary share	45,934	42,704
Special dividend in respect of the financial year ended		
31 March 2024 – Nil (2024: HK6 cents) per ordinary share	-	32,028
Interim dividend – HK22 cents (2024: HK30 cents) per ordinary share	126,320	160,140
	<u>172,254</u>	<u>234,872</u>
Proposed final dividend – HK4 cents (2024: HK8 cents) per ordinary share	<u>22,967</u>	<u>42,704</u>

The proposed final dividend for the year is based on the number of shares of the Company 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 and special (if any) dividend payables.

## 10. ACCOUNTS RECEIVABLE

	2025	2024
	HK\$'000	HK\$'000
Accounts receivable	<b>460,403</b>	324,572

The Group's accounts receivable mainly relate to a few recognised and creditworthy customers. The credit period is generally for a period of 30 to 90 days (2024: 30 to 90 days). The Group seeks to maintain strict control over its outstanding receivables to minimise the credit risk. Overdue balances are regularly reviewed by the management of the Group. The Group does not hold any collateral or other credit enhancements over its accounts receivable balances. The accounts receivable are non-interest-bearing. At the end of the reporting period, 69% (2024: 65%), 13% (2024: 22%) and 10% (2024: 9%) of the total accounts receivable were due from the Group's largest customer, the second largest customer and the third largest customer, respectively.

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

	2025	2024
	HK\$'000	HK\$'000
Within 30 days	<b>221,884</b>	266,865
31 to 60 days	<b>174,568</b>	28,300
61 to 90 days	<b>56,343</b>	28,260
Over 90 days	<b>7,608</b>	1,147
	<b>460,403</b>	324,572

## 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:

	2025	2024
	HK\$'000	HK\$'000
Within 90 days	<b>311,497</b>	290,984
91 to 180 days	<b>3,913</b>	9,792
181 to 365 days	<b>1,569</b>	945
Over 365 days	<b>2,419</b>	4,977
	<b>319,398</b>	306,698

The accounts payable are non-interest-bearing and are normally settled on credit terms of 30 to 60 days.

## 12. INTEREST-BEARING BANK BORROWINGS

	Effective interest rate	Maturity	As at 31 March 2025 HK\$'000	Effective interest rate	Maturity	As at 31 March 2024 HK\$'000
	%			%		
<b>Current</b>	<b>4.17%</b>	<b>Within 1 year or</b>		<b>2.80%</b>	<b>Within 1 year or</b>	
Bank loans	<b>to 5.55%</b>	<b>on demand</b>	<b>1,307,462</b>	<b>to 6.05%</b>	<b>on demand</b>	<b>651,074</b>
<b>Non-current</b>						
Bank loans	<b>5.04%</b>	<b>2026</b>	<b>140,040</b>	<b>6.05%</b>	<b>2025 - 2026</b>	<b>258,390</b>
			<b>1,447,502</b>			<b>909,464</b>

As at 31 March 2025, bank borrowings of HK\$910.0 million (31 March 2024: HK\$487.9 million) were supported by corporate guarantees executed by the Company and certain subsidiaries of the Company.

Based on the maturity terms of the bank borrowings, as at 31 March 2025, HK\$1,307.5 million (31 March 2024: HK\$651.1 million) of the Group's bank borrowings are repayable within one year or on demand.

## 13. ISSUED CAPITAL

	As at 31 March 2025 HK\$'000	As at 31 March 2024 HK\$'000
Authorised:		
10,000,000,000 (2024: 10,000,000,000) ordinary shares of HK\$0.01 each	<b>100,000</b>	<b>100,000</b>
Issued and fully paid:		
At the beginning of the year	<b>5,338</b>	<b>5,338</b>
Issue of shares for business combination (Note)	<b>404</b>	<b>-</b>
At the end of the year	<b>5,742</b>	<b>5,338</b>

Note: Pursuant to the sales and purchase agreement dated 21 June 2024 regarding the acquisition of a production base in Vietnam (the "Acquisition") during the year, completion took place on 1 July 2024 and on 8 July 2024, the Company allotted and issued 40,380,000 new shares of the Company (the "Consideration Shares") to the seller at the price of HK\$4.51 (being the closing price of the Company on The Stock Exchange of Hong Kong Limited on 1 July 2024) per Consideration Share in satisfaction of part of the consideration for the Acquisition amounting to US\$23.3 million (equivalent to approximately HK\$182.1 million). The Consideration Shares represent approximately 7.03% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares. Please refer to note 14 for details of the business combination.

## 14. BUSINESS COMBINATION

On 1 July 2024, the Group acquired a 100% equity interest in Wisdom Innovation Holdings Limited and its subsidiaries (the “Target Group”) from independent third parties for a total consideration of HK\$224.9 million, comprising cash consideration of HK\$42.8 million and Consideration Shares of HK\$182.1 million. The Target Group is principally engaged in the production and sale of sports clothing and accessories. The Acquisition facilitates the expansion of the Group’s manufacturing base and increase of its production capacity in Vietnam. Please refer to the announcements of the Company dated 21 June 2024 and 8 July 2024 for details of the Acquisition.

The fair value of the identifiable assets and liabilities of the Target Group as at the completion date of the Acquisition were as follows:

	<b>Fair value recognised upon the Acquisition HK\$’000</b>
Property, plant and equipment	174,815
Right-of-use assets	129,646
Inventories	5,220
Accounts receivable	3,932
Prepayments, deposits and other receivables	6,087
Cash and bank balances	12,076
Accrued liabilities and other payable	(28,719)
Interest-bearing bank borrowings	(121,446)
Deferred tax liabilities	(16,572)
Total identifiable net assets at fair value	<u>165,039</u>
Goodwill on the Acquisition	<u>59,897</u>
	<u>224,936</u>
Satisfied by:	
Initial cash consideration	36,380
Add: Adjustment for final payment	6,442
Consideration Shares	<u>182,114</u>
	<u>224,936</u>

Both the fair value and gross contractual amount of the accounts receivable as at the completion date of the Acquisition amounted to HK\$3.9 million.

The Group incurred transaction costs of HK\$1.1 million for the Acquisition. These transaction costs have been expensed and are included in administrative expenses in the consolidated income statement.

None of goodwill recognised is expected to be deductible for income tax purpose.

#### 14. BUSINESS COMBINATION (continued)

An analysis of the cash flows in respect of the Acquisition as at the completion date as follows:

	<i><b>HK\$'000</b></i>
Total cash consideration	(42,822)
Cash consideration payable arising from adjustment of final payment	6,442
Cash and bank balances acquired	12,076
Transaction costs	<u>(1,115)</u>
Net outflow of cash and cash equivalents included in cash flows used in investing activities	<u>(25,419)</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### *Empowering core competence to achieve mutual progress*

Over the past year, the global macro-economy continued to come under pressure against multiple challenges amidst a complex business environment created by escalating geopolitical conflicts, structural change in consumer demands and cyclical fluctuations in unyielding interest rates. In persistent adherence to the Group's core development philosophy of "consolidating the technological foundation and nurturing resilience for sustainable development," the Group has responded by deepening its innovative mechanism for customer coordination and staying focused on its dual driver of technology and strategy to address changing conditions in the industry through technological upgrade and strategic innovation on the back of its globally distributed production bases. At present, the global sportswear industry is looking at imminent structural changes in three principal aspects: deepened stratification of consumer spending, regionalised reconstruction of the supply chain and the quantum leap in intelligent applications. In this connection, the Group has embarked on systematic building of sustainable competencies as guided by the three-dimensional strategic framework of "global presence, technological accumulation and swift response."

#### *Global presence, technological accumulation and swift response*

Over the past five years, the Group has continued its ongoing efforts to deepen the strategy of capacity globalisation, in order to effectively address changing conditions in the trade environment by constructing a diversified production and operation matrix. In the core Southeast Asian region, the Group has achieved significant improvements in production efficiency through enhanced coordination among the three factories and formed a lean manufacturing regime underpinned by regional coordination, capacity aggregation and technology-sharing, following vigorous efforts in optimisation and integration at its third factory in Vietnam. In Indonesia, steady progress has been made for the phase-one expansion of Bandung Factory with the construction of infrastructure scheduled for completion by the end of the year to add strategic momentum to the Group's overseas production capacity. In view of the temporary costing pressure generated by automation upgrades, the Group will fully leverage the regional advantages of its presence in Southeast Asia, such as advantageous labour costs and benefits derived from regional trade policies, to systematically alleviate fragilities in its financial structure through a dynamic hedging mechanism, as well as to effectively block the spillover effect of financial pressure arising from investments in automation for domestic operations, with a view to building a solid risk buffer for safeguarding medium to long-term development.

On technological innovation, the Group's technology development centre has focused on generating upgrades of its smart production systems to drive breakthroughs and upgrades in manufacturing processes. The Group regards talent training as the core engine for sustainable development and has continued to enhance the competitiveness of its technical team through tailored training regimes and a mechanism for incentivising innovation, with a view to achieving profound coordination between manpower and corporate strategies.

## FINANCIAL REVIEW

### *Financial Performance*

For the year under review, the Group reported record-high total sales of HK\$4,807.9 million (2024: HK\$4,074.7 million), representing an increase of HK\$733.2 million (or 18.0%). According to the information generated from sportswear market surveys, the global sportswear market is expected to expand at a compound annual growth rate of approximately 8% from 2025 to 2032. North America accounted for approximately 30% of the global sportswear market in 2024. The expected substantial growth in the sportswear market of United States (“U.S.”) and growing awareness for the importance of sports and exercises have driven growth in the sportswear market. In recent years, the Group has made considerable efforts to seize opportunities for growth and development in the European and U.S. markets by actively investing in and constructing production bases in Southeast Asia. The substantial increase in the Group’s production capacity has brought about the substantial increase in sales to the European and U.S. markets, contributing to the growth in the Group’s total sales. The three major markets for the Group’s sales remained to be Chinese Mainland, the U.S. and Europe, with Chinese Mainland still being the largest market of the Group. During the year, sales to Chinese Mainland increased by HK\$138.9 million (or 6.0%) to HK\$2,471.3 million. With the Group’s successful further expansion in the European and U.S. markets, the proportion of sales to Chinese Mainland decreased from 57.2% for last year by 5.8% to 51.4%, as total sales to the European and U.S. markets for the year increased by HK\$378.3 million (or 31.1%) to HK\$1,595.2 million, accounting for 33.2% of the Group’s total sales, an increase of 3.3% compared to 29.9% for last year.

As at 31 March 2025, the Group owned 10 production bases which are strategically located in Chinese Mainland (including Guangdong Province, Jiangxi Province and Hubei Province) and Southeast Asia (including Vietnam and Indonesia). The Group’s production bases in Chinese Mainland have attained sophistication with sufficient and stable capacity to meet the demand for domestic sales. One of the production bases in Chinese Mainland has also been the major development centre of the Group, externally offering product design services to customers with a special focus on the development and manufacturing of high-end products and internally providing ongoing production technology development and optimisation to simplify manufacturing processes and facilitate automated production, thereby reducing demand for labour to achieve cost reduction whilst alleviating the problem of labour shortage. In view of uncertainties in trade negotiations and tariffs imposed on products manufactured in Chinese Mainland and marketed in Europe and the U.S, the Group has focused on active development of overseas production bases in recent years. The newly acquired land site adjacent to Bandung Factory in Indonesia is scheduled to commence production in 2026. Eagle Nice Vietnam commenced production during the year to bring additional production capacity to the Group whilst serving as another development centre of the Group specialised in sample development to further enhance the Group’s capability in business development. During the year, the Group completed the acquisition of Din Sen Vietnam in July 2024, which not only brings about immediate production capacity but also potential capacity expansion given its available sites and plants.



During the year under review, the aforesaid projects were undergoing different stages of development and have not commenced generating profit for the Group, thereby inevitably affecting the Group's overall profitability. Although the Group's gross profit increased by HK\$24.0 million (or 3.2%) to HK\$772.7 million (2024: HK\$748.7 million), the gross profit margin decreased by 2.3% from 18.4% to 16.1%. The Group's profit before tax decreased by HK\$57.0 million (or 15.0%) to HK\$323.8 million (2024: HK\$380.8 million), and its profit before tax margin decreased by 2.6% from 9.3% to 6.7%.

The Group's selling and distribution expenses for the year under review increased by HK\$11.8 million (or 42.3%), which was consistent with the increase in sales. Administrative expenses increased by HK\$48.4 million (or 15.7%), owing mainly to the increase in staff remuneration and benefits after annual adjustments and the hiring of additional staff to cope with business expansion and production process optimisation. In relation to finance costs, interest expenses for the year increased substantially by HK\$25.5 million (or 58.7%) compared to last year, mainly due to increase in the Group's bank loans in recent years to finance the acquisition of several production bases and optimisation of production equipment for the purpose of production capacity expansion. For taxation, as the Group's profit before tax for the year decreased by HK\$57.0 million (or 15.0%), overall tax expenses for the year decreased by HK\$13.5 million (or 12.4%) on an effective tax rate of 29.4%, an increase of 0.8% over 28.6% for last year. As mentioned above, the two production bases in Vietnam recorded losses in their initial stage of operation during the year under review. Excluding aforesaid operating losses, the adjusted effective tax rate for the year was 22.3% (2024: 25.3%), reducing by 3.0% compared to last year attributable to a decrease in the proportion of sales from Chinese Mainland which was subject to a higher tax rate.

Other income and gains amounted to HK\$21.1 million (2024: HK\$19.9 million), comprising mainly incentive or subsidies granted by Chinese Mainland government amounting to HK\$8.4 million (2024: HK\$9.4 million) and bank interest income of HK\$3.1 million (2024: HK\$5.5 million). Other operating expenses amounted to HK\$4.6 million for the year, comprising mainly losses on disposal and write-off of items of property, plant and equipment compared with HK\$8.2 million as of last year mainly consisting of exchange loss of HK\$7.8 million.

Profit attributable to owners of the Company amounted to HK\$217.2 million for the year, representing a decrease of HK\$46.3 million or 17.6% compared to HK\$263.5 million for last year, attributable to the losses incurred by two Vietnam production bases at their initial stage of operation and the substantial increase in finance costs, which had affected the Group's profitability. Net profit margin attributable to owners of the Company decreased by 2.0% from 6.5% to 4.5%. Basic earnings per share attributable to owners of the Company for the year amounted to HK38.5 cents compared to HK49.3 cents for last year. The Board proposed a final dividend of HK4 cents (2024: HK8 cents) per share. Together with the interim dividend of HK22 cents (2024: HK30 cents) per share paid during the year, total dividend for the year amounted to HK26 cents per ordinary share, compared with HK38 cents for last year. The dividend payout ratio for the year was 68.7% (2024: 77.0%).

### ***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 2025, the Group had cash and bank balances amounted to HK\$387.4 million (2024: HK\$490.1 million) mainly denominated in Hong Kong dollars, RMB and USD.

As at 31 March 2025, the Group's banking facilities of HK\$1,953.7 million (2024: HK\$1,486.3 million) were supported by the corporate guarantees of HK\$1,418.8 million (2024: HK\$1,490.3 million) executed by the Company and certain subsidiaries of the Company. As at 31 March 2025, an aggregate amount of the Group's banking facilities of HK\$1,447.5 million (2024: HK\$909.5 million) was utilised.

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

Gearing ratio of the Group is defined as the net debt (represented by bank borrowings net of cash and bank balances) divided by the total equity. The Group's gearing ratio as at 31 March 2025 was 58.1% (2024: 25.7%).

### ***Foreign Exchange Risk Management***

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

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

### ***Material Acquisition and Disposal***

During the year ended 31 March 2025, other than the Acquisition (as defined and detailed in notes 13 and 14 above), there were no material acquisitions or disposals of subsidiaries. For the year ended 31 March 2024, there was no acquisition or disposal of subsidiaries.

### ***Contingent Liabilities***

The Group did not have any significant contingent liabilities as at 31 March 2025 (2024: Nil).

## **OUTLOOK**

Looking to the future, the Group will optimise the configuration of its global supply chain in close tandem with evolution of the international political and economic landscape, in resolute adherence to the business principle of “steering through economic cycles to achieve excellence, progress and sustainability”. In anticipation of upcoming cycle of rate cuts, the Group will exercise stringent control over capital expenditure and speed up the application of new technologies to achieve cost reduction and efficiency enhancement, whilst making ongoing improvements to its cash flow management mechanism. The Group will also continue to monitor changes in the international business environment and carefully assess any possible impacts in view of the uncertainties in the U.S. tariffs policies. Drawing from a management philosophy emphasising “strategic focus underpinned by global vision and meticulous operation down to every detail”, the Group is committed to delivering sustainable value by deepening the coordination between technology development and manufacturing regimes.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 March 2025, the Group employed a total of approximately 18,800 employees including the Directors (2024: approximately 15,500). Total employee benefit expenses for the year under review including emoluments of the Directors and the Company’s chief executive officer (the “Chief Executive Officer”) were HK\$1,233.5 million (2024: HK\$1,052.6 million).

The employees including the 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 Chinese Mainland, Vietnam 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 HK4 cents (2024: HK8 cents) per ordinary share for the year ended 31 March 2025. The final dividend is payable on Friday, 12 September 2025 to persons who are registered shareholders of the Company on Friday, 29 August 2025 subject to the approval of shareholders of the Company at the forthcoming annual general meeting (the "AGM"). Together with the interim dividend of HK22 cents per ordinary share (2024: HK30 cents), the total dividend per ordinary share for the year is HK26 cents compared to HK38 cents per ordinary share for last year.

### **CLOSURE OF REGISTER OF MEMBERS**

#### **(a) Entitlement to Attend and Vote at the AGM**

The AGM will be held on Friday, 8 August 2025. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 4 August 2025 to Friday, 8 August 2025, 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 transfer forms accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, on 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Friday, 1 August 2025.

#### **(b) Entitlement to the Proposed Final Dividend**

For determining the entitlement to the proposed final dividend for the year ended 31 March 2025 (subject to approval by the shareholders of the Company at the AGM), the register of members of the Company will be closed from Wednesday, 27 August 2025 to Friday, 29 August 2025, 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, the unregistered shareholders 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 Investor Services Limited on 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 26 August 2025.

## **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 Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) throughout the year ended 31 March 2025, except for the deviations set out below:

Code Provision C.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 and the Chief Executive Officer since 30 June 2013, ceased to be the Chief Executive Officer with effect from 2 September 2024. Mr. Chung Chi Kit, an executive Director and son of Mr. Chung Yuk Sing, has succeeded as the Chief Executive Officer with effect from 2 September 2024 and therefore, the roles of Chairman and Chief Executive Officer are now performed by different individuals.

Notwithstanding the aforesaid deviation during the period from 1 April 2024 to 1 September 2024, the Board considered that the balance of power and authority between the Board and the management of the Group during that period had not been impaired given collective responsibility on the decision-making process of the Company’s business strategies and operation and the principal divisions of the Group’s businesses managed by different Directors.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules as the Company’s code of conduct for dealing in securities of the Company by the Directors. Based on 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.

## **CHANGES IN DIRECTORS’ INFORMATION**

Changes in the Directors’ information since the disclosure made in 2024 annual report of the Company are set out below:

With effect from 2 September 2024:

1. Mr. Chung Yuk Shing ceased to be the Chief Executive Officer. Mr. Chung Chi Kit, an executive Director and son of Mr. Chung Yuk Shing, has succeeded Mr. Chung Yuk Sing as the Chief Executive Officer;
2. Mr. Johnson Tong has been appointed as an executive Director; and
3. Mr. Hu Chia-Ho resigned as an executive Director.

With effect from 3 March 2025, Ms. Lai Yin-Han has been appointed as an executive Director.

## **AUDIT COMMITTEE**

Reviews by the audit committee of the Company (the “Audit Committee”) covered 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 2025. The Audit Committee comprises three independent non-executive Directors, namely Mr. Chan Cheuk Ho, Ms. Tham Kit Wan and Mr. Sun Yun-Rui. The chairman of the 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 2025 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 and consequently no opinion or assurance conclusion has been expressed by the Company’s auditor 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.hkexnews.hk>) and the Company (<https://www.eaglenice.com>). The annual report of the Company for the year ended 31 March 2025 will be despatched to the shareholders of the Company and will be available on the aforesaid websites in due course.

On Behalf of the Board  
**Eagle Nice (International) Holdings Limited**  
**Chung Yuk Sing**  
*Chairman*

Hong Kong, 11 June 2025

*As at the date of this announcement, the Board comprises eight executive Directors, namely, Mr. Chung Yuk Sing, Mr. Chen Hsiao Ying, Mr. Chung Chi Kit, Mr. Huang Yongbiao, Ms. Chen Fang Mei, Ms. Lai Yin-Han, Mr. Shih Chih-Hung and Mr. Johnson Tong; and four independent non-executive Directors, namely, Mr. Chan Cheuk Ho, Ms. Tham Kit Wan, Mr. Leung Spencer Yu Cheong and Mr. Sun Yun-Rui.*