



**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)



中國 CHN

印尼 IDN

越南 VNM

**ANNUAL REPORT 年報**

**2021**

\* For identification purposes only  
僅供識別



# CORPORATE VISION

BE THE OPTIMAL MANUFACTURING  
PARTNER FOR LEADING SPORTSWEAR  
BRANDS WORLDWIDE



700

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Feather down and no sew/seam seal production will be our key focus to enhance. Our aim is to develop these areas as our industrial-strength in five years.



# CORPORATE INFORMATION

## EXECUTIVE DIRECTORS

Chung Yuk Sing (*Chairman and Chief Executive Officer*)  
 Chen Hsiao Ying (*Vice Chairman*)  
 Huang Yongbiao  
 Chen Fang Mei, Christina  
 Shih Chih-Hung (*appointed with effect from 1 April 2020*)  
 Chung Chi Kit (*appointed with effect from 1 December 2020*)  
 Hu Chia-Ho (*appointed with effect from 1 December 2020*)  
 Hu Dien Chien (*resigned with effect from 30 November 2020*)

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Chan Cheuk Ho  
 Lu Chi Chant  
 Tham Kit Wan  
 Leung Spencer Yu Cheong (*appointed with effect from 1 December 2020*)

## 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 ADVISER

Vincent T.K. Cheung, Yap & Co.  
 23rd Floor, Office Tower  
 Convention Plaza  
 1 Harbour Road  
 Wanchai  
 Hong Kong

## AUDITOR

Ernst & Young  
 Registered Public Interest Entity Auditor  
 27/F, One Taikoo Place  
 979 King's Road  
 Quarry Bay, 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

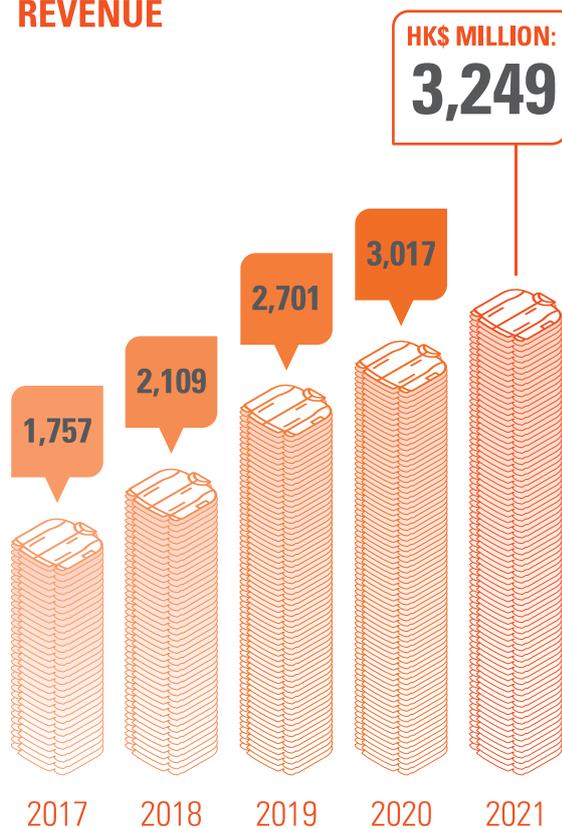


# FINANCIAL HIGHLIGHTS

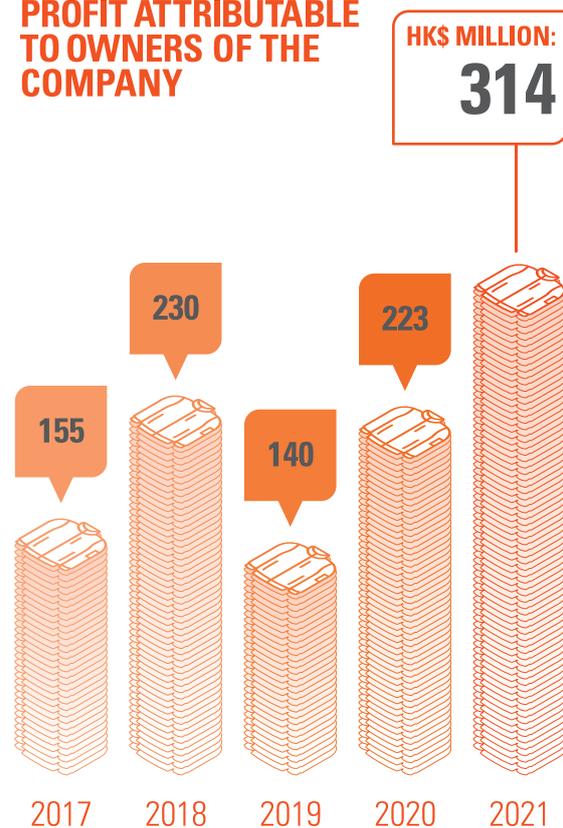
Results	2021	2020
	HK\$ Million	HK\$ Million
Revenue	3,249	3,017
Profit before depreciation, amortisation, interest and tax	535	417
Profit for the year attributable to owners of the Company	314	223
Basic earnings per share	HK58.9 cents	HK42.0 cents
Dividend per share		
— Interim	HK30 cents	HK20 cents
— Final	HK12 cents	HK9 cents

Financial Position	2021	2020
	HK\$ Million	HK\$ Million
Total assets	2,573	2,374
Interest-bearing bank borrowings	428	531
Shareholders' equity	1,513	1,300
Net assets per share attributable to owners of the Company	HK\$2.84	HK\$2.44

## REVENUE



## PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY





# CHAIRMAN'S STATEMENT

For The Financial Year Ended  
31 March 2021

Yumei Factory, Shantou City, Guangdong Province, China (3D rendering)

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 2021.

Heightened awareness of the importance of health and exercise among the general public amidst the continued global impact of COVID-19 in 2020 has

resulted in more potential business opportunities in the sportswear market. Besides, the China government launched various concessionary measures to support and encourage the sustainable development of enterprises affected by the epidemic. Benefitting from the decrease in bank lending interest rate and the reduction in the amount of bank loans utilised by the Group, the Group reported reduction in finance cost. With sustaining business growth, the Group has been successfully adapted to the changes and challenges in the sportswear market.



Yumei Factory, Shantou City, Guangdong Province, China



In recent years, the Group has gradually increased the percentage share of its sales in Mainland China by implementing business strategy of selling locally manufactured products to local markets.

## ONGOING PURSUIT OF EXCELLENCE

The Group has its research and development (“R&D”) team dedicated to optimising production technologies and enhancing product design, with a view to more efficient operation in close tandem with market needs and the rapid R&D development of customers.

In line with the Group’s ongoing pursuit of excellence, the R&D team has formed specialised cross-sector teams built on the foundation of its existing R&D and continued to seek enhancement in product design and production technologies with proactive efforts to tackle the ever-changing demands in the sportswear market. In recent years, the Group has been working towards optimising production technologies applied in products with a special focus on innovations in design and cutting, as well as actively promoting “3D simulation sample manufacturing” to enhance sustainability. These efforts have underpinned the direction of the Group’s pursuit and development.





## Chairman's Statement (continued)



## OUTLOOK

With the launch of the COVID-19 vaccine, the global economy is expected to steer towards gradual recovery, and the Group is confident that its garment manufacturing business will maintain stable progress. The Group is committed to the continuous development of automated manufacturing in the future, while streamlining its management structure and expanding the domestic and overseas production lines. Through enhancement of production capacity and expansion of business, the Group is hopeful it will achieve stable growth in results.

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, business partners and customers for their support amidst the adverse economic environment. The Group will continue to maintain a high dividend payout ratio to reward the Shareholders, as it looks to achieve new breakthroughs in business results in the coming year.

**Chung Yuk Sing**

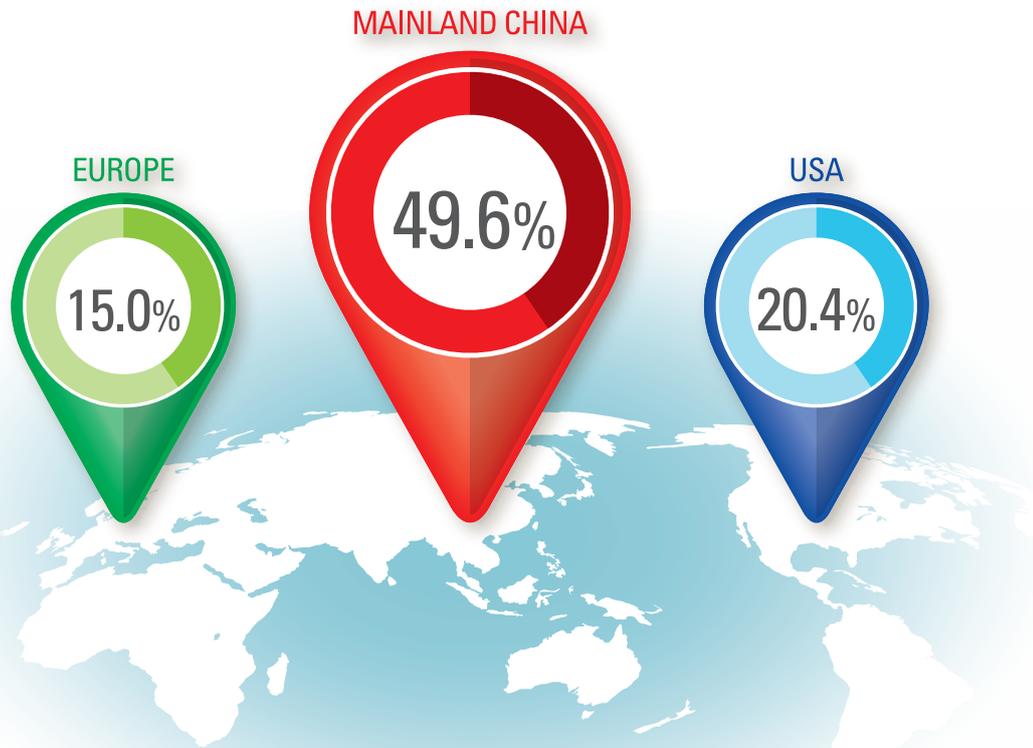
*Chairman*

Hong Kong, 22 June 2021



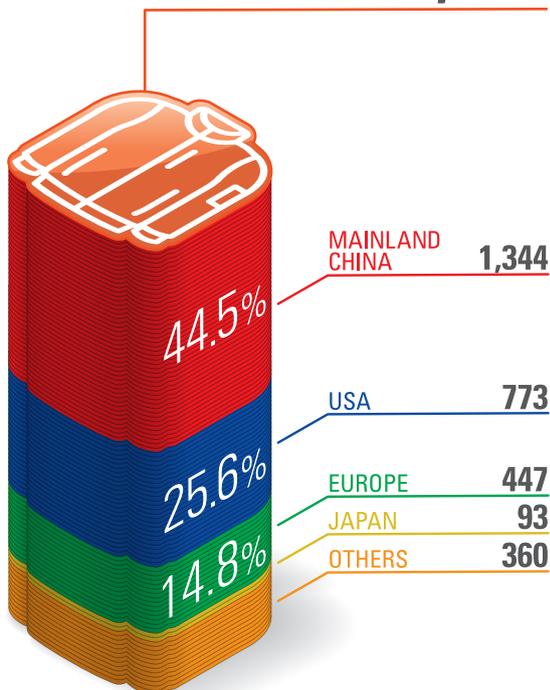
# MANAGEMENT DISCUSSION AND ANALYSIS

## GEOGRAPHICAL REVENUE DISTRIBUTION



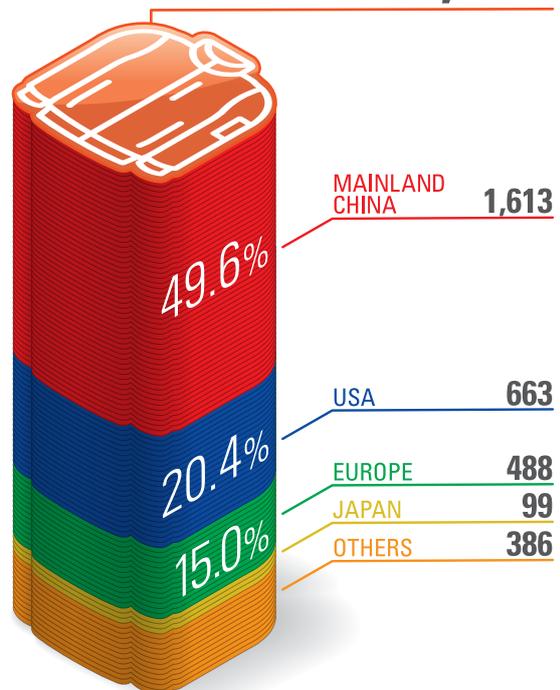
2020

HK\$ MILLION:  
3,017



2021

HK\$ MILLION:  
3,249



## FINANCIAL REVIEW

### Financial Performance

During the year, the global economy was dealt a heavy blow by COVID-19, as the overall market for consumer goods dwindled with the decrease in consumer demand. Moreover, the levying of additional tariffs on China exports amidst ongoing China-U.S. trade conflicts since 2018 further increased production costs for Chinese manufacturers. As a manufacturer of consumer goods with production bases located primarily in the PRC, the Group's operation and business were inevitably affected to a certain extent. Despite the austere business environment, the Group sustained growth in revenue and profit attributable to owners of the Company for the year with credits going to the consistent effort of the Group's management in consolidating the Group's foundation and enhancing the Group's ability to deal with adverse conditions. In terms of production capacity, the Group has established production bases in different countries to increase its production capacity in order to diversify political and economic risks. The Group is also on constant lookout for suitable mergers and acquisitions opportunities with a view to expanding its production capacity. In terms of business, the Group has made strong efforts to broaden its customer base for a more balanced profile of business risks. In terms of production technology, the Group has continued to invest in the acquisition of advanced manufacturing equipment and staff training with a view to optimising the manufacturing processes and enhancing manufacturing automation in order to achieve the long-term aim of reducing labour demand and lowering production costs.

The Group reported a moderate growth of 7.7% in total sales to HK\$3,248.9 million for the year, representing an increase of HK\$231.8 million as compared to HK\$3,017.1 million for last year. Gross profit for the year increased by 21.3% to HK\$652.4 million (2020: HK\$537.9 million), while gross profit margin increased by 2.3% from 17.8% to 20.1%. The Group's profit before tax increased by 43.1% to HK\$422.4 million (2020: HK\$295.1 million), while pre-tax profit margin increased by 3.2% from 9.8% to 13.0%. The ongoing China-U.S. trade conflicts have prompted the Group to enhance the productivity and production efficiency of its overseas production bases, so that it could fully leverage the unique advantages of each of the production bases in the PRC (Guangdong, Jiangxi and Hubei Provinces), Indonesia and Vietnam in terms of geographic location, government policy and production technology and allocate production orders with flexibility. The resulting synergy not only enabled the Group to successfully reduce the impact of the punitive U.S. tariffs on goods made in the PRC, but also effectively contributed to higher production efficiency and lower production costs. In addition, the concessionary measures offered by the PRC government in light of COVID-19 also resulted in lowering the Group's operating costs for the year.





The Group's selling and distribution expenses for the year decreased by HK\$5.0 million despite an increase in sales of HK\$231.8 million. This reflected primarily the additional tariff levied by the United States on goods made in the PRC included in selling and distribution expenses for last year, versus the absence of such costs for the current year. Moreover, air freight arising from the delay in the supply of raw materials by suppliers for the year also decreased. Administrative expenses decreased by HK\$7.4 million, owing mainly to the inclusion of certification fees incurred after acquisition of the Hubei production base in the administrative expenses for the previous year, while there were no such costs for the current year. In addition, during certain period of time for the year, office staff of the Group working from home and restriction on business activities due to COVID-19 brought about decrease in office and operating expenses included in administrative expenses. Finance cost for the year decreased by HK\$12.8 million or 70.6% which was in line with the reduction in bank loan utilisation during the year as a result of the repayment of additional bank loans incurred during the previous year in connection with the acquisition of the Hubei and Vietnam production bases by using stable cash flow generated from the Group's profit growth during the year, as well as lower bank loan interest rates for the year compared to last year. As for taxation, the Group's overall tax expenses for the year increased by HK\$27.3 million or 40.0% on an effective tax rate of 22.6%, which was comparable to last year with a slight 0.5% decrease versus 23.1% for last year.

Other income and gains amounted to HK\$39.7 million (2020: HK\$52.3 million), comprising mainly incentive or subsidies granted by the PRC and Hong Kong governments amounting to HK\$32.2 million (2020: HK\$44.5 million) and bank interest income of HK\$2.9 million (2020: HK\$1.9 million).

Profit attributable to owners of the Company amounted to HK\$313.6 million for the year ended 31 March 2021, representing an increase of HK\$90.1 million or 40.3% compared to HK\$223.5 million for last year. Net profit margin attributable to owners of the Company increased by 2.3% from 7.4% to 9.7%. Excluding other income and gains of the year amounting to HK\$39.7 million (2020: HK\$52.3 million), net operating profit attributable to owners of the Company would increase by HK\$102.7 million or 60.0% to HK\$273.9 million (2020: HK\$171.2 million) and net operating profit margin attributable to owners of the Company would increase by 2.7% from 5.7% to 8.4%. Basic earnings per share attributable to owners of the Company for the year amounted to HK58.9 cents compared to HK42.0 cents for the previous year. The Board proposed to recommend payment of a final dividend of HK12 cents (2020: HK9 cents) per share. Together with the interim dividend of HK30 cents per share paid during the year, the dividend payout ratio for the year was 71.3% (2020: 69.0%).

### 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 2021, the Group had cash and bank balances amounted to HK\$442.4 million (31 March 2020: HK\$341.2 million) mainly denominated in Hong Kong dollars, Renminbi ("RMB"), US dollars, Indonesian Rupiah and Vietnamese Dong.

As at 31 March 2021, the Group's banking facilities of HK\$975.9 million (2020: HK\$873.3 million) were supported by the corporate guarantees of HK\$975.9 million (2020: HK\$741.5 million) executed by the Company and certain subsidiaries of the Company. As at 31 March 2021, an aggregate amount of the Group's banking facilities of HK\$428.4 million (31 March 2020: HK\$530.8 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 2021 was not applicable as the Group had a net cash position (31 March 2020: 14.3%).

### Foreign Exchange Risk Management

The Group has transactional currency exposures as substantial portion of sales or purchases are denominated in US dollars and RMB. As such, the Group is exposed to foreign exchange risk arising from such exposure to US dollars 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 instruments 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

There was no material acquisition or disposal of subsidiaries during the years ended 31 March 2021 and 2020.

### Contingent Liabilities

The Group did not have any significant contingent liabilities as at 31 March 2021 (31 March 2020: Nil).



### Capital Commitments

The Group had the following capital commitments at the end of the year under review:

	<b>As at 31 March 2021 HK\$'000</b>	As at 31 March 2020 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>1,790</b>	154
Renovation of factories and purchases of items of machinery and equipment for the production base in Vietnam	<b>1,295</b>	468
Renovation of factories and purchases of items of machinery and equipment	<b>10,280</b>	3,864
	<b>13,365</b>	4,486

As at 31 March 2021, the Group's banking facilities of HK\$975.9 million (2020: HK\$873.3 million) were supported by the corporate guarantees of HK\$975.9 million (2020: HK\$741.5 million) executed by the Company and certain subsidiaries of the Company. As at 31 March 2021, an aggregate amount of the Group's banking facilities of HK\$428.4 million (31 March 2020: HK\$530.8 million) was utilised.

### Employees and Remuneration Policies

As at 31 March 2021, the Group employed a total of approximately 13,000 employees including directors (31 March 2020: approximately 13,000). Total employee benefit expenses including directors' and chief executive's emoluments were HK\$836.1 million for the year under review (2020: HK\$836.0 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, Vietnam and Indonesia.



# DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

## EXECUTIVE DIRECTORS

**Chung Yuk Sing**, aged 60, 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 certain subsidiaries of the Company. 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 57, 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 certain subsidiaries of the Company. 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 specialising 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 55, 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 has over 30 years of experience of manufacturing and management experience in the garment industry.

**Chen Fang Mei, Christina**, aged 58, 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", and together with its subsidiaries, the "Pou Chen Group"), 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 of Hong Kong Limited (the "Stock Exchange") from July 2009 to June 2015.



**Shih Chih-Hung**, aged 55, has joined the Group as Executive Director of the Company since April 2020. He is one of the vice presidents of Yue Yuen Industrial (Holdings) Limited (stock code: 00551) ("Yue Yuen", and together with its subsidiaries, the "Yue Yuen Group"), a company listed on the main board of the Stock Exchange. He joined Yue Yuen in 1991 and is currently responsible for the promulgation and implementation of administrative policies of Yue Yuen Group in Indonesia, Vietnam, Bangladesh, Cambodia and Myanmar. He is also a director of certain subsidiaries of Yue Yuen and one of the vice presidents of Pou Chen. He graduated from Chung-Yuan University with a bachelor degree in accounting.

**Chung Chi Kit**, aged 32, has been the Executive Director of the Company since December 2020. He 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, Executive Director and Chief Executive Officer of the Company.

**Hu Chia-Ho**, aged 52, has joined the Group as Executive Director of the Company since December 2020. He is currently an executive director of Yue Yuen and a vice president of Yue Yuen Group. He joined Pou Chen in 1997 and is currently the head of CEO office. Mr. Hu has extensive experiences in human resources management and business development. Prior to joining Pou Chen, Mr. Hu had worked with Citibank Taiwan and was responsible for corporate financing and the related businesses. Mr. Hu graduated from the University of Wisconsin, Madison, the United States of America with a Master's Degree of Science.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Chan Cheuk Ho**, aged 54, 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 also been an independent non-executive director of Wai Chun Bio-Technology Limited (stock code: 0660) and Speed Apparel Holding Limited (to be renamed as EPS Creative Health Technology Group Limited) (stock code: 3860), both companies listed on the main board of the Stock Exchange, since November 2020 and July 2021, respectively. He has been Independent Non-Executive Director of the Company since November 2002.

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

**Lu Chi Chant**, aged 69, is currently an independent director of Lealea Enterprise Co., Ltd. (stock code: 1444), Hannstar Board Corp. (stock code: 5469) and Global Brands Manufacture Ltd. (stock code: 6191), 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. 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 60, 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.

**Leung Spencer Yu Cheong**, aged 45, is currently the Principal Consultant of a consultancy firm that provides advice to leading brand-portfolio companies in US and China on their transformation programs, including supply-chain & transfer pricing optimisation, long term strategy review, and organisational structure design. Between 2005 and 2018, Mr. Leung had worked as an Equity Research Analyst covering in various industry segments, and last held the position of Hong Kong Strategist with Union Bank of Switzerland. Mr. Leung is also a Responsible Officer licensed to carry out Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") with Alphalex Capital Management (HK) Limited. Mr. Leung obtained a Master of Business Administration Degree from New York University Leonard N. Stern School of Business in 2005, a Master of Applied Science Degree in Electrical Engineering from the University of Ottawa in 2002 and a Bachelor of Applied Science Degree in Electrical Engineering from the University of Toronto in 1998. Mr. Leung is currently a member of the Admissions, Budgets and Allocations Committee of The Community Chest of Hong Kong. He has been appointed as Independent Non-Executive Director of the Company since December 2020.





## SENIOR MANAGEMENT

**Tsai Nai Chung**, aged 65, 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 of Yue Yuen Group. By managing the factories in USA, Mexico, the PRC and Vietnam of Yue Yuen Group, he has extensive and global experience in manufacturing industry.

**Tsang Sau Fan**, aged 54, 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 66, has joined the Group as Executive Director of the Company in October 2007 and resigned as Executive Director of the Company in May 2009. Currently, she is General Manager of 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 and Vice Chairman of the Board.

**Woo Man Chi**, aged 49, 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 25 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 2021.

## 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 Group’s profit for the year ended 31 March 2021 and the state of affairs of the Group’s financial position at that date are set out in the financial statements on pages 100 to 103 of this annual report.

An interim dividend of HK30 cents per ordinary share was paid on 17 December 2020. The Directors recommend the payment of a final dividend of HK12 cents per ordinary share in respect of the year to shareholders on the register of members on 27 August 2021. Details 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

	2021 HK\$'000	2020 HK\$'000	2019 HK\$'000	2018 HK\$'000	2017 HK\$'000
Revenue	<b>3,248,875</b>	3,017,120	2,700,780	2,109,422	1,757,316
Profit before tax	<b>422,386</b>	295,149	182,675	273,666	185,155
Income tax expense	<b>(95,651)</b>	(68,319)	(44,527)	(43,654)	(30,036)
Profit for the year	<b>326,735</b>	226,830	138,148	230,012	155,119
Attributable to:					
Owners of the Company	<b>313,559</b>	223,458	140,418	230,012	155,119
Non-controlling interests	<b>13,176</b>	3,372	(2,270)	—	—
	<b>326,735</b>	226,830	138,148	230,012	155,119

## SUMMARY FINANCIAL INFORMATION (continued)

### Assets and liabilities

	As at 31 March				
	2021 HK\$'000	2020 HK\$'000	2019 HK\$'000	2018 HK\$'000	2017 HK\$'000
Non-current assets	1,124,131	1,138,584	1,206,960	871,380	763,544
Current assets	1,448,506	1,235,763	1,226,784	899,443	765,170
Current liabilities	(956,375)	(989,271)	(1,055,221)	(470,249)	(395,347)
Net current assets	492,131	246,492	171,563	429,194	369,823
Non-current liabilities	(65,189)	(62,472)	(53,756)	(29,267)	(23,018)
	1,551,073	1,322,604	1,324,767	1,271,307	1,110,349

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

### SHARE CAPITAL

There was no movement in either the authorised or issued share capital of the Company during the year.

### PRE-EMPTIVE RIGHTS

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

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

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

### DISTRIBUTABLE RESERVES

At 31 March 2021, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Law of the Cayman Islands, amounted to HK\$933,435,000. The amount of HK\$933,435,000 includes the Company's share premium account and capital reserve of HK\$609,402,000 in aggregate at 31 March 2021, which may be distributed provided that immediately following the date on which a dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.



## MAJOR CUSTOMERS AND SUPPLIERS

During the year under review, sales to the Group's five largest customers accounted for approximately 98.8% of the Group's total sales for the year and sales to the largest customer included therein accounted for approximately 69.1%.

Purchases from the Group's five largest suppliers accounted for approximately 27.3% of the Group's total purchases for the year and purchases from the largest supplier included therein accounted for approximately 7.4%.

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

## DIRECTORS

The Directors during the year were:

### Executive Directors:

Mr. Chung Yuk Sing	<i>(Chairman and Chief Executive Officer)</i>
Mr. Chen Hsiao Ying	<i>(Vice Chairman)</i>
Mr. Huang Yongbiao	
Ms. Chen Fang Mei, Christina	
Mr. Shih Chih-Hung	<i>(appointed with effect from 1 April 2020)</i>
Mr. Chung Chi Kit	<i>(appointed with effect from 1 December 2020)</i>
Mr. Hu Chia-Ho	<i>(appointed with effect from 1 December 2020)</i>
Mr. Hu Dien Chien	<i>(resigned with effect from 30 November 2020)</i>

### Independent Non-Executive Directors:

Mr. Chan Cheuk Ho	
Mr. Lu Chi Chant	
Ms. Tham Kit Wan	
Mr. Leung Spencer Yu Cheong	<i>(appointed with effect from 1 December 2020)</i>

In accordance with article 87(1) of the Company's articles of association, Mr. Chung Yuk Sing, Ms. Chen Fang Mei, Christina 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. Chung Chi Kit, Mr. Hu Chia-Ho and Mr. Leung Spencer Yu Cheong, who were appointed in December 2020, 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, Ms. Tham Kit Wan and Mr. Leung Spencer Yu Cheong, 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 12 to 15 of this annual report.

## DIRECTORS' SERVICE CONTRACTS

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

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.

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

As at 31 March 2021, the interests and short positions of the Directors and chief executive in the share capital and underlying shares of the Company or any of its associated corporations (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 ("Mr. Chung")	Interest in a controlled corporation	72,650,000 (Note 1)	—	13.66
	Beneficial owner	18,304,000	—	3.44
Mr. Chen Hsiao Ying	Beneficial owner	36,000,800	—	6.77
Mr. Huang Yongbiao ("Mr. Huang")	Interest in a controlled corporation	32,320,000 (Note 2)	—	6.08
Mr. Chung Chi Kit	Beneficial owner	8,500,000	—	1.60

Notes:

- These shares are held by Time Easy Investment Holdings Limited ("Time Easy"), the entire issued share capital of which is held by Mr. Chung, Executive Director.
- These shares are held by Excel Skill International Limited ("Excel Skill"), the entire issued share capital of which is held by Mr. Huang, Executive Director.

Save as disclosed above, as at 31 March 2021, none of the Directors and chief executive had registered an interest or short position in the shares and underlying shares of the Company or any of its associated corporations 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 or any of its associated corporations 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.

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

As at 31 March 2021, 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.
- The entire issued share capital of Excel Skill is held by Mr. Huang.
- 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 47.95% and 3.16% 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.

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

Save as disclosed above, as at 31 March 2021, 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 annual report.

## 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 Rules Governing the listing of Securities on the Stock Exchange (the "Listing Rules") is as follows:

Name of Director	Name of company	Nature of competing business	Nature of interest	Appointment date
Mr. Huang	Guangdong Dalian Garment Co., Limited ("Dalian Garment") (Note 1)	Garment manufacturing	As a shareholder and a director	November 2013
	Foshan City Honglian Garment Co., Limited ("Honglian Garment") (Note 1)	Garment manufacturing	As a shareholder and a director	January 2019
Mr. Shih Chih-Hung ("Mr. Shih") (appointed with effect from 1 April 2020)	Yue Yuen (Note 2)	Garment manufacturing	As a vice president	March 2019
	Pou Chen (Note 2)	Garment manufacturing	As a vice president	November 2020
Mr. Hu Chai-Ho ("Mr. C.H. Hu") (appointed with effect from 1 December 2020)	Yue Yuen (Note 2)	Garment manufacturing	As a director	March 2015
	Pou Chen (Note 2)	Garment manufacturing	As a vice president	March 2019
Mr. Hu Dien Chien ("Mr. D.C. Hu") (resigned with effect from 30 November 2020)	Yue Yuen (Note 2)	Garment manufacturing	As a director	March 2017





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

Notes:

1. Dalian Garment is a company incorporated in the PRC in November 2013 and is indirectly held as to 70% by Mr. Huang. Honglian Garment is a company incorporated in the PRC in March 2010 and is indirectly held as to 85% by Mr. Huang. The principal business activities of both Dalian Garment and Honglian Garment are manufacturing of sportswear and garments. Based on information provided by Dalian Garment and Honglian Garment, they recorded approximately RMB2.9 million and RMB0.5 million respectively in total revenue for the year ended 31 December 2020. As the Group is principally engaged in the manufacturing and trading of sportswear and garments, the business of Dalian Garment and Honglian Garment potentially compete with the Group.

Mr. Huang participates in the apparel manufacturing business of Dalian Garment and Honglian Garment. Mr. Huang has confirmed that he is mindful of his duty to avoid conflict of interest. In cases where conflict of interest situation arises, Mr. Huang will refrain from taking part in the decision making process and will abstain from voting on the relevant resolution in board meeting. On this basis and given that Dalian Garment and Honglian Garment have their own management personnel other than Mr. Huang, the Directors believe that the Company is capable of carrying on its business independently of, and at arm's length from Dalian Garment and Honglian Garment.

2. Yue Yuen is a company listed on the Stock Exchange and is a substantial shareholder of the Company. The principal business activities of 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\$4.7 billion for its footwear manufacturing business for the year ended 31 December 2020. 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.

Pou Chen is a company listed on the Taiwan Stock Exchange Corporation and is a substantial shareholder of Yue Yuen. The principal business activities of Pou Chen Group are manufacturing of shoes and retailing of sporting goods and brand licensing business. Based on the published annual report of Pou Chen, Pou Chen recorded total revenue of around NT\$140 billion for its footwear manufacturing business for the year ended 31 December 2020. As the Group is principally engaged in the manufacturing and trading of sportswear and garments, the businesses of Pou Chen Group and the Group potentially compete with each other.

Given that Yue Yuen Group, Pou Chen 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 and Pou Chen Group.

Having considered the nature and extent of (i) the participation of Mr. Shih, Mr. C.H. Hu and Mr. D.C. Hu in the business of Yue Yuen Group and the Group; and (ii) the participation of Mr. Shih and Mr. C.H. Hu in business of Pou Chen Group and the Group, the Directors believe that there is unlikely to be any significant competition caused to the business of the Group. Mr. D.C. Hu resigned as director of Yue Yuen and the Company both with effect from November 2020.

Save as disclosed above, none of the Directors or their respective associates 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 2021 are set out in note 32 to the financial statements. Save as mentioned in the section headed “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.

## CONNECTED TRANSACTIONS

The Group, through its wholly-owned subsidiary, Pro Kingtex Vietnam Co., Limited (“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 and a connected transaction of the Group under Chapter 14A of the Listing Rules during the year under review:

### Continuing Connected Transactions

#### (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 to 31 May 2021 subject to a maximum service fees payable by Pro Kingtex Vietnam to Pouyuen Vietnam as follows:

	For the financial year ended/ending 31 March	
	2021	2022
US\$ (exclusive of value-added tax)	<b>1,800,000</b>	300,000
Equivalent to approximately HK\$	<b>14,040,000</b>	2,340,000

For the year ended 31 March 2021, the actual amount paid or payable by Pro Kingtex Vietnam to Pouyuen Vietnam under the Master Services Agreement amounted to US\$1,180,600 (equivalent to approximately HK\$9,150,000).

#### (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).

On 29 May 2020, Pouyuen Vietnam and Pro Kingtex Vietnam entered into a supplemental tenancy agreement (the “Supplemental Tenancy Agreement”), for 1 year commencing from 1 June 2020 to 31 May 2021 (both days inclusive) for a monthly rental of not more than US\$3,204 per month (inclusive of management fees and exclusive of value-added tax).

**CONNECTED TRANSACTIONS** (continued)**Continuing Connected Transactions** (continued)**(b) Tenancy Agreement** (continued)

On 25 November 2020, Pouyuen Vietnam and Pro Kingtex Vietnam entered into the termination agreement (the "Termination Agreement") to terminate the Supplemental Tenancy Agreement with effect from 30 November 2020.

Accordingly, the maximum rental payable by Pro Kingtex Vietnam to Pouyuen Vietnam during the term of the Tenancy Agreement and the Supplemental Tenancy Agreement (up to and including the effective date of the Termination Agreement, being 30 November 2020) would be as follows:

	For the financial year ended/ending 31 March	
	2021	2022
US\$ (exclusive of value-added tax)	873,432	142,368
Equivalent to approximately HK\$	6,813,000	1,110,000

For the year ended 31 March 2021, the actual amount paid or payable by Pro Kingtex Vietnam to Pouyuen Vietnam under the Tenancy Agreement and the Supplemental Tenancy Agreement (up to and including the effective date of the Termination Agreement, being 30 November 2020) amounted to US\$873,432 (equivalent to approximately HK\$6,769,000).

Further details of the Master Services Agreement, the Tenancy Agreement, the Supplemental Tenancy Agreement and the Termination Agreement have been disclosed in the announcements of the Company dated 29 March 2018, 27 April 2018, 1 June 2018, 29 May 2020 and 25 November 2020 (collectively, the "Announcements"), and the circular of the Company dated 30 April 2018.

During the year under review, the actual amounts of all the transactions contemplated under the Master Services Agreement, the Tenancy Agreement, the Supplemental Tenancy Agreement and the Termination Agreement (collectively, the "Continuing Connected Transactions") paid or payable under the agreements did not exceed the respective aggregate maximum amounts as previously disclosed in the Announcements.

**Connected Transaction**

On 25 November 2020, Pouyuen Vietnam and Pro Kingtex Vietnam entered into a new supplemental tenancy agreement (the "New Supplemental Tenancy Agreement") for 2 years and 6 months commencing from 1 December 2020 to 31 May 2023 (both days inclusive) for a monthly rental of not more than US\$11,094 per month (inclusive of management fees and exclusive of value-added tax).

The Group, as the tenant, recognised right-of-use assets according to Hong Kong Financial Reporting Standards 16 issued by the Hong Kong Institute of Certified Public Accountants, with the value of US\$324,022 (equivalent to approximately HK\$2,511,000). The transaction under the New Supplemental Tenancy Agreement (the "Connected Transaction") should be regarded as acquisition of asset under the definition of transaction set out in Rule 14.04(1)(a) and Rule 14A.24(1) of the Listing Rules.

Further details of the New Supplemental Tenancy Agreement have been disclosed in the announcements of the Company dated 25 November 2020 and 9 June 2021.

## CONNECTED TRANSACTIONS (continued)

### Confirmation of Independent Non-executive Directors

The independent non-executive Directors have reviewed the Continuing Connected Transactions in addition to the Connected Transaction and confirmed that the respective agreements and terms of the Continuing Connected Transactions and the Connected Transaction 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.

### Confirmation of the Company's Auditor

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

### Events after the year under review

Subsequent to the year under review on 31 May 2021, the Master Services Agreement and the Tenancy Agreement expired. On 1 June 2021, Pouyuen Vietnam and Pro Kingtex Vietnam entered into the new master services agreement (the "New Master Services Agreement") and the new tenancy agreement (the "New Tenancy Agreement") to renew the Master Services Agreement and the Tenancy Agreement, each for a term of three years from 1 June 2021 to 31 May 2024. Pursuant to the New Master Services Agreement, the annual maximum services fees payable by Pro Kingtex Vietnam to Pouyuen Vietnam shall not exceed the amount of US\$1,800,000 (equivalent to approximately HK\$14,040,000) per year. Pursuant to the New Tenancy Agreement, the monthly rental should not be more than US\$71,184 (equivalent to approximately HK\$555,000) per month (inclusive of management fees and exclusive of value-added tax). The transactions contemplated under the New Master Services Agreement constitute continuing connected transactions for the Company subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules. The transaction contemplated under the New Tenancy Agreement, which constitute connected transaction for the Company but not notifiable transaction under Chapter 14 of the Listing Rules, is subject to announcement and reporting requirements but exempt from independent Shareholders' approval under Chapter 14A of the Listing Rules.

Further details of the New Master Services Agreement and the New Tenancy Agreement have been disclosed in the announcements of the Company dated 1 June 2021 and 9 June 2021.





## CORPORATE GOVERNANCE

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

## BUSINESS REVIEW

The review of the business of the Group for the year ended 31 March 2021 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 6 and pages 7 to 11 respectively of this annual report. Description of the risks faced by the Group is set out in note 35 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, the Group has developed a comprehensive environmental policy for its operations. During the year under review, 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 within the prescribed time limit under the Listing Rules.

### 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, the 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 on the Group.



## Report of the Directors (continued)

### 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

22 June 2021



# 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 2021, 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

During the year under review, six board meetings and one general meeting were held. The composition of the Board and the attendance of each Director at board meetings and general meeting during the year are set out as follows:

Name of Director	Number of board meetings attended/held	Number of general meeting attended/held
<b>Executive Directors</b>		
Mr. Chung Yuk Sing ( <i>Chairman and Chief Executive Officer</i> )	6/6	1/1
Mr. Chen Hsiao Ying ( <i>Vice Chairman</i> )	6/6	1/1
Mr. Huang Yongbiao	6/6	1/1
Ms. Chen Fang Mei, Christina	6/6	1/1
Mr. Shih Chih-Hung ( <i>appointed with effect from 1 April 2020</i> )	6/6	1/1
Mr. Chung Chi Kit ( <i>appointed with effect from 1 December 2020</i> )	2/2	0/0
Mr. Hu Chia-Ho ( <i>appointed with effect from 1 December 2020</i> )	2/2	0/0
Mr. Hu Dien Chien ( <i>resigned with effect from 30 November 2020</i> )	4/4	1/1
<b>Independent Non-Executive Directors</b>		
Mr. Chan Cheuk Ho	6/6	1/1
Mr. Lu Chi Chant	6/6	1/1
Ms. Tham Kit Wan	6/6	1/1
Mr. Leung Spencer Yu Cheong ( <i>appointed with effect from 1 December 2020</i> )	2/2	0/0

Biographical details of all Directors are disclosed in the section headed "Directors' and Senior Management's Biographies" on pages 12 to 15 of this annual report. Save that Mr. Chung Yuk Sing, the Chairman and Chief Executive Officer, is the father of Mr. Chung Chi Kit, an executive Director, to the best knowledge of the Company, there are no financial, business, family or other material or relevant relationships amongst members of the Board.

## 1. DIRECTORS (continued)

### 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 and considered all of the INEDs to be independent pursuant to the factors set out therein.

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.

### c. Chairman and Chief Executive Officer

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.

### 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.





## 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.

### 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.

## 1. DIRECTORS (continued)

### h. Continuing professional development (continued)

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
Mr. Huang Yongbiao	A, C
Ms. Chen Fang Mei, Christina	A, B, C
Mr. Shih Chih-Hung	A, C
Mr. Chung Chi Kit	A, C
Mr. Hu Chia-Ho	A, C
Mr. Hu Dien Chien (resigned with effect from 30 November 2020)	B, 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
Mr. Leung Spencer Yu Cheong	A, 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 had duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

## 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.



## 2. BOARD COMMITTEES (continued)

### a. Remuneration Committee (continued)

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

Committee Members	Number of meetings attended/held
Mr. Chan Cheuk Ho ( <i>Chairman</i> )	3/3
Mr. Chung Yuk Sing	3/3
Mr. Lu Chi Chant	3/3

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 2020.

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 2021 is as follows:

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

Details of the remuneration of each Director for the year ended 31 March 2021 are set out in note 8 to the financial statements.

## 2. BOARD COMMITTEES (continued)

### b. Audit Committee

The Audit Committee comprises three INEDs. Mr. Chan Cheuk Ho is the Chairman of the Audit Committee. 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.

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



## 2. BOARD COMMITTEES (continued)

### b. Audit Committee (continued)

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 2020, 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 at its 2020 annual general meeting;
- (iii) review of the interim report and results announcement of the Company for the six months ended 30 September 2020, with a recommendation to the Board for approval;
- (iv) consideration of audit and non-audit services provided by the external auditors;
- (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 2021, with a recommendation to the Board for approval; and
- (viii) review of continuing connected transactions and connected transactions.

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 the 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 the Directors.

## 2. BOARD COMMITTEES (continued)

### b. Audit Committee (continued)

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.

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 2021, the Nomination Committee met two 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 meetings is set out below:

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



## 2. BOARD COMMITTEES (continued)

### c. Nomination Committee (continued)

#### ***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 recognises 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 April 2020, Mr. Shih Chih-Hung was appointed as the Executive Director. In December 2020, Mr. Chung Chi Kit and Mr. Hu Chia-Ho were appointed as the Executive Directors. They contribute their business, garment manufacturing and management expertise to the Board. In December 2020, Mr. Leung Spencer Yu Cheong was appointed as the INED, adding financial and investment 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.

## 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 organisations, 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.

### 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.





### 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.

### 3. ACCOUNTABILITY AND AUDIT (continued)

#### c. Auditor's Remuneration

For the year ended 31 March 2021, the fee payable to the Group's auditor, Ernst & Young, is set out as follows:

Services rendered	Amount of fee payable HK\$'000
Audit services	3,848
Non-audit services	97
	3,945

### 4. SHAREHOLDERS' RIGHTS

#### a. Procedures for Shareholders to convene Extraordinary General Meeting ("EGM")

The 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. The Shareholders may follow the procedures set out above to convene an EGM for any business specified in such written requisition or the procedures for the Shareholders to propose a person for election as a Director which is available on the website of the Company.



## 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.

## 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.

## 7. INVESTOR RELATIONS

During the year ended 31 March 2021, there was no change to the articles of association of the Company. The articles of association of the Company has been posted on the Company's website.

On behalf of the Board

**Chung Yuk Sing**

*Chairman*

Hong Kong, 22 June 2021





# 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 200, which comprise the consolidated statement of financial position as at 31 March 2021, 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 2021, 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.



## 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)

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.

#### 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 2021. 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 allocated. 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 the business development plan. We also assessed the Group's disclosures of goodwill in the consolidated financial statements.

The significant accounting judgements and estimates and disclosures of impairment testing 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.



**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 HKSAAs 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 HKSAAs, 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.



**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)*

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, actions taken to eliminate threats or safeguards applied.

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*

27/F, One Taikoo Place

979 King's Road

Quarry Bay

Hong Kong

22 June 2021



# CONSOLIDATED INCOME STATEMENT

## 綜合收益表

Year ended 31 March 2021

截至二零二一年三月三十一日止年度

		Notes 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>REVENUE</b>	<b>營業收入</b>	5	<b>3,248,875</b>	3,017,120
Cost of sales	銷售成本		<b>(2,596,468)</b>	(2,479,261)
Gross profit	毛利		<b>652,407</b>	537,859
Other income and gains, net	其他收入及收益，淨額	5	<b>39,696</b>	52,283
Selling and distribution expenses	銷售及分銷開支		<b>(25,770)</b>	(30,810)
Administrative expenses	行政開支		<b>(238,615)</b>	(246,057)
Finance costs	融資成本	6	<b>(5,332)</b>	(18,126)
<b>PROFIT BEFORE TAX</b>	<b>除稅前溢利</b>	7	<b>422,386</b>	295,149
Income tax expense	所得稅開支	10	<b>(95,651)</b>	(68,319)
<b>PROFIT FOR THE YEAR</b>	<b>本年度溢利</b>		<b>326,735</b>	226,830
Attributable to:	應佔：			
Owners of the Company	本公司擁有人		<b>313,559</b>	223,458
Non-controlling interests	非控股股東權益		<b>13,176</b>	3,372
			<b>326,735</b>	226,830
<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		
Basic	基本		<b>HK58.9 cents 58.9港仙</b>	HK42.0 cents 42.0港仙
Diluted	攤薄		<b>HK58.9 cents 58.9港仙</b>	HK42.0 cents 42.0港仙



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## 綜合全面收益表

Year ended 31 March 2021  
截至二零二一年三月三十一日止年度

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>PROFIT FOR THE YEAR</b>	<b>年度溢利</b>	<b>326,735</b>	226,830
<b>OTHER COMPREHENSIVE INCOME/ (EXPENSE)</b>	<b>其他全面收益/(支出)</b>		
Other comprehensive expense that will not be reclassified to profit or loss in subsequent periods:	於其後期間不可重新分類至損益的其他全面支出：		
Actuarial loss on a defined benefit plan	定額福利計劃之精算虧損	(1,184)	(114)
Other comprehensive income/(expense) that may be reclassified to profit or loss in subsequent periods:	於其後期間可以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	110,398	(90,559)
<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>109,214</b>	(90,673)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>本年度全面收益總額</b>	<b>435,949</b>	136,157
Attributable to:	應佔：		
Owners of the Company	本公司擁有人	420,309	134,078
Non-controlling interests	非控股股東權益	15,640	2,079
		<b>435,949</b>	136,157



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

31 March 2021  
二零二一年三月三十一日

		Notes 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 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	828,991	840,563
Right-of-use assets	使用權資產	14(a)	169,448	170,519
Goodwill	商譽	16	100,334	100,334
Intangible assets	無形資產	17	10,579	13,400
Deposits	按金	15	14,779	13,768
Total non-current assets	非流動資產總值		1,124,131	1,138,584
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	18	572,713	570,113
Accounts and bills receivables	應收賬款及票據	19	348,046	243,944
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	15	83,028	77,528
Tax recoverable	可收回稅項		1,731	2,475
Restricted bank balance	受限制銀行結餘	20	593	547
Cash and bank balances	現金及銀行結餘	20	442,395	341,156
Total current assets	流動資產總值		1,448,506	1,235,763
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Accounts payable	應付賬款	21	273,654	236,856
Accrued liabilities and other payables	應計負債及其他應付款項	23	170,123	167,011
Interest-bearing bank borrowings	計息銀行貸款	24	428,438	530,800
Lease liabilities	租賃負債	14(b)	3,406	7,605
Tax payable	應付稅項		80,754	46,999
Total current liabilities	流動負債總值		956,375	989,271
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>		492,131	246,492
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>資產總值扣除流動負債</b>		1,616,262	1,385,076
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Pension scheme obligation	退休金計劃承擔	25	20,947	16,868
Lease liabilities	租賃負債	14(b)	5,686	6,424
Deferred tax liabilities	遞延稅項負債	26	38,556	39,180
Total non-current liabilities	非流動負債總值		65,189	62,472
Net assets	資產淨值		1,551,073	1,322,604



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

31 March 2021  
二零二一年三月三十一日

		Notes 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<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	5,320	5,320
Reserves	儲備	28	1,507,347	1,294,518
			<b>1,512,667</b>	1,299,838
<b>Non-controlling interests</b>	<b>非控股股東權益</b>		<b>38,406</b>	22,766
Total equity	資本總值		<b>1,551,073</b>	1,322,604

**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 2021

截至二零二一年三月三十一日止年度

		Attributable to owners of the Company								
		本公司擁有人應佔								
	Note	Share Issued capital 已發行 股本	Share premium account 溢價賬	Capital reserve 資本儲備	Statutory surplus reserve 盈餘儲備	Exchange fluctuation reserve 波動儲備	Retained profits 留存溢利	Total	Non- controlling interests 非控股 股東權益	Total
	附註	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	HK\$'000 千港元
At 1 April 2019	於二零一九年四月一日	5,320	566,314	(229)	61,241	22,158	649,276	1,304,080	20,687	1,324,767
Profit for the year	年度溢利	—	—	—	—	—	223,458	223,458	3,372	226,830
Other comprehensive expense for the year:	年度其他全面支出：									
Actuarial loss on a defined benefit plan	定額福利計劃精算虧損	—	—	—	—	—	(114)	(114)	—	(114)
Exchange differences on translation of foreign operations	折算海外業務之匯兌差額	—	—	—	—	(89,266)	—	(89,266)	(1,293)	(90,559)
Total comprehensive income/(expense) for the year	年度全面收益/(支出)總額	—	—	—	—	(89,266)	223,344	134,078	2,079	136,157
Transfer to reserve	轉撥至儲備	—	—	—	10,101	—	(10,101)	—	—	—
Final 2019 dividend	二零一九年末期股息	11	—	—	—	—	(31,920)	(31,920)	—	(31,920)
Interim 2020 dividend	二零二零年中期股息	11	—	—	—	—	(106,400)	(106,400)	—	(106,400)
At 31 March 2020	於二零二零年三月三十一日	5,320	566,314*	(229)*	71,342*	(67,108)*	724,199*	1,299,838	22,766	1,322,604
At 1 April 2020	於二零二零年四月一日	5,320	566,314	(229)	71,342	(67,108)	724,199	1,299,838	22,766	1,322,604
Profit for the year	年度溢利	—	—	—	—	—	313,559	313,559	13,176	326,735
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	—	—	—	—	—	(1,184)	(1,184)	—	(1,184)
Exchange differences on translation of foreign operations	折算海外業務之匯兌差額	—	—	—	—	107,934	—	107,934	2,464	110,398
Total comprehensive income for the year	年度全面收益總額	—	—	—	—	107,934	312,375	420,309	15,640	435,949
Transfer to reserve	轉撥至儲備	—	—	—	18,518	—	(18,518)	—	—	—
Final 2020 dividend	二零二零年末期股息	11	—	—	—	—	(47,880)	(47,880)	—	(47,880)
Interim 2021 dividend	二零二一年中期股息	11	—	—	—	—	(159,600)	(159,600)	—	(159,600)
At 31 March 2021	於二零二一年三月三十一日	5,320	566,314*	(229)*	89,860*	40,826*	810,576*	1,512,667	38,406	1,551,073

\* These reserve accounts comprise the consolidated reserves of HK\$1,507,347,000 (2020: HK\$1,294,518,000) 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1,507,347,000港元(二零二零年: 1,294,518,000港元)。



# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

Year ended 31 March 2021  
截至二零二一年三月三十一日止年度

	Notes 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 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>422,386</b>	295,149
Adjustments for:	按以下項目調整：		
Bank interest income	銀行利息收入	<b>(2,881)</b>	(1,930)
Finance costs	融資成本	<b>5,332</b>	18,126
COVID-19-related rent concessions from a lessor	出租人就COVID-19相關之租金寬免	<b>(733)</b>	—
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>90,309</b>	85,777
Depreciation of right-of-use assets	使用權資產折舊	<b>14,282</b>	14,073
Amortisation of intangible assets	無形資產攤銷	<b>2,821</b>	3,417
Loss on disposal and write-off of items of property, plant and equipment, net	出售及撇銷物業、廠房及設備項目虧損，淨額	<b>154</b>	2,072
Write-off of other payables	其他應付款項註銷	<b>—</b>	(2,371)
Income derived from financial assets at fair value through profit or loss	按公平值計入損益的金融資產所得收益	<b>(2,846)</b>	(1,528)
		<b>528,824</b>	412,785
Increase in inventories	存貨增加	<b>(2,600)</b>	(68,212)
Decrease/(increase) in accounts and bills receivables	應收賬款及票據減少/(增加)	<b>(104,102)</b>	167,298
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少/(增加)	<b>(5,500)</b>	15,040
Increase/(decrease) in accounts payable	應付賬款增加/(減少)	<b>36,798</b>	(21,313)
Increase/(decrease) in accrued liabilities and other payables	應計負債及其他應付款項增加/(減少)	<b>3,112</b>	(18,207)
Increase in pension scheme liabilities	退休金計劃負債增加	<b>1,165</b>	5,258
Settlement of pension scheme liabilities	結算退休金計劃負債	<b>(312)</b>	(176)
Decrease/(increase) in a restricted bank balance	受限制銀行結餘減少/(增加)	<b>(46)</b>	38
Exchange realignment	匯兌調整	<b>23,554</b>	(21,535)
Cash generated from operations	營運產生之現金	<b>480,893</b>	470,976
Interest paid	已付利息	<b>(5,332)</b>	(18,126)
Hong Kong profits tax paid	已付香港利得稅	<b>(16,326)</b>	(17,230)
Overseas tax paid	已付海外稅項	<b>(47,652)</b>	(34,714)
Net cash flows from operating activities	來自經營業務之現金流量淨值	<b>411,583</b>	400,906

Consolidated Statement of Cash Flows (continued)

綜合現金流量表(續)

Year ended 31 March 2021

截至二零二一年三月三十一日止年度

	Notes 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of items of property, plant and equipment, net		615	2,079
Purchases of items of property, plant and equipment	29	(10,828)	(56,818)
Interest received		2,881	1,930
Income derived from financial assets at fair value through profit or loss		2,846	1,528
Increase in non-current portion of deposits	29	(14,779)	(13,768)
Decrease in pledged deposits		—	15,204
Decrease/(increase) in time deposits with original maturity of more than three months when acquired		43,778	(43,778)
Net cash flows from/(used in) investing activities		24,513	(93,623)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of bank loans, net		(102,362)	(41,355)
Dividends paid		(207,480)	(138,320)
Principal portion of lease payments		(7,275)	(7,425)
Net cash flows used in financing activities		(317,117)	(187,100)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		118,979	120,183
Cash and cash equivalents at beginning of year		297,378	193,834
Effect of foreign exchange rate changes, net		26,038	(16,639)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		442,395	297,378



Consolidated Statement of Cash Flows (continued)  
綜合現金流量表(續)

Year ended 31 March 2021  
截至二零二一年三月三十一日止年度

	Notes 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
<b>現金及現金等值項目之結餘分析</b>			
Cash and bank balances	20	<b>382,634</b>	265,051
Non-pledged time deposits with original maturity of more than three months when acquired	20	—	43,778
Non-pledged time deposits with original maturity of less than three months when acquired	20	<b>60,354</b>	32,874
Less: Restricted bank balance	20	<b>(593)</b>	(547)
Cash and cash equivalents as stated in the consolidated statement of financial position		<b>442,395</b>	341,156
Less: Non-pledged time deposits with original maturity of more than three months when acquired	20	—	(43,778)
Cash and cash equivalents as stated in the consolidated statement of cash flows		<b>442,395</b>	297,378

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 March 2021  
二零二一年三月三十一日

### 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
			2021 二零二一年	2020 二零二零年	
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)) (2020: 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)) (二零二零年: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)") (Note (b)) (「裕美(汕頭)」)(附註(b))	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 (2020: US\$23,500,000) 23,500,000美元 (二零二零年:23,500,000美元)	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服裝及成衣
Eagle Nice Development Limited 鷹美發展有限公司	Hong Kong 香港	HK\$1 (2020: HK\$1) 1港元(二零二零年:1港元)	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服裝及成衣
Maitex (EAG) Limited 源瀚(鷹美集團)有限公司	Hong Kong 香港	HK\$1,000 (2020: HK\$1,000) 1,000港元 (二零二零年:1,000港元)	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服裝及成衣
惠來縣源瀚製衣有限公司 ("Maitex PRC") (Note (b)) (「惠來源瀚」)(附註(b))	PRC/Mainland China 中國/中國大陸	HK\$40,000,000 (2020: HK\$40,000,000) 40,000,000港元 (二零二零年:40,000,000港元)	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服裝及成衣
湖北動能體育用品有限公司 ("Hubei Dongneng") (Note (c)) (「湖北動能」)(附註(c))	PRC/Mainland China 中國/中國大陸	RMB100,000,000 (2020: RMB100,000,000) 人民幣100,000,000元 (二零二零年: 人民幣100,000,000元)	80	80	Manufacture and trading of sportswear and garments 生產及買賣運動服裝及成衣
Pro Kingtex Vietnam Co., Limited	Vietnam 越南	US\$7,800,000 (2020: US\$7,800,000) 7,800,000美元 (二零二零年:7,800,000美元)	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服裝及成衣
鷹美(荊門)製衣有限公司 ("EN (Jingmen)") (Note (c)) (「鷹美(荊門)」)(附註(c))	PRC/Mainland China 中國/中國大陸	RMB35,000,000 (2020: RMB5,000,000) 人民幣35,000,000元 (二零二零年:人民幣5,000,000元)	80	80	Manufacture and trading of sportswear and garments 生產及買賣運動服裝及成衣
King Eagle (EAG) Limited 金鷹(鷹美集團)有限公司	Hong Kong 香港	HK\$1 (2020: HK\$1) 1港元(二零二零年:1港元)	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服裝及成衣

### 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, the 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裝及成衣。

#### 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 2021  
二零二一年三月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (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
			2021 二零二一年	2020 二零二零年	
惠來縣宏鷹製衣有限公司 ("Hung Eagle Garment") (Note (b)) (「惠來宏鷹」)(附註(b))	PRC/Mainland China 中國/中國大陸	US\$4,000,000 (2020: US\$4,000,000) 4,000,000美元 (二零二零年: 4,000,000美元)	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服裝及成衣
Eagle Nice (Indonesia) Holdings Limited 鷹美(印尼)控股有限公司	Hong Kong 香港	HK\$1 (2020: HK\$1) 1港元(二零二零年: 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 (2020: US\$32,000,000) 32,000,000美元 (二零二零年: 32,000,000美元)	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服裝及成衣
Eagle Nice (Jiangxi) Garment Limited 鷹美(江西)製衣有限公司	Hong Kong 香港	HK\$10,000 (2020: HK\$10,000) 10,000港元 (二零二零年: 10,000港元)	100	100	Investment holding 投資控股
鷹美(宜豐)製衣有限公司 ("EN (Yifeng)") (Note (b)) (「鷹美(宜豐)」)(附註(b))	PRC/Mainland China 中國/中國大陸	US\$28,000,000 (2020: US\$25,000,000) 28,000,000美元 (二零二零年: 25,000,000美元)	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服裝及成衣

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 and EN (Jingmen) are registered as limited liability companies under PRC law.

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

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.

1. 公司及集團資料(續)

附屬公司之資料(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
			2021 二零二一年	2020 二零二零年	
惠來縣宏鷹製衣有限公司 ("Hung Eagle Garment") (Note (b)) (「惠來宏鷹」)(附註(b))	PRC/Mainland China 中國/中國大陸	US\$4,000,000 (2020: US\$4,000,000) 4,000,000美元 (二零二零年: 4,000,000美元)	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服裝及成衣
Eagle Nice (Indonesia) Holdings Limited 鷹美(印尼)控股有限公司	Hong Kong 香港	HK\$1 (2020: HK\$1) 1港元(二零二零年: 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 (2020: US\$32,000,000) 32,000,000美元 (二零二零年: 32,000,000美元)	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服裝及成衣
Eagle Nice (Jiangxi) Garment Limited 鷹美(江西)製衣有限公司	Hong Kong 香港	HK\$10,000 (2020: HK\$10,000) 10,000港元 (二零二零年: 10,000港元)	100	100	Investment holding 投資控股
鷹美(宜豐)製衣有限公司 ("EN (Yifeng)") (Note (b)) (「鷹美(宜豐)」)(附註(b))	PRC/Mainland China 中國/中國大陸	US\$28,000,000 (2020: US\$25,000,000) 28,000,000美元 (二零二零年: 25,000,000美元)	100	100	Manufacture and trading of sportswear and garments 生產及買賣運動服裝及成衣

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。
- 湖北動能及鷹美(荊門)為根據中國法律註冊之有限責任公司。

上述所有附屬公司由本公司間接持有。

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。

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

31 March 2021  
二零二一年三月三十一日

## 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 2021. 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).

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.

## 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」)頒布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」)截至二零二一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)。

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。



## 2.1 BASIS OF PREPARATION (continued)

### Basis of consolidation (continued)

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.

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.

## 2.1 編製基準(續)

### 綜合基準(續)

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。

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。

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

31 March 2021  
二零二一年三月三十一日

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the *Conceptual Framework for Financial Reporting 2018* and the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 3	<i>Definition of a Business</i>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendment to HKFRS 16	<i>COVID-19-Related Rent Concessions</i> (early adopted)
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i>

The nature and the impact of the *Conceptual Framework for Financial Reporting 2018*, Amendments to HKFRS 3 *Definition of a Business*, Amendment to HKFRS 16 *COVID-19-Related Rent Concessions* and Amendments to HKAS 1 and HKAS 8 *Definition of Material* are described below:

- (a) *Conceptual Framework for Financial Reporting 2018* (the "Conceptual Framework") sets out a comprehensive set of concepts for financial reporting and standard setting, and provides guidance for preparers of financial statements in developing consistent accounting policies and assistance to all parties to understand and interpret the standards. The Conceptual Framework includes new chapters on measurement and reporting financial performance, new guidance on the derecognition of assets and liabilities, and updated definitions and recognition criteria for assets and liabilities. It also clarifies the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The Conceptual Framework did not have any significant impact on the financial position and financial performance of the Group.

## 2.2 會計政策及披露變動

本集團已就本年度的財務報表首次採納二零一八年財務報告概念框架及以下經修訂香港財務報告準則。

香港財務報告準則第3號修訂	業務定義
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號修訂	利率基準改革
香港財務報告準則第16號修訂	與COVID-19疫情相關之租金寬免(提前採納)
香港會計準則第1號及香港會計準則第8號修訂	重大性定義

二零一八年財務報告概念框架、香港財務報告準則第3號修訂「業務定義」、香港財務報告準則第16號修訂「與COVID-19疫情相關之租金寬免」及香港會計準則第1號及香港會計準則第8號修訂「重大性定義」的性質及影響如下：

- (a) 二零一八年財務報告概念框架(「概念框架」)就財務報告和準則制定提供了一整套概念，並為財務報告編製者在發展一致的會計政策上提供指引，協助各方人士理解和解讀準則。概念框架包括有關計量和報告財務績效的新章節，有關資產和負債終止確認的新指引，以及更新了有關資產和負債定義和確認的標準。該等框架亦闡明了管理、審慎和衡量不確定性在財務報告中的作用。概念框架並非準則，其中包含的任何概念都不會凌駕於任何準則中的概念或要求之上。概念框架對本集團的財務狀況及財務表現並無產生任何重大影響。



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

(b) Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group has applied the amendments prospectively to transactions or other events that occurred on or after 1 April 2020. The amendments did not have any impact on the financial position and financial performance of the Group.

## 2.2 會計政策及披露變動(續)

(b) 香港財務報告準則第3號修訂對業務定義進行了澄清並提供額外指引。該項修訂澄清，倘一組整合的活動和資產要構成業務，其必須至少包括一項投入和一項實質性過程，並共同顯著促進創造產出的能力。業務可以不具備所有創造產出所需的投入和過程。該修訂刪除了對市場參與者是否有能力購買業務並能持續產生產出的評估，轉而重點關注所取得的投入和所取得的實質性過程是否共同顯著促進創造產出的能力。該修訂亦縮小了產出的定義範圍，重點關注向顧客提供的商品或服務、投資收益或其他日常活動收入。此外，該修訂為實體評估所取得的過程是否為實質性過程提供指引，並引入可選的公平值集中度測試，以允許對所取得的一組活動和資產是否不構成業務進行簡化評估。本集團已就於二零二零年四月一日之後發生的交易提前採納該修訂本。該修訂本對本集團的財務狀況及財務表現並無產生任何影響。

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

- (c) Amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective for annual periods beginning on or after 1 June 2020 with earlier application permitted and shall be applied retrospectively.

During the year ended 31 March 2021, certain monthly lease payments for a lease of the Group's plant have been reduced or waived by the lessor upon reducing the scale of production as a result of the pandemic and there are no other changes to the terms of the lease. The Group has early adopted the amendment on 1 April 2020 and elected not to apply lease modification accounting for all rent concessions granted by the lessors as a result of the pandemic during the year ended 31 March 2021. Accordingly, a reduction in the lease payments arising from the rent concessions of HK\$733,000 has been accounted for as a variable lease payment by derecognising part of the lease liabilities and crediting to the income statement for the year ended 31 March 2021.

## 2.2 會計政策及披露變動(續)

- (c) 香港財務報告準則第16號修訂為承租人提供可行權宜方法，可選擇不就COVID-19直接導致的租金寬減應用租賃修訂會計處理。該可行權宜方法僅適用於疫情直接導致的租金寬減，並僅在以下情況下適用：(i)租賃付款變動所導致的經修訂租賃代價與緊接該變動前的租賃代價大致相同或低於有關代價；(ii)租賃付款的任何減幅僅影響原到期日為二零二一年六月三十日或之前的付款；及(iii)其他租賃條款及條件並無實質變動。該修訂於二零二零年六月一日或之後開始的年度期間生效，允許提前應用，並將追溯應用。

於截至二零二一年三月三十一日止年度，本集團其一廠房租賃因疫情導致生產規模縮減而被出租人減少或豁免若干月租賃付款，唯租賃條款並無其他改變。本集團已於二零二零年四月一日提前採納修訂，就出租人於截至二零二一年三月三十一日止年度因疫情授予之所有租金寬減，選擇不應用租賃修訂會計處理。因此，租金寬減所產生之租賃付款減少733,000港元已通過終止確認部分租賃負債視作可變租賃付款，並計入截至二零二一年三月三十一日止年度損益表。



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

- (d) Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. The amendments did not have any significant impact on the financial position and financial performance of the Group.

The adoption of Amendments to HKFRS 9, HKAS 39 and HKFRS 7 *Interest Rate Benchmark Reform* has had no significant impact on the financial position and financial performance of the Group.

## 2.2 會計政策及披露變動(續)

- (d) 香港會計準則第1號及香港會計準則第8號修訂提供了新的重大性定義。新定義規定，如果可合理預計漏報、錯報或掩蓋某信息將影響通用目的財務報表的主要使用者基於該等財務報表作出的決策，則該信息具有重要性。該等修訂澄清，重要性將取決於信息的性質或規模，或兩者兼而有之。該等修訂將不會對本集團的財務狀況及財務表現造成任何重大影響。

採納香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號修訂「利率基準改革」對本集團財務狀況及財務表現並無重大影響。

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

31 March 2021  
二零二一年三月三十一日

## 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>Reference to the Conceptual Framework<sup>2</sup></i>
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	<i>Interest Rate Benchmark Reform — Phase 2<sup>1</sup></i>
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>4</sup></i>
Amendment to HKFRS 16	<i>COVID-19-Related Rent Concessions beyond 30 June 2021<sup>2</sup></i>
HKFRS 17	<i>Insurance Contracts<sup>3</sup></i>
Amendments to HKFRS 17	<i>Insurance Contracts<sup>3, 6</sup></i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current<sup>3, 5</sup></i>
Amendments to HKAS 1	<i>Disclosure of Accounting Policies<sup>3</sup></i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates<sup>3</sup></i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction<sup>3</sup></i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use<sup>2</sup></i>
Amendments to HKAS 37	<i>Onerous Contracts — Cost of Fulfilling a Contract<sup>2</sup></i>
Annual Improvements to HKFRSs 2018–2020	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41 <sup>2</sup>

## 2.3 已頒布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布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	概念框架提述 <sup>2</sup>
香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號修訂	利率基準改革 — 第2階段 <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企業之間的資產出售或注資 <sup>4</sup>
香港財務報告準則第16號修訂	於二零二一年六月三十日後與COVID-19疫情相關之租金寬減 <sup>2</sup>
香港財務報告準則第17號	保險合約 <sup>3</sup>
香港財務報告準則第17號修訂	保險合約 <sup>3, 6</sup>
香港會計準則第1號修訂	負債分類為流動或非流動 <sup>3, 5</sup>
香港會計準則第1號修訂	會計政策披露 <sup>3</sup>
香港會計準則第8號修訂	會計估計定義 <sup>3</sup>
香港會計準則第12號修訂	單一交易產生之資產及負債相關遞延稅項 <sup>3</sup>
香港會計準則第16號修訂	物業、廠房及設備：作擬定用途前所得款項 <sup>2</sup>
香港會計準則第37號修訂	虧損合約 — 履行合約成本 <sup>2</sup>
香港財務報告準則二零一八年至二零二零年之年度改進	對香港財務報告準則第1號、香港財務報告準則第9號、香港財務報告準則第16號隨附的說明性示例及香港會計準則第41號修訂 <sup>2</sup>



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

- 1 Effective for annual periods beginning on or after 1 January 2021
- 2 Effective for annual periods beginning on or after 1 January 2022
- 3 Effective for annual periods beginning on or after 1 January 2023
- 4 No mandatory effective date yet determined but available for adoption
- 5 As a consequence of the amendments to HKAS 1, Hong Kong Interpretation 5 *Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised in October 2020 to align the corresponding wording with no change in conclusion
- 6 As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on the Group's results of financial performance and financial position.

## 2.3 已頒布但尚未生效的香港財務報告準則(續)

- 1 於二零二一年一月一日或之後開始之年度期間生效
- 2 於二零二二年一月一日或之後開始之年度期間生效
- 3 於二零二三年一月一日或之後開始之年度期間生效
- 4 尚未釐定強制生效日期，惟可供採納
- 5 由於香港會計準則第1號修訂，香港詮釋第5號「呈列財務報表 — 借款人對包含按要索償還條款之定期貸款之分類」亦於二零二零年十月作修訂，以統一相應措詞而結論不變
- 6 由於香港財務報告準則第17號修訂於二零二零年十月頒發，香港財務報告準則第4號亦作修訂以延長臨時豁免，允許保險人於二零二三年一月一日前開始的年度期間採用香港會計準則第39號而非香港財務報告準則第9號

本集團正評估初次應用新訂及經修訂香港財務報告準則之影響，惟尚未能確定該等新訂及經修訂香港財務報告準則會否對本集團之財務業績及財務狀況造成重大影響。

## 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.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

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。

當收購一系列活動及資產包含投入及實質性程序並共同對創造產出能力有重大貢獻，本集團認為其已收購一項業務。

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。



## 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，則會更頻密地進行測試。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)

31 March 2021  
二零二一年三月三十一日

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Fair value measurement

The Group measures its financial assets at fair value through profit or loss 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.

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                              |

## 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計量按公平值計入損益的金融資產。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。

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     |



## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Fair value measurement (continued)

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 and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs 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.

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.

## 2.4 主要會計政策概要(續)

### 公平值計量(續)

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(存貨及金融資產除外)，則會估計該資產的可收回金額。資產的可收回金額乃資產或現金產生單位的使用價值及其公平值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。

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。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Impairment of non-financial assets (continued)

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.

### 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);

## 2.4 主要會計政策概要(續)

### 非金融資產減值(續)

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。

### 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；



## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Related parties (continued)

(b) (continued)

- (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);
- (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 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.

## 2.4 主要會計政策概要(續)

### 關連人士(續)

(b) (續)

- (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；
- (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

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。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Property, plant and equipment and depreciation

(continued)

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.

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:

Buildings	30 to 50 years
Leasehold improvements	Over the shorter of the lease terms and 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.

## 2.4 主要會計政策概要(續)

### 物業、廠房及設備及折舊(續)

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。

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：

樓宇	30至50年
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。



## 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

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

## 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

本集團於合約開始時評估合約是否為租賃或包含租賃。倘合約賦予於一段時間內可控制已識別資產用途的權利以換取代價，則該合約為租賃或包含租賃。

### 本集團作為承租人

本集團對所有租賃(惟短期租賃及低價值資產租賃除外)採取單一確認及計量方法。本集團確認租賃負債以作出租賃付款，而使用權資產指使用相關資產的權利。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Leases (continued)

#### Group as a lessee (continued)

At inception or on reassessment of a contract that contains a lease component and a non-lease component, the Group adopts the practical expedient not to separate the non-lease component and to account for the lease component and the associated non-lease component (e.g., property management services for leases of properties) as a single lease component.

#### (a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	30 to 60 years
Plant	3 to 6 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

## 2.4 主要會計政策概要(續)

### 租賃(續)

#### 本集團作為承租人(續)

在開始或重新評估包含租賃組成部分及非租賃組成部分的合約時，本集團採用可行權宜方法，並不分開非租賃組成部分，租賃組成部分與相關的非租賃組成部分(如物業租賃的物業管理服務)將作單一租賃組成部分入賬。

#### (a) 使用權資產

使用權資產乃於租賃開始日(即相關資產可供使用的日期)確認。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就任何重新計量租賃負債作出調整。使用權資產成本包括已確認租賃負債金額、初步已產生直接成本及於開始日期或之前作出的租賃付款減任何已收取租賃獎勵。使用權資產於資產租期及估計可使用年期(以較短者為準)按直線法折舊，如下：

租賃土地	30至60年
廠房	3至6年

倘租賃資產的所有權於租期結束時轉移至本集團或成本反映行使購買權，則使用資產估計可使用年期計算折舊。



## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Leases (continued)

#### Group as a lessee (continued)

##### (b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

## 2.4 主要會計政策概要(續)

### 租賃(續)

#### 本集團作為承租人(續)

##### (b) 租賃負債

租賃負債在租賃開始日以租賃期內將予作出的租賃付款的現值確認。租賃付款包括固定付款(包括實質固定付款)減任何應收租賃優惠、基於指數或利率的可變租賃付款和剩餘價值擔保下的預期支付款項。倘租賃期反映本集團正行使終止權，則租賃付款亦包括可合理確定由本集團行使購買權的行使價和為終止租賃而支付的罰款。非基於指數或利率的可變租賃付款將在觸發付款事件或條件期間確認為支出。

在計算租賃付款的現值時，因租賃中隱含的利率不易釐定，本集團使用在租賃開始日的增量借款利率。在開始日後，租賃負債金額將予增加以反映利息的累增，並就已作出的租賃付款作減少。此外，如出現修改、租賃期發生變化、租賃付款變動(如由指數或利率變動引起的未來租賃付款變動)或購買相關資產的選擇權評估更改，則租賃負債的賬面值將重新計量。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Leases (continued)

#### Group as a lessee (continued)

##### (c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

### Investments and other financial assets

#### 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" below.

## 2.4 主要會計政策概要(續)

### 租賃(續)

#### 本集團作為承租人(續)

##### (c) 短期租賃及低價值資產租賃

本集團將短期租賃確認豁免應用於機器及設備的短期租賃(即有關租賃的租賃期為開始日起十二個月或以下並且不包括購買選擇權)。該確認豁免亦應用於辦公設備的低價值資產租賃。

短期租賃及低價值資產租賃的租賃付款在租賃期內按直線法確認為支出。

### 投資及其他金融資產

#### 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」所載列政策釐定的交易價格計量。



## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Investments and other financial assets (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. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

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. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured 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.

#### Subsequent measurement

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

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

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.

## 2.4 主要會計政策概要(續)

### 投資及其他金融資產(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。金融資產的現金流量不屬於純粹本息付款時，不論業務模式均按公平值計入損益分類及計量。

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。按攤銷成本分類及計量的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，而按公平值計入其他全面收益分類及計量的金融資產於旨在收取合約現金流量以及出售的業務模式中持有。不屬於上述業務模式的金融資產按公平值計入損益分類及計量。

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)

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。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Investments and other financial assets (continued)

#### Subsequent measurement (continued)

*Financial assets at fair value through profit or loss*  
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.

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.

#### Derecognition of financial assets

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

#### 其後計量(續)

#### 按公平值計入損益的金融資產

按公平值計入損益的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。

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。

#### 剔除確認金融資產

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。



## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Derecognition of financial assets (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

The Group recognises an allowance for expected credit losses ("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(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

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(「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。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Impairment of financial assets (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(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。



## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Impairment of financial assets (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

## 2.4 主要會計政策概要(續)

### 金融資產減值(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

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Impairment of financial assets (continued)

#### 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.

### Financial liabilities

#### 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 payable, financial liabilities included in accrued liabilities and other payables, interest-bearing bank borrowings and lease liabilities.

## 2.4 主要會計政策概要(續)

### 金融資產減值(續)

#### 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。

### 金融負債

#### 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、計息銀行貸款及租賃負債。



## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Financial liabilities (continued)

#### Subsequent measurement

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

#### Financial liabilities at amortised cost (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

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(續)

#### 後續計量

金融負債的後續計量視乎其如下分類而定：

#### 按攤銷成本列賬的金融負債(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

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。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Offsetting of financial instruments

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 bank balances 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

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，現金及銀行結餘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。



## 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。

## 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, and 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, and 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。



## 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, for 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。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Revenue recognition

#### 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 sportswear and garments is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of sportswear and garments.

#### 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.

#### Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

## 2.4 主要會計政策概要(續)

### 營業收入確認

#### 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。

銷售運動服裝及成衣的營業收入於資產控制權轉移客戶時(一般發生在交付運動服裝及成衣時)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)。

#### 合約負債

合約負債於本集團將相關貨品或服務轉移前向客戶作出收款或到期付款時(以較早者為準)確認。合約負債於本集團履行合約(即向客戶轉移相關貨品或服務的控制權)時確認為收益。



## 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。



## 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.

### Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

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

### 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。

### 股息

末期股息於股東大會上獲股東批准時確認為負債。擬派末期股息於財務報表附註內披露。

由於本公司組織章程及大綱授權董事宣派中期股息,中期股息為同時獲建議及宣派。因此,中期股息於建議及宣派時即確認為負債。

### 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。



## 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.

### Judgement

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

## 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，管理層須對影響營業收入、開支、資產及負債的報告金額、其相應披露資料及或然負債披露作出判斷、估量及假設。有關假設及估量的不確定因素，可導致未來受影響的資產或負債賬面值須作出重大調整。

### 判斷

在本集團會計政策的應用過程中，除涉及對財務報表確認金額具最重大影響的估量外，管理層作出了以下判斷：

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

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### 3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

(continued)

#### Judgement (continued)

##### *Revenue recognition from sale of sportswear and garments with no alternative use at a point in time*

The Group determines at contract inception whether it transfers to customers the control of its sportswear and garments over time or at a point in time in accordance with HKFRS 15. Management's assessment process involves significant judgements in determining whether the Group's sale of sportswear and garments create assets with no alternative use and has an enforceable right to payment for performance completed to date. The Group has also considered the contractual terms as well as respective governing law. Based on the assessment of the Group's management, the terms of the relevant sales contracts do not create an enforceable right to payment for the Group after taking into consideration indicators such as whether the Group is entitled for a compensation cost incurred for the performance completed to date plus a reasonable profit margin. Accordingly, the sale of sportswear and garments with no alternative use is considered to be performance obligation satisfied at a point in time.

### 3. 重要會計判斷及估計(續)

#### 判斷(續)

##### *確認於某時間點銷售無替代用途運動服裝及成衣之收入*

本集團在合約開始時根據香港財務報告準則第15號釐定是否將其運動服裝及成衣控制權隨時間或在某時間點轉讓予客戶。管理層評估過程涉及重大判斷以確定本集團運動服裝及成衣銷售是否創造無替代用途資產，且對迄今已完成履約具有可強制執行付款之權利。本集團亦已考慮合約條款及相關管轄法律。根據本集團管理層評估，經考慮若干指標，如本集團是否有權獲取迄今已完成履約所產生成本加合理利潤率的補償，相關銷售合約條款並未予本集團可強制執行付款之權利。因此，銷售無替代用途運動服裝及成衣之履約義務被視為於某時間點履行。



### 3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

(continued)

#### 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.

#### 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 2021 was HK\$100,334,000 (2020: HK\$100,334,000). Further details are given in note 16 to the financial statements.

### 4. OPERATING SEGMENT INFORMATION

For management purposes, the Group determines that there are five reportable operating segments, based on the locations of customers (the destinations 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, and unallocated expenses are excluded from such measurement.

### 3. 重要會計判斷及估計(續)

#### 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。

#### 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。商譽於二零二一年三月三十一日之賬面值為100,334,000港元(二零二零年：100,334,000港元)。進一步資料載於財務報表附註16。

### 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類，包括中國大陸、美利堅合眾國(「美國」)、歐洲、日本及其他地區。該等分類因風險和回報有別於其他分部而獨立分開管理。

管理層獨立監察本集團的經營分類業績，以便作出有關資源分配及表現評估的決策。分類表現乃根據可報告分類溢利評估，而可報告分類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及未編配支出。

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

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4. OPERATING SEGMENT INFORMATION (continued)

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.

2021

		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	1,612,824	663,266	488,355	98,781	385,649	3,248,875
Segment results	分類業績	300,773	137,181	80,667	16,465	84,071	619,157
Interest income and other unallocated income and gains	利息收入及其他未編配收入及收益						39,696
Unallocated expenses	未編配支出						(236,467)
Profit before tax	除稅前溢利						422,386
Income tax expense	所得稅開支						(95,651)
Profit for the year	本年度溢利						326,735
Segment assets	分類資產	1,134,489	267,583	305,573	45,820	236,284	1,989,749
Unallocated assets	未編配資產						582,888
							2,572,637
Segment liabilities	分類負債	276,761	59,108	54,474	12,554	49,973	452,870
Unallocated liabilities	未編配負債						568,694
							1,021,564
Other segment information:	其他分類資料：						
Depreciation and amortisation	折舊及攤銷	35,174	18,668	11,609	1,751	8,476	75,678
Unallocated amounts	未編配金額						31,734
							107,412
Capital expenditure*	資本開支*	11,957	4,772	3,281	533	2,374	22,917
Unallocated amounts	未編配金額						1,679
							24,596

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

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。

二零二一年

4. 經營分類資料(續)



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)

2020

二零二零年

		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	1,343,710	772,607	447,396	93,510	359,897	3,017,120
Segment results	分類業績	210,926	129,534	74,643	16,715	64,340	496,158
Interest income and other unallocated income and gains	利息收入及其他未編配收入及收益						52,283
Unallocated expenses	未編配支出						(253,292)
Profit before tax	除稅前溢利						295,149
Income tax expense	所得稅開支						(68,319)
Profit for the year	本年度溢利						226,830
Segment assets	分類資產	919,553	376,162	297,450	53,835	227,255	1,874,255
Unallocated assets	未編配資產						500,092
							2,374,347
Segment liabilities	分類負債	225,642	81,839	55,549	11,857	43,007	417,894
Unallocated liabilities	未編配負債						633,849
							1,051,743
Other segment information:	其他分類資料：						
Depreciation and amortisation	折舊及攤銷	31,068	21,105	10,860	2,261	8,900	74,194
Unallocated amounts	未編配金額						29,073
							103,267
Capital expenditure*	資本開支*	41,795	14,782	10,936	2,288	8,053	77,854
Unallocated amounts	未編配金額						14,235
							92,089

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

\* 資本開支代表添置物業、廠房及設備。

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4. OPERATING SEGMENT  
INFORMATION (continued)

Geographical information – non-current assets

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Hong Kong	香港	21,369	23,683
Mainland China	中國大陸	815,168	804,703
Indonesia	印尼	147,251	156,806
Vietnam	越南	40,009	53,058
		<b>1,023,797</b>	1,038,250

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

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:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Customer A	客戶A	2,244,276	1,913,669
Customer B	客戶B	496,124	559,557
Customer C	客戶C	N/A*	313,051
		<b>不適用*</b>	
		<b>2,740,400</b>	2,786,277

\* Revenue from sales to Customer C accounted for less than 10% of the total revenue of the Group for the year ended 31 March 2021.

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

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Hong Kong	香港	21,369	23,683
Mainland China	中國大陸	815,168	804,703
Indonesia	印尼	147,251	156,806
Vietnam	越南	40,009	53,058
		<b>1,023,797</b>	1,038,250

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。

有關主要客戶的資料

銷售收入來自佔本集團總收入10%以上的客戶如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Customer A	客戶A	2,244,276	1,913,669
Customer B	客戶B	496,124	559,557
Customer C	客戶C	N/A*	313,051
		<b>不適用*</b>	
		<b>2,740,400</b>	2,786,277

\* 於截至二零二一年三月三十一日止年度，客戶C的銷售收入佔本集團總收入10%以下。

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)

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

An analysis of revenue is as follows:

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Revenue from contracts with customers — sale of sportswear and garments	<b>3,248,875</b>	3,017,120

**Revenue from contracts with customers**

*(i) Disaggregated revenue information*

Geographical markets	地區市場	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Mainland China	中國大陸	<b>1,612,824</b>	1,343,710
USA	美國	<b>663,266</b>	772,607
Europe	歐洲	<b>488,355</b>	447,396
Japan	日本	<b>98,781</b>	93,510
Others	其他	<b>385,649</b>	359,897
		<b>3,248,875</b>	3,017,120

**5. 營業收入及其他收入及收益，淨額**

營業收入之分析如下：

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
來自客戶合約的營業收入 — 運動服裝及成衣銷售	<b>3,248,875</b>	3,017,120

**來自客戶合約的營業收入**

*(i) 分類營業收入資料*

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
1,612,824	<b>1,612,824</b>	1,343,710
663,266	<b>663,266</b>	772,607
488,355	<b>488,355</b>	447,396
98,781	<b>98,781</b>	93,510
385,649	<b>385,649</b>	359,897
3,248,875	<b>3,248,875</b>	3,017,120

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

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

Revenue from contracts with customers  
(continued)

(i) Disaggregated revenue information  
(continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	於報告期初計入合約負債之已確認營業收入：
Sale of sportswear and garments	運動服裝及成衣銷售

(ii) Performance obligation

Sale of sportswear and garments

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

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

5. 營業收入及其他收入及收益，淨額(續)

來自客戶合約的營業收入(續)

(i) 分類營業收入資料(續)

下表列示於報告期初計入合約負債之本報告期間已確認營業收入：

2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
—	1,424

(ii) 履約責任

運動服裝及成衣銷售

履約責任於交付運動服裝及成衣時完成，而付款一般在交付後一至三個月內到期。

運動服裝及成衣銷售之營業收入於貨物控制權轉移客戶時確認，一般發生在交付運動服裝及成衣時。



Notes to Financial Statements (continued)  
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## 5. REVENUE AND OTHER INCOME AND GAINS, NET (continued)

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

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Bank interest income	銀行利息收入	2,881	1,930
Income derived from financial assets at fair value through profit or loss	按公平值計入損益的金融資產所得收益	2,846	1,528
Government grants*	政府補助金*	32,217	44,532
Loss on disposal and write-off of items of property, plant and equipment, net	出售及撇銷物業、廠房及設備項目之虧損，淨額	(154)	(2,072)
Write-off of other payables	撇銷其他應付款項	—	2,371
Compensation income	補償收入	—	1,932
Others	其他	1,906	2,062
		<b>39,696</b>	<b>52,283</b>

\* Various government grants have been received by certain subsidiaries of the Group established in Mainland China for promoting the manufacturing industry and maintaining the employment rate. Government subsidies under the COVID-19 relief scheme have also been received by certain subsidiaries of the Group incorporated in Hong Kong. There are no unfulfilled conditions or contingencies relating to these grants.

## 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：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
銀行利息收入		2,881	1,930
按公平值計入損益的金融資產所得收益		2,846	1,528
政府補助金*		32,217	44,532
出售及撇銷物業、廠房及設備項目之虧損，淨額		(154)	(2,072)
撇銷其他應付款項		—	2,371
補償收入		—	1,932
其他		1,906	2,062
		<b>39,696</b>	<b>52,283</b>

\* 本集團若干於中國大陸設立之附屬公司獲得各政府補助金以促進製造行業及維持就業率。本集團若干於香港註冊成立之附屬公司亦獲得COVID-19紓緩計劃項下之政府補貼。該等補助金並無尚未達成的條件或相關或然事項。

## 6. FINANCE COSTS

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Interest on bank loans	銀行貸款利息	4,883	17,434
Interest on lease liabilities (note 14(b))	租賃負債利息(附註14(b))	449	692
		<b>5,332</b>	<b>18,126</b>

## 6. 融資成本

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## 7. PROFIT BEFORE TAX

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

## 7. 除稅前溢利

本集團除稅前溢利經扣除/(計入)下列各項後得出：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Cost of inventories sold	已售存貨成本	2,596,468	2,479,261
Auditor's remuneration	核數師酬金	3,848	3,779
Depreciation of property, plant and equipment (note 13)*	物業、廠房及設備折舊 (附註13)*	90,309	85,777
Depreciation of right-of-use assets (note 14(a))*	使用權資產折舊 (附註14(a))*	14,282	14,073
Amortisation of intangible assets (note 17)	無形資產攤銷(附註17)	2,821	3,417
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	710,043	692,736
Pension contributions, including pension cost for a defined benefit plan of HK\$1,165,000 (2020: HK\$5,258,000) (note 25)	退休金供款, 包括於 定額福利計劃的退休金 成本1,165,000港元 (二零二零年: 5,258,000 港元)(附註25)	98,598	118,278
Less: Forfeited contributions^	減: 已沒收供款^	—	—
Net pension contributions	退休金供款淨額	98,598	118,278
Total employee benefit expenses*	總僱員福利支出*	808,641	811,014
Foreign exchange differences, net	匯兌差額, 淨額	(275)	(503)
Lease payments not included in the measurement of lease liabilities (note 14(c))*	不計入租賃負債計量的 租賃款項(附註14(c))*	124	297
COVID-19-related rent concessions from a lessor (note 14(c))*	出租人就COVID-19相關之 租金寬免	(733)	—
Loss on disposal and write-off of items of property, plant and equipment, net	出售及撇銷物業、廠房及 設備項目之虧損, 淨額	154	2,072
Write-off of other payables	撇銷其他應付款項	—	(2,371)
Income derived from financial assets at fair value through profit or loss	按公平值計入損益的金融 資產所得收益	(2,846)	(1,528)



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

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## 7. PROFIT BEFORE TAX (continued)

^ At 31 March 2021 and 2020, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years.

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

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Depreciation of property, plant and equipment	物業、廠房及設備折舊	59,214	57,310
Depreciation of right-of-use assets	使用權資產折舊	13,644	13,467
Employee benefit expenses	僱員福利支出	689,991	690,843
Lease payments not included in the measurement of lease liabilities	不計入租賃負債計量的租賃款項	124	297
COVID-19-related rent concessions from a lessor	出租人就COVID-19相關之租金寬免	(733)	—

## 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:

## 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：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Fees	袍金	616	471
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	13,998	12,340
Discretionary bonuses	酌情花紅	11,144	10,789
Pension scheme contributions	退休金計劃供款	1,717	1,344
		26,859	24,473
		27,475	24,944

Notes to Financial Statements (continued)  
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## 8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

(continued)

### (a) Independent non-executive directors

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

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Mr. Chan Cheuk Ho	陳卓豪先生	181	157
Mr. Lu Chi Chant	盧啟昌先生	181	157
Ms. Tham Kit Wan	譚潔雲女士	181	157
Mr. Leung Spencer Yu Cheong*	梁裕昌先生*	73	—
		<b>616</b>	<b>471</b>

There were no other emoluments payable to the independent non-executive directors during the year (2020: Nil).

\* Mr. Leung Spencer Yu Cheong was appointed as an independent non-executive director of the Company on 1 December 2020.

## 8. 董事及行政總裁酬金(續)

### (a) 獨立非執行董事

年內付予獨立非執行董事之袍金如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Mr. Chan Cheuk Ho	陳卓豪先生	181	157
Mr. Lu Chi Chant	盧啟昌先生	181	157
Ms. Tham Kit Wan	譚潔雲女士	181	157
Mr. Leung Spencer Yu Cheong*	梁裕昌先生*	73	—
		<b>616</b>	<b>471</b>

年內並無其他應付獨立非執行董事之酬金(二零二零年：無)。

\* 梁裕昌先生於二零二零年十二月一日獲委任為本公司獨立非執行董事。

### (b) Executive directors

### (b) 執行董事

		Fees 袍金 HK\$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼及 實物福利 HK\$'000 千港元	Discretionary bonuses 酌情花紅 HK\$'000 千港元	Pension scheme contributions 退休金 計劃供款 HK\$'000 千港元	Total remuneration 酬金總額 HK\$'000 千港元
<b>2021</b>	<b>二零二一年</b>					
Executive directors:	執行董事：					
Mr. Chung Yuk Sing**	鍾育升先生**	—	3,957	3,902	548	8,407
Mr. Chen Hsiao Ying	陳小影先生	—	3,710	3,823	514	8,047
Mr. Huang Yongbiao	黃永彪先生	—	2,602	3,232	276	6,110
Ms. Chen Fang Mei, Christina	陳芳美女士	—	2,668	168	305	3,141
Mr. Shih Chih-Hung^	施志宏先生^	—	292	17	—	309
Mr. Chung Chi Kit®	鍾智傑先生®	—	490	—	74	564
Mr. Hu Chia-Ho®	胡嘉和先生®	—	98	2	—	100
Mr. Hu Dien Chien#	胡殿謙先生#	—	181	—	—	181
		—	<b>13,998</b>	<b>11,144</b>	<b>1,717</b>	<b>26,859</b>



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8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

(continued)

(b) Executive directors (continued)

		Fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Pension scheme contributions	Total remuneration
		袍金	薪金、津貼及實物福利	酌情花紅	退休金計劃供款	酬金總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
2020	二零二零年					
Executive directors:	執行董事：					
Mr. Chung Yuk Sing	鍾育升先生	—	3,842	3,943	532	8,317
Mr. Chen Hsiao Ying	陳小影先生	—	3,602	3,745	499	7,846
Mr. Huang Yongbiao <sup>**</sup>	黃永彪先生 <sup>**</sup>	—	1,757	2,901	17	4,675
Ms. Chen Fang Mei, Christina	陳芳美女士	—	2,586	163	296	3,045
Mr. Lee Cheng Chuan <sup>^</sup>	李鎮全先生 <sup>^</sup>	—	292	22	—	314
Mr. Hu Dien Chien	胡殿謙先生	—	261	15	—	276
		—	12,340	10,789	1,344	24,473

<sup>\*\*</sup> Mr. Chung Yuk Sing is also the Chairman and the Chief Executive Officer of the Company.

<sup>^</sup> Mr. Lee Cheng Chuan resigned and Mr. Shih Chih-Hung was appointed as an executive director of the Company on 1 April 2020.

<sup>⊙</sup> Mr. Chung Chi Kit and Mr. Hu Chia-Ho were appointed as executive directors of the Company on 1 December 2020.

<sup>#</sup> Mr. Hu Dien Chien was appointed as an executive director of the Company on 1 May 2019 and resigned as an executive director of the Company on 30 November 2020.

<sup>\*\*</sup> Mr. Huang Yongbiao was appointed as an executive director of the Company on 1 May 2019.

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 Yuk Shing, during the year. The estimated rental value of such accommodation was HK\$137,000 (2020: HK\$116,000) for the year ended 31 March 2021.

8. 董事及行政總裁酬金(續)

(b) 執行董事(續)

<sup>\*\*</sup> 鍾育升先生亦為本公司主席及行政總裁。

<sup>^</sup> 於二零二零年四月一日，李鎮全先生辭任本公司執行董事，施志宏先生則獲委任為本公司執行董事。

<sup>⊙</sup> 鍾智傑先生及胡嘉和先生於二零二零年十二月一日獲委任為本公司執行董事。

<sup>#</sup> 胡殿謙先生於二零一九年五月一日獲委任為本公司執行董事及於二零二零年十一月三十日辭任本公司執行董事。

<sup>\*\*</sup> 黃永彪先生於二零一九年五月一日獲委任為本公司執行董事。

本年度內並無任何董事放棄或同意放棄任何酬金之安排。

上述所示董事酬金並未包括於年內向執行董事鍾育升先生提供免租的本集團自置物業之估計幣值。截至二零二一年三月三十一日止年度，該住宿之估計租值為137,000港元(二零二零年：116,000港元)。

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9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2020: three) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining two (2020: two) non-director, highest paid employees for the year ended 31 March 2021 are set out below:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	5,327	4,723
Discretionary bonuses	酌情花紅	1,907	2,158
Pension scheme contributions	退休金計劃供款	738	650
		<b>7,972</b>	<b>7,531</b>

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	
		2021 二零二一年	2020 二零二零年
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	—	—
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
HK\$4,500,001 to HK\$5,000,000	4,500,001港元至5,000,000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 (2020: Nil).

9. 五名最高薪酬僱員

年內，五名最高薪酬僱員包括三名(二零二零年：三名)董事，有關彼等薪酬的詳情已在上文附註8披露。於截至二零二一年三月三十一日止年度內，餘下兩名(二零二零年：兩名)最高酬金的非董事僱員的酬金詳情如下：

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(二零二零年：無)。

## 10. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2020: 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\$2,000,000 (2020: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2020: 8.25%) and the remaining assessable profits are taxed at 16.5% (2020: 16.5%). 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%.

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.

In addition, Vietnam corporate tax has been provided at the rate of 20% (2020: 20%) and the Indonesia corporate tax has been provided at the rate of 22% (2020: 25%) on the estimated assessable profits.

## 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%（二零二零年：16.5%）稅率作撥備，惟本集團一間附屬公司為利得稅率兩級制的合資格實體除外。該附屬公司首2,000,000港元（二零二零年：2,000,000港元）應課稅溢利按8.25%（二零二零年：8.25%）稅率徵稅，而餘下應課稅溢利則按16.5%（二零二零年：16.5%）稅率徵稅。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%。

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。

此外，越南公司稅按20%（二零二零年：20%）稅率作撥備，而印尼公司稅按估計應課稅溢利以22%（二零二零年：25%）稅率作撥備。

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Current tax charge for the year:	本年度即期稅項支出：		
Hong Kong	香港	<b>23,289</b>	15,609
Elsewhere	其他地方	<b>70,251</b>	50,257
Underprovision for current tax in respect of prior years	過往年度即期稅項撥備不足	—	245
Deferred (note 26)	遞延(附註26)	<b>2,111</b>	2,208
<b>Total tax charge for the year</b>	<b>本年度稅項支出總額</b>	<b>95,651</b>	68,319

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10. INCOME TAX (continued)

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

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Profit before tax	除稅前溢利	<b>422,386</b>	295,149
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	<b>91,361</b>	64,976
Adjustments in respect of current tax of previous years	就過往年度即期稅項作出調整	—	245
Income not subject to tax	毋須課稅之收入	<b>(1,900)</b>	(1,615)
Expenses not deductible for tax	不可扣稅之費用	<b>5,004</b>	3,269
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	本集團之中國附屬公司可分派溢利預扣稅之影響	<b>3,858</b>	4,541
Temporary differences not recognised	未確認暫時差異	<b>(859)</b>	(3,589)
Tax losses from previous periods utilised	動用過往期間稅項虧損	<b>(1,897)</b>	—
Tax losses not recognised	未確認稅項虧損	<b>84</b>	492
Tax charge at the Group's effective rate	按本集團實際稅率計算之稅項支出	<b>95,651</b>	68,319

10. 所得稅(續)

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：



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## 11. DIVIDENDS

## 11. 股息

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 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 2020	截至二零二零年三月三十一日止財政年度末期股息 — 每股普通股9港仙(二零二零年：6港仙)	<b>47,880</b>	31,920
Interim — HK30 cents (2020: HK20 cents) per ordinary share	中期股息 — 每股普通股30港仙(二零二零年：20港仙)	<b>159,600</b>	106,400
		<b>207,480</b>	138,320
Proposed final dividend: HK12 cents (2020: HK9 cents) per ordinary share	擬派末期股息：每股普通股12港仙(二零二零年：9港仙)	<b>63,840</b>	47,880

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 dividend payable.

本年度之擬派末期股息乃按於報告日期本公司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

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\$313,559,000 (2020: HK\$223,458,000) and the weighted average number of ordinary shares of the Company of 532,000,000 (2020: 532,000,000) in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 March 2021 and 2020 as the Group had no potentially dilutive ordinary shares in issue during those years.

## 12. 本公司擁有人應佔每股盈利

每股基本盈利乃根據年內本公司擁有人應佔溢利313,559,000港元(二零二零年：223,458,000港元)，以及年內本公司已發行普通股之加權平均數532,000,000股(二零二零年：532,000,000股)計算。

於截至二零二一年及二零二零年三月三十一日止年度，均無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。

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

		Buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures, equipment and motor vehicles	Total
		樓宇	租賃物業裝修	廠房及機器	傢具、裝置、設備及汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
<b>31 March 2021</b>	<b>二零二一年三月三十一日</b>					
Cost:	成本：					
At 1 April 2020	於二零二零年四月一日	743,901	235,590	393,605	101,385	1,474,481
Additions	添置	—	7,186	15,226	2,184	24,596
Disposals	出售	—	—	(6,481)	(23)	(6,504)
Write-off	撇銷	—	—	(6,847)	—	(6,847)
Exchange realignment	匯兌調整	51,601	16,442	21,426	5,358	94,827
At 31 March 2021	於二零二一年三月三十一日	795,502	259,218	416,929	108,904	1,580,553
Accumulated depreciation:	累積折舊：					
At 1 April 2020	於二零二零年四月一日	192,371	129,252	241,343	70,952	633,918
Provided during the year (note 7)	年內撥備(附註7)	25,403	24,573	30,666	9,667	90,309
Disposals	出售	—	—	(5,727)	(8)	(5,735)
Write-off	撇銷	—	—	(6,847)	—	(6,847)
Exchange realignment	匯兌調整	13,690	9,671	12,915	3,641	39,917
At 31 March 2021	於二零二一年三月三十一日	231,464	163,496	272,350	84,252	751,562
Net book value:	賬面淨值：					
At 31 March 2021	於二零二一年三月三十一日	564,038	95,722	144,579	24,652	828,991



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

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13. PROPERTY, PLANT AND EQUIPMENT (continued) 13. 物業、廠房及設備(續)

		Buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures, equipment and motor vehicles	Total
		樓宇	租賃物業裝修	廠房及機器	傢具、裝置、設備及汽車	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
<b>31 March 2020</b>	<b>二零二零年三月三十一日</b>					
Cost:	成本：					
At 1 April 2019	於二零一九年四月一日	787,460	205,570	389,889	95,672	1,478,591
Additions	添置	—	51,034	26,007	15,048	92,089
Disposals	出售	—	—	(2,675)	(4,730)	(7,405)
Write-off	撇銷	—	(8,937)	(1,809)	(393)	(11,139)
Exchange realignment	匯兌調整	(43,559)	(12,077)	(17,807)	(4,212)	(77,655)
At 31 March 2020	於二零二零年三月三十一日	743,901	235,590	393,605	101,385	1,474,481
Accumulated depreciation:	累積折舊：					
At 1 April 2019	於二零一九年四月一日	177,599	123,431	222,225	68,865	592,120
Provided during the year (note 7)	年內撥備(附註7)	24,914	21,864	30,300	8,699	85,777
Disposals	出售	—	—	(216)	(3,854)	(4,070)
Write-off	撇銷	—	(8,937)	(1,347)	(39)	(10,323)
Exchange realignment	匯兌調整	(10,142)	(7,106)	(9,619)	(2,719)	(29,586)
At 31 March 2020	於二零二零年三月三十一日	192,371	129,252	241,343	70,952	633,918
Net book value:	賬面淨值：					
At 31 March 2020	於二零二零年三月三十一日	551,530	106,338	152,262	30,433	840,563

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財務報表附註(續)

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## 14. LEASES

### The Group as a lessee

The Group has lease contracts for various items of land and plant used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 30 to 60 years, and no ongoing payments will be made under the terms of these land leases. Leases of plant generally have lease terms of 2.5 to 6 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. There is a lease contract that includes an extension option.

#### (a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

		Leasehold land 租賃土地 HK\$'000 千港元	Plant 工廠 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2019	二零一九年四月一日	172,014	22,065	194,079
Depreciation charge (note 7)	折舊開支(附註7)	(6,332)	(7,741)	(14,073)
Exchange realignment	匯兌調整	(8,881)	(606)	(9,487)
At 31 March 2020 and 1 April 2020	於二零二零年 三月三十一日及 二零二零年 四月一日	<b>156,801</b>	<b>13,718</b>	<b>170,519</b>
Additions	添置	—	<b>2,565</b>	<b>2,565</b>
Depreciation charge (note 7)	折舊開支(附註7)	<b>(6,213)</b>	<b>(8,069)</b>	<b>(14,282)</b>
Exchange realignment	匯兌調整	<b>10,160</b>	<b>486</b>	<b>10,646</b>
At 31 March 2021	於二零二一年 三月三十一日	<b>160,748</b>	<b>8,700</b>	<b>169,448</b>

One of the Group's leasehold land with a net carrying amount of HK\$1,319,000 (2020: HK\$1,242,000), together with the buildings thereon, has been provided as rent-free accommodation to Mr. Chung Yuk Sing, an executive director of the Company during the year.

## 14. 租賃

### 本集團作為承租人

本集團就營運擁有若干租賃土地及工廠項目的租賃合約。租賃土地全款已一次性提前支付持有人以獲取租賃土地，租期介乎30至60年，根據該等土地租賃條款，將毋須持續支付其他款項。工廠租賃的租期介乎2.5至6年。一般而言，本集團不可向本集團以外人士轉讓及分租租賃資產。其中一租賃合約載有續租選擇權。

#### (a) 使用權資產

年內本集團使用權資產的賬面值及變動如下：

本集團其中有一項賬目淨值1,319,000港元(二零二零年：1,242,000港元)之租賃土地，連同其上的樓宇於年內提供作為鍾育升先生(本公司一名執行董事)的免租住宿。

## 14. LEASES (continued)

### The Group as a lessee (continued)

#### (b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Carrying amount at 1 April	於四月一日之賬面值	14,029	22,065
Additions	新增	2,565	—
Accretion of interest recognised during the year (note 6)	年內確認的累增利息 (附註6)	449	692
COVID-19-related rent concessions from a lessor	出租人就COVID-19相關之租金寬免	(733)	—
Payments	付款	(7,724)	(8,117)
Exchange realignment	匯兌調整	506	(611)
Carrying amount at 31 March	於三月三十一日之賬面值	9,092	14,029
Analysed into:	分析為：		
Current portion	即期部分	3,406	7,605
Non-current portion	非即期部分	5,686	6,424

The maturity analysis of lease liabilities is disclosed in note 35 to the financial statements.

As disclosed in note 2.2 to the financial statements, the Group has early adopted the amendment to HKFRS 16 and applied the practical expedient to all eligible rent concessions granted by the lessor for a lease of plant during the year.

## 14. 租賃(續)

### 本集團作為承租人(續)

#### (b) 租賃負債

年內本集團租賃負債的賬面值及變動如下：

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Carrying amount at 1 April	14,029	22,065
Additions	2,565	—
Accretion of interest recognised during the year (note 6)	449	692
COVID-19-related rent concessions from a lessor	(733)	—
Payments	(7,724)	(8,117)
Exchange realignment	506	(611)
Carrying amount at 31 March	9,092	14,029
Analysed into:		
Current portion	3,406	7,605
Non-current portion	5,686	6,424

租賃負債到期日分析於財務報表附註35披露。

誠如財務報表附註2.2所披露，本集團已提早採納香港財務報告準則第16號修訂，並對年內出租人就廠房租賃授出所有合資格租金寬免應用可行權宜方法。

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14. LEASES (continued)

The Group as a lessee (continued)

(c) The amounts recognised in the consolidated income statement in relation to leases are as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Interest on lease liabilities	租賃負債利息	449	692
Depreciation charge of right-of-use assets	使用權資產折舊開支	14,282	14,073
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 March 2020 (included in cost of sales)	有關短期租賃及剩餘租期於二零二零年三月三十一日或之前屆滿的其他租賃開支(計入銷售成本)	124	297
COVID-19-related rent concessions from a lessor	出租人就COVID-19相關之租金寬免	(733)	—
Total amount recognised in the consolidated income statement	於綜合收益表確認的總額	14,122	15,062

(d) Extension option

The Group has a lease contract that includes an extension option. This option is negotiated by management to provide flexibility in managing the leased-asset portfolio and it is aligned with the Group's business needs. Set out below is the undiscounted potential future rental payments relating to periods following the exercise date of the extension option that are not included in the lease terms:

		Payable within five years 五年內應付 HK\$'000 千港元
2021	二零二一年	
Extension option expected not to be exercised	預期不行的續租選擇權	19,860
2020	二零二零年	
Extension option expected not to be exercised	預期不行的續租選擇權	19,860

14. 租賃(續)

本集團作為承租人(續)

(c) 於綜合收益表確認與租賃有關的金額如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Interest on lease liabilities	租賃負債利息	449	692
Depreciation charge of right-of-use assets	使用權資產折舊開支	14,282	14,073
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 March 2020 (included in cost of sales)	有關短期租賃及剩餘租期於二零二零年三月三十一日或之前屆滿的其他租賃開支(計入銷售成本)	124	297
COVID-19-related rent concessions from a lessor	出租人就COVID-19相關之租金寬免	(733)	—
Total amount recognised in the consolidated income statement	於綜合收益表確認的總額	14,122	15,062

(d) 續租選擇權

本集團其一租賃合約載有續租選擇權。該選擇權由管理層磋商，為管理租賃資產組合提供靈活性，並能配合本集團的業務需要。下表載列未計入租賃期有關續租選擇權行使日以後期間未經貼現之潛在未來租賃付款：

		Payable within five years 五年內應付 HK\$'000 千港元
2021	二零二一年	
Extension option expected not to be exercised	預期不行的續租選擇權	19,860
2020	二零二零年	
Extension option expected not to be exercised	預期不行的續租選擇權	19,860



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財務報表附註(續)

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## 15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

## 15. 預付款項、按金及其他應收款項

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Prepayments	預付款項	<b>49,936</b>	27,111
Deposits and other receivables	按金及其他應收款項	<b>47,871</b>	64,185
		<b>97,807</b>	91,296
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	<b>(14,779)</b>	(13,768)
Current portion	即期部分	<b>83,028</b>	77,528

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. Their recoverability was assessed with reference to the credit status of the debtors, and the loss allowances as at 31 March 2021 and 2020 were assessed to be minimal.

計入以上應收款項結餘內的金融資產，近期並無欠款記錄及逾期金額。其可收回性參照債務人的信貸狀況評定，而於二零二一年及二零二零年三月三十一日的虧損撥備經評估只屬輕微。

## 16. GOODWILL

## 16. 商譽

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Cost and net carrying amount: At beginning and end of year	成本值及賬面淨值： 於年初及年末	<b>100,334</b>	100,334

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## 16. GOODWILL (continued)

### Impairment testing of goodwill

#### PRC CGU ONE

Goodwill of HK\$26,112,000 (2020: 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 PRC CGU ONE generates cash inflows that are largely independent of the cash inflows from other assets.

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 profit margin which is the average gross profit margin achieved in the year immediately before the budget years and the discount rate of 19.6% (2020: 18.5%), which is pretax 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 2.5% (2020: 3.0%). 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.

## 16. 商譽(續)

### 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(二零二零年:26,112,000港元)撥歸在中國大陸從事運動服裝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」)。

中國現金產生單位一號產生的現金流入大體上獨立於來自其他資產的現金流入。

中國現金產生單位一號之可收回金額乃根據使用價值釐定，而使用價值則根據由高級管理層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及過往年度表現及預期發展。預測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19.6%(二零二零年:18.5%)(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2.5%(二零二零年:3.0%)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。



## 16. GOODWILL (continued)

### Impairment testing of goodwill (continued)

#### Vietnam CGU

Goodwill of HK\$36,075,000 (2020: HK\$36,075,000), arising from an acquisition during the year ended 31 March 2019, was allocated to a cash-generating unit in Vietnam which is engaged in the manufacture of sportswear (the "Vietnam CGU").

The Vietnam CGU generates cash inflows that are largely independent of the cash inflows from other assets.

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 and prior year performance and development expectations. The key assumptions for the cash flow projections are the budgeted gross profit margin which is the average gross profit margin achieved in the year immediately before the budget years and the discount rate of 18.2% (2020: 15.4%), which is pretax and reflects specific risks relating to the Vietnam CGU. The cash flows beyond the five-year period are extrapolated using a growth rate of 2.5% (2020: 3.0%). 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.

## 16. 商譽(續)

### 商譽減值測試(續)

#### 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所產生的商譽36,075,000港元(二零二零年:36,075,000港元)撥歸在越南從事運動服裝製造之現金產生單位(「越南現金產生單位」)。

越南現金產生單位產生的現金流入大體上獨立於來自其他資產的現金流入。

越南現金產生單位之可收回金額乃根據使用價值釐定，而使用價值則根據由高級管理層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及過往年度表現及預期發展。預測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18.2%(二零二零年:15.4%)(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2.5%(二零二零年:3.0%)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。

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16. GOODWILL (continued)

Impairment testing of goodwill (continued)

PRC CGU TWO

Goodwill of HK\$38,147,000 (2020: HK\$38,147,000), arising from an acquisition 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").

The PRC CGU TWO generates cash inflows that are largely independent of the cash inflows from other assets.

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 and prior year performance and development expectations. The key assumptions for the cash flow projections are the budgeted gross profit margin which is the average gross profit margin achieved in the year immediately before the budget years and the discount rate of 19.8% (2020: 18.3%), which is pretax 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 2.5% (2020: 3.0%). 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

於截至二零一九年三月三十一日止年度進行收購所產生的商譽38,147,000港元(二零二零年:38,147,000港元)撥歸在中國大陸從事運動服裝製造及買賣之現金產生單位(「中國現金產生單位二號」)。

中國現金產生單位二號產生的現金流入大體上獨立於來自其他資產的現金流入。

中國現金產生單位二號之可收回金額乃根據使用價值釐定，而使用價值則根據由高級管理層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及過往年度表現及預期發展。預測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19.8%(二零二零年:18.3%)(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2.5%(二零二零年:3.0%)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)

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## 17. INTANGIBLE ASSETS

## 17. 無形資產

		<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
<b>31 March 2021</b>	<b>二零二一年三月三十一日</b>			
Cost at 1 April 2020, net of accumulated amortisation	於二零二零年四月一日的成本，扣除累計攤銷	—	<b>13,400</b>	<b>13,400</b>
Amortisation provided during the year (note 7)	年內攤銷撥備(附註7)	—	<b>(2,821)</b>	<b>(2,821)</b>
At 31 March 2021	於二零二一年三月三十一日	—	<b>10,579</b>	<b>10,579</b>
At 31 March 2021:	於二零二一年三月三十一日：			
Cost	成本	<b>2,838</b>	<b>16,926</b>	<b>19,764</b>
Accumulated amortisation	累計攤銷	<b>(2,838)</b>	<b>(6,347)</b>	<b>(9,185)</b>
Net carrying amount	賬面淨值	—	<b>10,579</b>	<b>10,579</b>
<b>31 March 2020</b>	<b>二零二零年三月三十一日</b>			
Cost at 1 April 2019, net of accumulated amortisation	於二零一九年四月一日的成本，扣除累計攤銷	473	16,344	16,817
Amortisation provided during the year (note 7)	年內攤銷撥備(附註7)	(473)	(2,944)	(3,417)
At 31 March 2020	於二零二零年三月三十一日	—	13,400	13,400
At 31 March 2020:	於二零二零年三月三十一日：			
Cost	成本	2,838	16,926	19,764
Accumulated amortisation	累計攤銷	(2,838)	(3,526)	(6,364)
Net carrying amount	賬面淨值	—	13,400	13,400

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

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## 18. INVENTORIES

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Raw materials	原材料	<b>290,950</b>	271,839
Work in progress	在製品	<b>153,648</b>	152,098
Finished goods	製成品	<b>128,115</b>	146,176
		<b>572,713</b>	570,113

## 18. 存貨

## 19. ACCOUNTS AND BILLS RECEIVABLES

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Accounts receivable	應收賬款	<b>348,046</b>	240,068
Bills receivable	應收票據	—	3,876
		<b>348,046</b>	243,944

## 19. 應收賬款及票據

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 (2020: 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 and bills receivables balances. The accounts and bills receivables are non-interest-bearing. At the end of the reporting period, 59% (2020: 61%), 11% (2020: 12%) and 27% (2020: 20%) of the total accounts and bills receivables were due from the Group's largest customer, the second largest customer and the third largest customer, respectively.

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(二零二零年:30天至90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結餘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、第二大客戶及第三大客戶分別佔本集團應收賬款及票據總額59%(二零二零年:61%)、11%(二零二零年:12%)及27%(二零二零年:20%)。



Notes to Financial Statements (continued)  
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## 19. ACCOUNTS AND BILLS RECEIVABLES

(continued)

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

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Within 30 days	30天內	252,399	173,291
31 to 60 days	31至60天	61,832	22,111
61 to 90 days	61至90天	28,514	30,857
Over 90 days	90天以上	5,301	13,809
		<b>348,046</b>	240,068

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 2021 and 2020 as the management considers 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 majority of the balances are not yet past due.

## 19. 應收賬款及票據(續)

於報告期末之應收賬款根據發票日期的賬齡分析如下：

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。撥備率按擁有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大部分結餘尚未逾期，故管理層認為預期信貸虧損只屬輕微，因此於二零二一年及二零二零年三月三十一日並無計提減值撥備。

Notes to Financial Statements (continued)  
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19. ACCOUNTS AND BILLS RECEIVABLES

(continued)

The maturity of bills receivable as at the end of the reporting period is as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Within 3 months	3個月內	—	1,777
3 to 6 months	3至6個月	—	2,099
		—	3,876

The bills receivable were not yet past due and there was no recent history of default and the loss allowance as at 31 March 2020 was assessed to be minimal.

19. 應收賬款及票據(續)

於報告期末應收票據的到期情況如下：

應收票據尚未逾期，且近期並無欠款記錄，於二零二零年三月三十一日的虧損撥備經評估只屬輕微。

20. RESTRICTED BANK BALANCE, TIME DEPOSITS AND CASH AND BANK BALANCES

20. 受限制銀行結餘、定期存款及現金及銀行結餘

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	382,634	265,051
Non-pledged time deposits with original maturity of less than three months when acquired	於取得時原到期日不超過三個月之無抵押定期存款	60,354	32,874
Non-pledged time deposits with original maturity of more than three months when acquired	於取得時原到期日超過三個月之無抵押定期存款	—	43,778
Less: Restricted bank balance for import purchases in Mainland China	減：於中國大陸進口採購之受限制銀行結餘	(593)	(547)
Total cash and bank balances	現金及銀行結餘總額	442,395	341,156



## 20. RESTRICTED BANK BALANCE, TIME DEPOSITS AND CASH AND BANK BALANCES (continued)

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK\$408,934,000 (2020: HK\$281,337,000). 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.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for seven days (2020: varying periods of between one day and six months) depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and restricted bank balance are deposited with creditworthy banks with no recent history of default.

## 21. 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:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Within 90 days	90天內	255,261	198,075
91 to 180 days	91至180天	10,615	31,051
181 to 365 days	181至365天	1,493	1,839
Over 365 days	365天以上	6,285	5,891
		<b>273,654</b>	<b>236,856</b>

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

## 20. 受限制銀行結餘、定期存款及現金及銀行結餘(續)

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408,934,000港元（二零二零年：281,337,000港元）。人民幣不得自由兌換為其他貨幣。然而根據中國大陸的外匯管理條例以及結匯、售匯及付匯管理規定，本集團獲批准透過獲授權辦理外匯業務之銀行將人民幣兌換為其他貨幣。

存放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七天（二零二零年：一日至六個月）的短期定期存款，並分別按短期定期存款利率賺取利息。銀行結餘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

於報告期末之應付賬款根據發票日期的賬齡分析如下：

應付賬款為免息賬款，信貸期一般為45天。

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## 22. BANKING FACILITIES

As at 31 March 2021, the Group's banking facilities were supported by the corporate guarantees of HK\$975,920,000 (2020: HK\$741,500,000) executed by the Company and certain subsidiaries of the Company.

As at 31 March 2021, an aggregate amount of the Group's banking facilities of HK\$428,438,000 (31 March 2020: HK\$530,800,000) was utilised.

## 22. 銀行備用信貸

於二零二一年三月三十一日，本集團的銀行備用信貸以本公司及本公司若干附屬公司簽立的公司擔保975,920,000港元(二零二零年：741,500,000港元)作支持。

於二零二一年三月三十一日，本集團的銀行備用信貸已動用合共428,438,000港元(二零二零年三月三十一日：530,800,000港元)。

## 23. ACCRUED LIABILITIES AND OTHER PAYABLES

## 23. 應計負債及其他應付款項

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Other payables	其他應付款項	47,695	59,609
Accruals	應計費用	122,428	107,402
		<b>170,123</b>	167,011

Other payables of the Group as at 31 March 2021 included a subsidy of HK\$1,208,000 (2020: HK\$1,734,000) received from the People's Government of Yifeng County, Jiangxi Province, the PRC for the construction cost of basic infrastructure incurred by the Group for the development of the investment project in Jiangxi. During the year, an amount of HK\$526,000 (2020: HK\$309,000) was utilised and has been offset against the construction cost.

Included in other payables were contract liabilities of HK\$2,420,000 as at 31 March 2021, Nil as at 31 March 2020 and HK\$1,424,000 as at 1 April 2019.

Contract liabilities include short-term advances received to deliver sportswear and garments. The increase (2020: decrease) in contract liabilities in 2021 was mainly due to the increase (2020: decrease) in short-term advances received from customers in relation to the sales of sportswear and garments at the end of the year.

本集團於二零二一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1,208,000港元(二零二零年：1,734,000港元)的補助，作為本集團開發江西投資項目產生的基本建設建築成本。年內，已動用526,000港元(二零二零年：309,000港元)並以建築成本抵銷。

合約負債計入其他應付款項分別於二零二一年三月三十一日為2,420,000港元、於二零二零年三月三十一日為無及於二零一九年四月一日為1,424,000港元。

合約負債包括為交付運動服裝及成衣而收取的短期預付款。於二零二一年的合約負債增加(二零二零年：減少)主要由於年末就運動服裝及成衣銷售向客戶收取的短期預付款增加(二零二零年：減少)所致。



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## 24. INTEREST-BEARING BANK BORROWINGS

## 24. 計息銀行貸款

		Effective interest rate	實際利率	Maturity	到期日	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
<b>Current</b>	<b>即期</b>						
Bank loans	銀行貸款	0.85% to 1.01% (2020: 1.48% to 2.60%)	0.85%至1.01% (二零二零年 : 1.48%至 2.60%)	On demand	應要求	428,438	530,800

As at 31 March 2021, bank borrowings of HK\$428,438,000 (2020: HK\$412,000,000) were supported by corporate guarantees executed by the Company and certain subsidiaries of the Company.

於二零二一年三月三十一日，428,438,000港元(二零二零年：412,000,000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 2021, bank borrowings of HK\$428,438,000 (2020: HK\$93,000,000) were denominated in US\$.

於二零二一年三月三十一日，銀行借貸中428,438,000港元(二零二零年：93,000,000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，銀行貸款應償還金額分析如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Analysed into:	分析為：		
Within one year and on demand	一年內及應要求	428,438	530,800

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## 25. PENSION SCHEME OBLIGATION

The Group provides benefits for its employees of its subsidiary in Indonesia who attain the retirement age of 57 years (2020: 57 years) based on the provisions of the Indonesian Job Creation Act Number 11/2020, Indonesian Government Regulations Number 35/2021 and Collective Labour Agreement 2019–2021 (2020: Indonesian Labour Law Number 13/2003 and Collective Labour Agreement 2019–2021), 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 2021 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:

Discount rate (%)	折現率(%)
Expected rate of salary increase (%)	預計薪金增長率(%)

## 25. 退休金計劃承擔

本集團遵照印尼創造就業綜合法案第11/2020號、印尼政府條例第35/2021號及集體勞動合同2019–2021(二零二零年：印尼勞工法第13/2003號規定及集體勞動合同2019–2021)，通過無供款退休計劃為達到57歲(二零二零年：57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二零二一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：

	2021 二零二一年	2020 二零二零年
Discount rate (%)	8.04	5.33–8.66
Expected rate of salary increase (%)	7.0	7.0



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財務報表附註(續)

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## 25. PENSION SCHEME OBLIGATION

(continued)

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

		Increase/ (decrease) in net defined benefit obligation	Increase/ (decrease) in net defined benefit obligation
	Increase in rate	Decrease in rate	Decrease in rate
	比率上升 %	增加/(減少) HK\$'000 千港元	比率下降 %
		增加/(減少) HK\$'000 千港元	增加/(減少) HK\$'000 千港元
<b>2021</b>	<b>二零二一年</b>		
Discount rate	折現率	<b>1</b>	<b>(3,624)</b>
Future salary increase	未來薪金增加	<b>1</b>	<b>4,562</b>
<b>2020</b>	<b>二零二零年</b>		
Discount rate	折現率	1	(2,960)
Future salary increase	未來薪金增加	1	3,763

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。

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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:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Current service cost	現有服務成本	4,530	3,995
Past service cost*	過去服務成本*	(4,982)	—
Interest cost	利息成本	1,617	1,263
Net benefit expenses	福利開支淨額	1,165	5,258
Recognised in cost of sales	於銷售成本確認	964	4,356
Recognised in administrative expenses	於行政開支確認	201	902
		<b>1,165</b>	<b>5,258</b>

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

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
At beginning of reporting period	於報告期初	16,868	14,321
Current service cost	現有服務成本	4,530	3,995
Past service cost*	過去服務成本*	(4,982)	—
Interest cost	利息成本	1,617	1,263
Actuarial losses	精算虧損	1,184	114
Benefits paid	已付福利	(312)	(176)
Exchange differences	匯兌差額	2,042	(2,649)
At end of reporting period	於報告期末	<b>20,947</b>	<b>16,868</b>

\* The following changes are made to the plan provision based on Indonesian Job Creation Act Number 11/2020 Chapter IV and Indonesian Government Regulations Number 35/2021 as of 31 March 2021:

- (a) The eligibility of plan provision will include contract employees with more than 12 months duration of contract;
- (b) The compensation pay required under Indonesian Labour Law Number 13/2003 in retirement, voluntary resignation, death, and disability benefits is excluded; and
- (c) Change in multipliers for retirement and disability benefits calculations.

## 25. 退休金計劃承擔(續)

就該計劃於綜合收益表確認之開支總額如下：

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Current service cost	4,530	3,995
Past service cost*	(4,982)	—
Interest cost	1,617	1,263
Net benefit expenses	1,165	5,258
Recognised in cost of sales	964	4,356
Recognised in administrative expenses	201	902
	<b>1,165</b>	<b>5,258</b>

定額福利責任現值之變動如下：

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
At beginning of reporting period	16,868	14,321
Current service cost	4,530	3,995
Past service cost*	(4,982)	—
Interest cost	1,617	1,263
Actuarial losses	1,184	114
Benefits paid	(312)	(176)
Exchange differences	2,042	(2,649)
At end of reporting period	<b>20,947</b>	<b>16,868</b>

\* 截至二零二一年三月三十一日，已根據印尼創造就業綜合法案第11/2020號第四章及印尼政府條例第35/2021號對計劃條款作以下更改：

- (a) 計劃條款的資格將包括合同期限超過12個月的合同僱員；
- (b) 不包括印尼勞工法第13/2003號規定的退休、自願辭職、亡故及傷殘之津貼；及
- (c) 退休及傷殘津貼計算之倍數改變。



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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:

2021

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 the income statement	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 2020	Service cost	Net interest								31 March 2021		
於 二零二零年 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	二零二一年 三月 三十一日		
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元		
Defined benefit obligation	定額福利責任	16,868	(452)	1,617	1,165	(312)	—	2,373	(1,189)	1,184	2,042	20,947

2020

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 the income statement	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 2019	Service cost	Net interest								31 March 2020		
於 二零一九年 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	二零二零年 三月 三十一日		
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元		
Defined benefit obligation	定額福利責任	14,321	3,995	1,263	5,258	(176)	(77)	530	(339)	114	(2,649)	16,868

## 25. 退休金計劃承擔(續)

定額福利責任之變動如下：

二零二一年

二零二零年

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:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 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:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Within the next 12 months	未來12個月內	202	118
Between 1 and 2 years	1至2年	200	219
Between 2 and 5 years	2至5年	1,010	857
Between 5 and 10 years	5至10年	4,875	4,052
Over 10 years	10年以上	802,195	876,747
<b>Total expected payments</b>	<b>預期付款總額</b>	<b>808,482</b>	<b>881,993</b>

The average duration of the defined benefit obligation at the end of the reporting period is 24.17 years (2020: 24.52 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：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 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

未來數年之定額福利責任預期供款情況如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Within the next 12 months	未來12個月內	202	118
Between 1 and 2 years	1至2年	200	219
Between 2 and 5 years	2至5年	1,010	857
Between 5 and 10 years	5至10年	4,875	4,052
Over 10 years	10年以上	802,195	876,747
<b>Total expected payments</b>	<b>預期付款總額</b>	<b>808,482</b>	<b>881,993</b>

定額福利責任於報告期末的平均持續時間為24.17年(二零二零年：24.52年)。



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## 26. DEFERRED TAX

The movement in deferred tax liabilities of the Group during the year is as follows:

### 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 HK\$'000 千港元	資產重估 HK\$'000 千港元	其他 HK\$'000 千港元	中國附屬公司 未分派溢利 之預扣稅 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 April 2019	於二零一九年四月一日	574	30,593	3,324	4,944	39,435
Deferred tax charged/(credited) to the consolidated income statement during the year (note 10)	年內在綜合收益表扣除/(計入)的遞延稅項(附註10)	(79)	(1,400)	(854)	4,541	2,208
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	—	—	—	(553)	(553)
Exchange realignment	匯兌調整	—	(1,910)	—	—	(1,910)
At 31 March 2020 and 1 April 2020	於二零二零年三月三十一日及二零二零年四月一日	495	27,283	2,470	8,932	39,180
Deferred tax charged/(credited) to the consolidated income statement during the year (note 10)	年內在綜合收益表扣除/(計入)的遞延稅項(附註10)	393	(1,432)	(708)	3,858	2,111
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	—	—	—	(4,937)	(4,937)
Exchange realignment	匯兌調整	—	2,202	—	—	2,202
At 31 March 2021	於二零二一年三月三十一日	888	28,053	1,762	7,853	38,556

## 26. 遞延稅項

本集團於年內的遞延稅項負債變動如下：

### 遞延稅項負債

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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 rates are 5% or 10% (2020: 5% or 10%). 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\$165,702,000 (2020: HK\$103,218,000).

As at 31 March 2021, the Group has estimated tax losses arising in Mainland China of HK\$3,719,000 (2020: HK\$9,643,000) 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\$3,719,000 (2020: HK\$9,643,000) 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%或10%（二零二零年：5%或10%）。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165,702,000港元（二零二零年：103,218,000港元）。

於二零二一年三月三十一日，本集團估計於中國大陸產生之稅項虧損為3,719,000港元（二零二零年：9,643,000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3,719,000港元（二零二零年：9,643,000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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## 27. ISSUED CAPITAL

## 27. 已發行股本

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Authorised:	法定股本：		
10,000,000,000	10,000,000,000股		
(2020: 10,000,000,000)	(二零二零年：		
ordinary shares of HK\$0.01 each	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 (2020: 532,000,000)	532,000,000股		
ordinary shares of HK\$0.01 each	(二零二零年：		
	532,000,000股)		
	每股面值0.01港元之普通股	<b>5,320</b>	5,320

## 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.

## 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。

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

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## 29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (a) Major non-cash transactions

- (i) During the year, non-current deposits of HK\$13,768,000 (2020: HK\$35,271,000) were transferred to property, plant and equipment.
- (ii) During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of HK\$2,565,000 (2020: Nil) and HK\$2,565,000 (2020: Nil), respectively, in respect of a lease arrangement for a plant.

### (b) Changes in liabilities arising from financing activities

## 29. 綜合現金流量表附註

### (a) 主要非現金交易

- (i) 年內，非流動按金13,768,000港元(二零二零年：35,271,000港元)已轉撥至物業、廠房及設備。
- (ii) 年內，本集團就一項廠房租賃安排分別非現金添置使用權資產及租賃負債2,565,000港元(二零二零年：無)及2,565,000港元(二零二零年：無)。

### (b) 融資活動產生的負債變動

		Lease liabilities 租賃負債 HK\$'000 千港元	Interest-bearing bank borrowings 計息銀行貸款 HK\$'000 千港元
At 1 April 2019	於二零一九年四月一日	22,065	572,155
Changes from financing cash flows	融資現金流量變動	(7,425)	(41,355)
Interest expenses	利息開支	692	—
Interest paid classified as operating cash flows	分類為經營現金流量的已付利息	(692)	—
Exchange realignment	匯兌調整	(611)	—
At 31 March 2020 and 1 April 2020	於二零二零年三月三十一日及二零二零年四月一日	<b>14,029</b>	<b>530,800</b>
Changes from financing cash flows	融資現金流量變動	<b>(7,275)</b>	<b>(102,362)</b>
New lease	新租賃	<b>2,565</b>	—
Interest expenses	利息開支	<b>449</b>	—
Interest paid classified as operating cash flows	分類為經營現金流量的已付利息	<b>(449)</b>	—
COVID-19-related rent concessions from a lessor	出租人就COVID-19相關之租金寬免	<b>(733)</b>	—
Exchange realignment	匯兌調整	<b>506</b>	—
At 31 March 2021	於二零二一年三月三十一日	<b>9,092</b>	<b>428,438</b>



## 29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(continued)

### (c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Within operating activities	於經營活動內	573	989
Within financing activities	於融資活動內	7,275	7,425
		<b>7,848</b>	<b>8,414</b>

## 30. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities not provided for at the end of the reporting period (2020: Nil).

As at 31 March 2021, corporate guarantees to banks to the extent of HK\$975,920,000 (2020: HK\$741,500,000) 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\$428,438,000 (2020: HK\$412,000,000) at the end of the reporting period.

## 29. 綜合現金流量表附註(續)

### (c) 租賃現金流出總額

計入現金流量表的租賃現金流出總額如下：

## 30. 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(二零二零年：無)。

於二零二一年三月三十一日，本公司及本公司若干附屬公司向銀行提供975,920,000港元(二零二零年：741,500,000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428,438,000港元(二零二零年：412,000,000港元)。

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

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### 31. COMMITMENTS

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

### 31. 承擔

本集團於報告期末之資本承擔如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 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 the production base in Hubei	為湖北生產基地 廠房裝修、購買機器 及設備項目	1,790	154
Renovation of factories and purchases of items of machinery and equipment for the production base in Vietnam	為越南生產基地 廠房裝修、購買機器 及設備項目	1,295	468
Renovation of factories and purchases of items of machinery and equipment	廠房裝修、購買機器 及設備項目	10,280	3,864
		<b>13,365</b>	<b>4,486</b>



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

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### 32. 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:

### 32. 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：

			2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
A related company indirectly controlled by a substantial shareholder of the Company:	一名本公司主要股東間接控制的關連公司：			
Rental expenses*	租金開支*	(i)	7,113	6,678
Service fee	服務費	(ii)	9,150	9,307
A related company directly controlled by a person who is a director and shareholder of the Company:	一名本公司董事兼股東直接控制的關連公司：			
Subcontracting income	分包收入	(iii)	—	730
Substantial shareholder of the Company:	本公司主要股東：			
Service fee	服務費	(iv)	604	629

Notes:

(i) The Group entered into lease agreements with Pouyuen Vietnam Company Limited ("Pouyuen Vietnam"), a related company indirectly controlled by Yue Yuen, a substantial shareholder of the Company, for the rental of (i) a plant at a monthly rate of US\$71,184 for a term of three years commencing on 1 June 2018; (ii) a plant at a monthly rate of US\$3,204 for a term of one year commencing on 1 June 2020 and early terminated with effective from 30 November 2020; and (iii) a plant at a monthly rate of US\$11,094 for a term of two years and six months commencing on 1 December 2020.

\* Right-of-use assets of HK\$3,252,000 (2020: HK\$7,469,000) and lease liabilities of HK\$3,295,000 (2020: HK\$7,590,000) related to the leases with related parties were recognised in the consolidated statement of financial position as at 31 March 2021. During the year ended 31 March 2021, depreciation of right-of-use assets of HK\$6,737,000 (2020: HK\$6,460,000) and finance costs on lease liabilities of HK\$149,000 (2020: HK\$342,000) were recognised in the consolidated income statement.

附註：

(i) 本集團與本公司主要股東裕元間接控制的關連公司Pouyuen Vietnam Company Limited (「Pouyuen Vietnam」) 訂立租賃協議，以租用(i)一間月租為71,184美元的廠房，自二零一八年六月一日起為期三年；(ii)一間月租為3,204美元的廠房，自二零二零年六月一日起為期一年，並提前終止自二零二零年十一月三十日生效；及(iii)一間月租為11,094美元的廠房，自二零二零年十二月一日起為期兩年六個月。

\* 與關連人士租賃有關的使用權資產3,252,000港元(二零二零年：7,469,000港元)及租賃負債3,295,000港元(二零二零年：7,590,000港元)於二零二一年三月三十一日的綜合財務狀況表確認。截至二零二一年三月三十一日止年度內，使用權資產折舊6,737,000港元(二零二零年：6,460,000港元)及租賃負債的融資成本149,000港元(二零二零年：342,000港元)於綜合收益表確認。

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

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## 32. RELATED PARTY TRANSACTIONS

(continued)

### (a) (continued)

Notes: (continued)

- (ii) The service fee to Pouyuen Vietnam was made on a basis mutually agreed by both parties.
- (iii) The subcontracting income with Foshan City Honglian Garment Co., Limited, a related company controlled by Mr. Huang Yongbiao, a director and shareholder of the Company, was made on a basis mutually agreed by both parties.
- (iv) The service fee paid to Pou Chen Corporation ("Pou Chen"), a substantial shareholder of the Company, was charged on actual cost incurred.

Certain of 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) Outstanding balances with related parties

- (i) Included in accrued liabilities and other payables is an amount due to Pouyuen Vietnam of HK\$4,144,000 (2020: HK\$2,706,000), which is unsecured, interest-free and repayable on demand.
- (ii) Included in accrued liabilities and other payables is an amount due to Pou Chen of HK\$123,000 (2020: Nil), which is unsecured, interest-free and repayable on demand.

- (c) The directors are the key management personnel of the Group. Details of their remuneration are disclosed in note 8 to the financial statements.

## 32. 關連人士交易(續)

### (a) (續)

附註:(續)

- (ii) 給予Pouyuen Vietnam的服務費按雙方同意之基準支付。
- (iii) 與一名本公司董事兼股東黃永彪先生控制的關連公司佛山市宏聯製衣有限公司相關之分包收入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(「寶成」)支付的服務費按實際產生的成本收取。

上文第(i)及第(ii)項之若干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) 與關連人士之未償付結餘

- (i) 應付Pouyuen Vietnam的款項4,144,000港元(二零二零年:2,706,000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) 應付寶成的款項123,000港元(二零二零年:無)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。

- (c) 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。



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

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### 33. 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

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Financial assets at amortised cost:	按攤銷成本列賬的金融資產：		
Accounts and bills receivables	應收賬款及票據	348,046	243,944
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	4,990	15,363
Restricted bank balance	受限制銀行結餘	593	547
Cash and bank balances	現金及銀行結餘	442,395	341,156
		<b>796,024</b>	<b>601,010</b>

#### Financial liabilities

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Financial liabilities at amortised cost:	按攤銷成本列賬的金融負債：		
Accounts payable	應付賬款	273,654	236,856
Financial liabilities included in accrued liabilities and other payables	計入應計負債及其他應付款項的金融負債	30,034	49,397
Interest-bearing bank borrowings	計息銀行貸款	428,438	530,800
Lease liabilities	租賃負債	9,092	14,029
		<b>741,218</b>	<b>831,082</b>

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.

### 33. 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

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Financial assets at amortised cost:	按攤銷成本列賬的金融資產：		
Accounts and bills receivables	應收賬款及票據	348,046	243,944
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	4,990	15,363
Restricted bank balance	受限制銀行結餘	593	547
Cash and bank balances	現金及銀行結餘	442,395	341,156
		<b>796,024</b>	<b>601,010</b>

#### 金融負債

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Financial liabilities at amortised cost:	按攤銷成本列賬的金融負債：		
Accounts payable	應付賬款	273,654	236,856
Financial liabilities included in accrued liabilities and other payables	計入應計負債及其他應付款項的金融負債	30,034	49,397
Interest-bearing bank borrowings	計息銀行貸款	428,438	530,800
Lease liabilities	租賃負債	9,092	14,029
		<b>741,218</b>	<b>831,082</b>

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)

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### 34. TRANSFERRED FINANCIAL ASSETS

#### 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*

Carrying amount of assets that continued to be recognised	持續獲確認的資產賬面值
Carrying amount of associated liabilities	相關負債的賬面值

At 31 March 2020, the Group endorsed certain bills receivable accepted by banks in Mainland China (the "Endorsed Bills") with a carrying amount of HK\$1,880,000 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 had 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 ended 31 March 2020 to which the suppliers have recourse was HK\$1,880,000 as at 31 March 2020.

### 34. 已轉讓金融資產

#### 未全部終止確認的已轉讓金融資產

下表概述已轉讓金融資產中，以不符合終止確認資格方式的轉讓部分及其相關負債：

#### 根據中國票據法的票據背書

2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
—	1,880
—	1,880

於二零二零年三月三十一日，本集團向若干供應商背書賬面值1,880,000港元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，本集團仍保留重大風險及回報，包括背書票據之違約風險，因此，本集團繼續確認背書票據之所有賬面值及相關已結清之應付賬款。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。截至二零二零年三月三十一日止年度透過背書票據支付之供應商有追索權之應付賬款於二零二零年三月三十一日之賬面總值為1,880,000港元。



### 35. 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, a restricted bank balance, accounts payable, financial liabilities included in accrued liabilities and other payables and lease liabilities, 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.

### 35. 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、計入預付款項、按金及其他應收款項的金融資產、受限制銀行結餘、應付賬款及計入應計負債及其他應付款項的金融負債以及租賃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。

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### 35. 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
2021	二零二一年	100	3,577
2020	二零二零年	100	4,432

#### 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.

### 35. 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。

#### 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。

### 35. 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>2021</b>	<b>二零二一年</b>		
If HK\$ strengthens against RMB	倘港元兌人民幣升值	3%	(206)
If HK\$ weakens against RMB	倘港元兌人民幣貶值	(3%)	206
<b>2020</b>	<b>二零二零年</b>		
If HK\$ strengthens against RMB	倘港元兌人民幣升值	3%	(2,702)
If HK\$ weakens against RMB	倘港元兌人民幣貶值	(3%)	2,702

#### 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.

### 35. 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)：

		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>2021</b>	<b>二零二一年</b>		
If HK\$ strengthens against RMB	倘港元兌人民幣升值	3%	(206)
If HK\$ weakens against RMB	倘港元兌人民幣貶值	(3%)	206
<b>2020</b>	<b>二零二零年</b>		
If HK\$ strengthens against RMB	倘港元兌人民幣升值	3%	(2,702)
If HK\$ weakens against RMB	倘港元兌人民幣貶值	(3%)	2,702

#### 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。

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財務報表附註(續)

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35. 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 1 year 應要求或 一年內 HK\$'000 千港元	1 to 5 years 1至5年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>2021</b>	<b>二零二一年</b>			
Accounts payable	應付賬款	273,654	—	273,654
Financial liabilities included in accrued liabilities and other payables	計入應計負債及其他應付 款項的金融負債	30,034	—	30,034
Interest-bearing bank borrowings*	計息銀行貸款*	428,438	—	428,438
Lease liabilities	租賃負債	3,681	5,995	9,676
		<b>735,807</b>	<b>5,995</b>	<b>741,802</b>
<b>2020</b>	<b>二零二零年</b>			
Accounts payable	應付賬款	236,856	—	236,856
Financial liabilities included in accrued liabilities and other payables	計入應計負債及其他應付 款項的金融負債	49,397	—	49,397
Interest-bearing bank borrowings	計息銀行貸款	530,800	—	530,800
Lease liabilities	租賃負債	8,022	6,923	14,945
		825,075	6,923	831,998

\* As at 31 March 2021, included in interest-bearing bank borrowings were bank loans of HK\$155,400,000 (2020: Nil) containing a repayment on demand clause giving the lender the unconditional right to call the loan at any time and therefore, for the purpose of the above maturity profile, these amounts are classified as "on demand". Notwithstanding the above repayment on demand clause, the directors do not believe that the bank loans will be called in their entirety within 12 months, and they consider that the bank loans will be repaid in accordance with the maturity dates as set out in the respective agreements. This evaluation was made considering: the financial position of the Group at the date of approval of the financial statements; the Group's compliance with the loan covenants; the lack of events of default, and the fact that the Group has made all previously scheduled repayments on time. In accordance with the terms of the bank loans, these bank loans of HK\$155,400,000 will mature by April 2023 (2020: Nil).

35. 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，本集團根據合約未折現付款計算之金融負債到期情況如下：

\* 於二零二一年三月三十一日，計息銀行借款計入銀行貸款155,400,000港元(二零二零年：無)，包含應要求償還條款，賦予貸方隨時無條件收回貸款的權利，因此，就上述到期情況而言，該等金額被分類為「應要求」。儘管上述應要求償還條款，董事認為，銀行貸款不會於12個月內全部收回，並認為銀行貸款將按照相關協議所載的到期日償還。本次評估乃經考慮以下因素後作出：本集團於財務報表批准日的財務狀況；本集團遵守貸款契據的情況；概無違約事件，以及本集團已按時償還所有先前計劃的還款。根據銀行貸款條款，該等銀行貸款155,400,000港元將於二零二三年四月到期(二零二零年：無)。

### 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### 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.

#### Maximum exposure and year-end staging

The tables below show 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. The amounts presented are gross carrying amounts for financial assets.

		12-month	Lifetime ECLs			Total	
		ECLs	ECLs				
		十二個月	全期預期信貸虧損			總額	
		預期信貸	Stage 1	Stage 2	Stage 3	Simplified	Total
		虧損	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
<b>2021</b>	<b>二零二一年</b>						
Accounts receivable*	應收賬款*		—	—	—	348,046	348,046
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**		4,990	—	—	—	4,990
Restricted bank balance	受限制銀行結餘						
— Not yet past due	— 未逾期		593	—	—	—	593
Cash and bank balances	現金及銀行結餘						
— Not yet past due	— 未逾期		442,395	—	—	—	442,395
			<b>447,978</b>	<b>—</b>	<b>—</b>	<b>348,046</b>	<b>796,024</b>
<b>2020</b>	<b>二零二零年</b>						
Accounts receivable*	應收賬款*		—	—	—	240,068	240,068
Bills receivable	應收票據						
— Normal**	— 正常**		3,876	—	—	—	3,876
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**		15,363	—	—	—	15,363
Restricted bank balance	受限制銀行結餘						
— Not yet past due	— 未逾期		547	—	—	—	547
Cash and bank balances	現金及銀行結餘						
— Not yet past due	— 未逾期		341,156	—	—	—	341,156
			360,942	—	—	240,068	601,010

### 35. 財務風險管理之目標及政策 (續)

#### 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。

#### 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。

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## 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### Credit risk (continued)

#### Maximum exposure and year-end staging (continued)

- \* 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.

### 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. Capital includes bank borrowings and equity attributable to owners of the parent. 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 2021 and 2020.

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

## 35. 財務風險管理之目標及政策 (續)

### 信貸風險(續)

#### 最高風險及年結階段分析(續)

- \* 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。
- \*\* 當應收票據及計入預付款項、按金及其他應收款項之金融資產未逾期，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」。

### 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。資本包括銀行貸款及母公司擁有人應佔權益。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。於截至二零二一年及二零二零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。



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### 36. 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:

### 36. 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：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 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	43,368	43,368
<b>CURRENT ASSETS</b>	<b>流動資產</b>		
Due from subsidiaries	應收附屬公司	2,553,400	2,380,018
Prepayments	預付款項	233	109
Loan to a subsidiary	貸款予一間附屬公司	154,875	—
Cash and bank balances	現金及銀行結餘	901	905
Total current assets	流動資產總值	2,709,409	2,381,032
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>		
Due to subsidiaries	應付附屬公司	1,657,883	1,511,169
Interest-bearing bank borrowings	計息銀行貸款	155,400	—
Tax payable	應付稅項	739	365
Total current liabilities	流動負債總值	1,814,022	1,511,534
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>	<b>895,387</b>	869,498
Net assets	資產淨值	<b>938,755</b>	912,866
<b>EQUITY</b>	<b>資本</b>		
Issued capital	已發行股本	5,320	5,320
Reserves (note)	儲備(附註)	933,435	907,546
Total equity	資本總值	<b>938,755</b>	912,866

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

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### 36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

		Note 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 2019	於二零一九年四月一日		566,314	43,088	275,934	885,336
Profit and total comprehensive income for the year	年內溢利及全面收益總額		—	—	160,530	160,530
Final 2019 dividend	二零一九年末期股息	11	—	—	(31,920)	(31,920)
Interim 2020 dividend	二零二零年中期股息	11	—	—	(106,400)	(106,400)
At 31 March 2020 and 1 April 2020	於二零二零年三月三十一日及二零二零年四月一日		<b>566,314</b>	<b>43,088</b>	<b>298,144</b>	<b>907,546</b>
Profit and total comprehensive income for the year	年內溢利及全面收益總額		—	—	<b>233,369</b>	<b>233,369</b>
Final 2020 dividend	二零二零年末期股息	11	—	—	<b>(47,880)</b>	<b>(47,880)</b>
Interim 2021 dividend	二零二一年中期股息	11	—	—	<b>(159,600)</b>	<b>(159,600)</b>
At 31 March 2021	於二零二一年三月三十一日		<b>566,314</b>	<b>43,088</b>	<b>324,033</b>	<b>933,435</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.

### 37. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors of the Company on 22 June 2021.

### 36. 本公司財務狀況表(續)

附註：

本公司儲備之概要如下：

		Note 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 2019	於二零一九年四月一日		566,314	43,088	275,934	885,336
Profit and total comprehensive income for the year	年內溢利及全面收益總額		—	—	160,530	160,530
Final 2019 dividend	二零一九年末期股息	11	—	—	(31,920)	(31,920)
Interim 2020 dividend	二零二零年中期股息	11	—	—	(106,400)	(106,400)
At 31 March 2020 and 1 April 2020	於二零二零年三月三十一日及二零二零年四月一日		<b>566,314</b>	<b>43,088</b>	<b>298,144</b>	<b>907,546</b>
Profit and total comprehensive income for the year	年內溢利及全面收益總額		—	—	<b>233,369</b>	<b>233,369</b>
Final 2020 dividend	二零二零年末期股息	11	—	—	<b>(47,880)</b>	<b>(47,880)</b>
Interim 2021 dividend	二零二一年中期股息	11	—	—	<b>(159,600)</b>	<b>(159,600)</b>
At 31 March 2021	於二零二一年三月三十一日		<b>566,314</b>	<b>43,088</b>	<b>324,033</b>	<b>933,435</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。

### 37. 財務報表之批准

財務報表已於二零二一年六月二十二日獲本公司董事會批准並授權刊行。



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

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(Incorporated in the Cayman Islands with limited liability)  
(於開曼群島註冊成立之有限公司)

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**ANNUAL REPORT 年報**  
**2021**

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\* For identification purposes only  
僅供識別