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締造更美時刻

FOR THE YEAR ENDED
31ST MARCH, 2024

ANNUAL
REPORT

STOCK CODE : 280



king fook holdings limited
景福集團有限公司

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Corporate Information

**Board of Directors
(as at the date of
this annual report)**

Executive Directors

Mr. Tang Yat Sun, Richard, B.Sc., M.B.A., B.B.S., J.P. (*Chairman*)
Dr. Fung Yuk Bun, Patrick
Mr. Wong Wei Ping, Martin

Non-executive Directors

Mr. Ho Hau Hay, Hamilton
Ms. Veronica Ho

Independent Non-executive Directors

Mr. Cheng Kar Shing, Peter
Mr. Cheng Kwok Shing, Anthony
Ms. Hou Tan Tan Danielle
Mr. Sin Nga Yan, Benedict

Authorised Representatives

Mr. Tang Yat Sun, Richard, B.Sc., M.B.A., B.B.S., J.P.
Ms. Leung Pui Ling

Company Secretary

Ms. Leung Pui Ling

Auditor

BDO Limited
Certified Public Accountants

Principal Bankers

BNP Paribas Hong Kong Branch
Hang Seng Bank Limited
Nanyang Commercial Bank, Limited
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited

Solicitors

Jennifer Cheung & Co.

Registered Office

9th Floor, King Fook Building
30-32 Des Voeux Road Central
Hong Kong

Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Stock Code

00280





Brief Biographical Details of the Directors and the Senior Management (as at the date of this annual report)

DIRECTORS

Executive Directors

Mr. Tang Yat Sun, Richard, B.Sc., M.B.A., B.B.S., J.P. (Chairman)

Aged 71. A MBA graduate from The University of Santa Clara, California, USA and a holder of Bachelor of Science degree in Business Administration from Menlo College, California, USA. The chairman and managing director of Richcom Company Limited. An executive director of Miramar Hotel and Investment Company, Limited and, since January 2021 an independent non-executive director of The Wharf (Holdings) Limited (both companies are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). A director of various private business enterprises. An advisor of Tang Shiu Kin and Ho Tim Charitable Fund. Appointed as a director, the vice chairman and acting chairman of the Company in 1987, 1998 and 2016 respectively, and as the Chairman of the Company on 20 March 2017.

Dr. Fung Yuk Bun, Patrick

Aged 77. A MBA graduate from The University of Toronto and was awarded an Honorary Doctor of Business Administration by the Hong Kong Polytechnic University and an Honorary Doctor of Laws by the University of Toronto. A non-executive director of Miramar Hotel and Investment Company, Limited. A member of the Board of Governors of The Hang Seng University of Hong Kong. Appointed as a non-executive director of the Company on 4 May 2016 and re-designated as an executive director of the Company on 25 November 2016.

Mr. Wong Wei Ping, Martin

Aged 82. A director of Citizen Thunderbird Travel Limited. Appointed as a director of the Company in 2000 and re-designated as an executive director of the Company on 26 November 2020.

Non-executive Directors

Mr. Ho Hau Hay, Hamilton (Mr. Ho)

Aged 73. An executive director of Honorway Investments Limited and Tak Hung (Holding) Company Limited (“Tak Hung”). He was an independent non-executive director of New World Development Company Limited, a company listed on the Main Board of the Stock Exchange, until 30 November 2022. He is the father of Ms. Veronica Ho. Appointed as a director of the Company in 2004, re-designated as an independent non-executive director of the Company on 29 June 2012 and re-designated as a non-executive director of the Company on 24 April 2023.

Ms. Veronica Ho

Aged 41. Ms. Ho obtained her bachelor’s degree in Media and Communications Management and Accelerated Food and Beverage Operations Certificate from New York University, USA, and attended Chinese Culture Studies and Media Studies at Tsinghua University in Beijing, China. She is a director of Tak Hung and the daughter of Mr. Ho. A member of the Hospital Governing Committee of Pok Oi Hospital. Appointed as a non-executive director of the Company on 24 April 2023.

Independent Non-executive Directors

Mr. Cheng Kar Shing (Alias: Mr. Cheng Kar Shing, Peter)

Aged 71. A director of New World Development Company Limited (listed on the Main Board of the Stock Exchange), New World Hotels (Holdings) Limited, Chow Tai Fook Enterprises Limited and New World China Land Limited. The deputy managing director of New World Development (China) Ltd. A chairman of Chow Tai Fook Charity Foundation. Appointed as an independent non-executive director of the Company in 1997.





Brief Biographical Details of the Directors and the Senior Management (Continued) (as at the date of this annual report)

DIRECTORS (Continued)

Independent Non-executive Directors (Continued)

Mr. Cheng Kwok Shing, Anthony

Aged 77. A Fellow and a Certified Public Accountant (Practising) of The Hong Kong Institute of Certified Public Accountants. Has over 40 years of experience in auditing and accounting field. Appointed as an independent non-executive director of the Company in 2013 and is the Chairman of the Audit Committee and Remuneration Committee of the Company.

Ms. Hou Tan Tan Danielle

Aged 39. Ms. Hou obtained a bachelor's degree in business administration from Abilene Christian University, USA in May 2008. She was the deputy art director of the Company from June 2016 to February 2020. She worked as a specialist trainee/cataloguer in the jewellery department of Sotheby's Hong Kong Limited from February 2015 to May 2016, and as an analyst in the China investment banking department of Citigroup Global Markets Asia Limited from July 2008 to August 2011. Ms. Hou had been a non-executive director of Grace Wine Holdings Limited, a company listed on GEM of the Stock Exchange, from July 2017 to May 2021. Appointed as an independent non-executive director of the Company on 1 April 2022.

Mr. Sin Nga Yan, Benedict

Aged 60. A director and general manager of Myer Jewelry Manufacturer Limited. A fellow of CPA Australia. A solicitor of the Supreme Court of New South Wales, Australia, the Supreme Court of England and Wales and the High Court of Hong Kong. An independent non-executive director of Miramar Hotel and Investment Company, Limited and Oriental Watch Holdings Limited (both companies are listed on the Main Board of the Stock Exchange). Chairman of Trust Fund Committee of Customs and Excise Service Children's Education Trust Fund of Hong Kong Customs and Excise Department. A member of Committee of Overseers of Wu Yee Sun College of The Chinese University of Hong Kong. A member of College Council of The Hang Seng University of Hong Kong and a member of the Hospital Governing Committee of Hong Kong Eye Hospital & Kowloon Hospital. Appointed as a director of the Company in 2006 and re-designated as an independent non-executive director of the Company on 29 June 2012.

SENIOR MANAGEMENT

Ms. Sum Mei Lin

Aged 60. The Chief Executive Officer of the Company during the year and until 1 May 2024. Since then she continues to contribute to the Company as a consultant. She joined the Group in June 2017. She has over 30 years of management experience in the retail industry and had worked for luxury brands in LVMH group for 16 years before joining the Group.

Ms. Ng Wing Han, Winnie

Aged 48. The Chief Executive Officer of the Company since 2 May 2024 and is responsible for the Group's overall management and business development. She had a total of 20 years of investment banking experience with J.P. Morgan in New York and Hong Kong, and Bank of America Merrill Lynch (now BofA Securities, Inc.) in Hong Kong. She graduated from University of Michigan, Ann Arbor, with a Bachelor's Degree in Business Administration and was a Certified Public Accountant (New York, USA).

Mr. Yee Kwan Yeung

Aged 59. The General Manager of King Fook Jewellery Group Limited. He has extensive management experience in the retail industry, specialising in branded watch retailing. He has been with the Group for 41 years.





Brief Biographical Details of the Directors and the Senior Management (Continued) (as at the date of this annual report)

SENIOR MANAGEMENT (Continued)

Ms. Fung Suk Ming

Aged 55. The Chief Financial Officer of the Group. She graduated from the Chinese University of Hong Kong with a Bachelor's degree in Business Administration (Professional Accountancy). She also holds a Master in Science degree in Economics from the Hong Kong University of Science and Technology. She is a member of the Hong Kong Institute of Certified Public Accountants. Before joining the Group in January 2019, she had over 25 years of experience in treasury and accounting functions in several listed companies and multinational corporations.





Chairman's Statement

On behalf of the Board of Directors of the Company (the "Board"), I present the annual report of the Group for the year ended 31 March 2024 (the "Year").

REVIEW OF OPERATIONS

After 3 years of COVID-19, Hong Kong has stepped out from the haze of the pandemic. Global outbound travel has normalized and local customers have urges for revenge spending aboard, which affect Hong Kong's retail businesses, especially those mainly rely on local customers like ours. Moreover, the change of spending pattern of PRC visitors, interest rate hikes, ongoing geopolitical tensions have all contributed to a slower than expected global economic recovery.

Due to the volatile economic environment and cautious consumer sentiment, sales of high unit price gem-set jewellery have been sluggish. The combination of high interest rates, declining stock and property markets and increased outbound travel of local customers have continued to impact our jewellery business in the Year. Despite the dampened consumer sentiment, we have confidence in the long term prospects of our jewellery business. In December 2023, we opened a new jewellery store in Central Building, focusing to introduce our exquisite jewellery brand, Stenzhorn, which was established in 1979. It is a famous European high jewellery brand using pioneering techniques and daring designs. Stenzhorn's meticulously crafted jewels reflect a passion for life and a sensuality and sensitivity for beauty that is dedicated to modern women with exquisite taste. By promoting the unique stories and craftsmanship of our jewellery brands, we aim to generate greater interest and engagement among our existing and potential customers.

Apart from the new jewellery store, we also opened a new watch store in Central Building in December 2023. The store showcases a curated collection of popular independent watchmaker brands. This new watch store allows us to provide our customers with a wider selection of watches, including the latest styles and designs. We aim to attract a new group of customers who appreciate exclusivity, craftsmanship and the latest trend in the watch industry.

Stepping into this financial year, we are still facing a number of challenges, including geopolitical tensions, high interest rate and change of consumers' behaviour. Looking forward, with the expectation of interest rate cut and recovery of the stock market, consumer sentiment may gradually improve. We will keep up our business performance through improving our service, enriching our product offers and upgrading our store network. At the same time, we will also work diligently on controlling our expenses and improving our profit margin. This will involve a focus on cost optimization and operational efficiency to strengthen our financial position.

DIVIDENDS

The Board recommends the payment of a final dividend of HK2.6 cents (2023: HK2.0 cents) per ordinary share and a special dividend of Nil (2023: HK8.0 cents) per ordinary share, totalling HK\$23.6 million (2023: HK\$90.9 million) in respect of the Year.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my appreciation to our customers, suppliers, shareholders and business partners for their continuous support and to the management and all the employees of the Group for their dedication and hard work.

Tang Yat Sun, Richard
Chairman

Hong Kong, 17 June 2024





Management Discussion and Analysis

GROUP RESULTS OVERVIEW

The results of the Group for the year ended 31 March 2024 (the “Year”) and the state of affairs of the Group as at that date are set out in the consolidated financial statements on pages 29 to 81.

For the Year, the Group recorded total revenue of HK\$775.6 million, representing a decrease of HK\$119.1 million or 13.3% from HK\$894.7 million of last year. The Group achieved a consolidated profit attributable to owners of the Company for the Year of HK\$85.2 million, which represents an increase of 7.2% as compared to HK\$79.5 million last year. The increase in profit was primarily due to improved gross profit margin of products and increase in interest income.

The Group’s distribution and selling costs for the Year decreased by 14.7% to HK\$109.4 million as compared to HK\$128.2 million for the previous year. There was significant decrease in depreciation of property, plant and equipment and right-of-use assets as a result of closure of the Audemars Piguet store. The Group’s administrative costs for the Year increased by 3.8% to HK\$52.4 million as compared to HK\$50.5 million for the previous year mainly due to increase in salary and bonus payment to staff.

BUSINESS REVIEW

The slower than expected global economic recovery, sluggishness of the gem-set jewellery market, high gold prices and closure of the Audemars Piguet store have all affected our jewellery, gold and watch retailing business. As a result, our retailing business showed a 13.4% decline on the year. Retailing revenue decreased to HK\$773.2 million from HK\$892.9 million for the previous year.

The continuous record-breaking high gold prices, driven by the ongoing geopolitical tensions, increase in central bank’s gold reserves and risk averse investment sentiment slowed down our sales of gold products. On the other hand, the high gold price stimulated customers to cash out their gold ornaments and our profits related to gold repurchase services have increased significantly. The normalized outbound travel of local customers and changing consumption patterns of mainland tourists hit our jewellery business significantly, causing a low double digit decline in the Year.

The watch business continues to face challenging conditions, with many watch brands continuing to review their selling and distribution policies. In this regard, we are actively seeking out potential new watch brands to enhance our offerings. In December 2023, we opened a new watch store in Central Building, which offers a collection of popular independent watchmaker brands and introduces the trend of watch style and craftsmanship to our customers. Apart from the new watch store, we also opened a new jewellery store in Central Building in December 2023. It is a new concept store focusing on our exclusive brand, Stenzhorn, which is a famous European brand with excellent craftsmanship and life style inspiration. These new store openings are part of our strategy to diversify our product offerings and provide a more engaging shopping experience for our customers. Despite the ongoing challenges in the watch market, we are confident that these initiatives will help strengthen our position and drive future growth.

To address the decline in retailing revenue, we have been working on several measures, including: 1) enhancing customer experience: we are investing in improving the in store ambiance, providing exceptional customer service and offering value-added services to differentiate ourselves from competitors. 2) Implementing targeted marketing: we are leveraging data-driven insights to personalize our messaging, customer events and promotions in order to attract new customers and retain existing ones. 3) Carrying out cost optimisation: we are reviewing our cost structure and identifying opportunities to cut unnecessary expenses without compromising the quality of customer experience. Although the Year was full of challenges, our same store sales growth was kept to a slight increase of 1% for the full year.

Despite there is a decline in our revenue, we achieved an increase in our profit attributed to owners in the Year due to the significant reduction of distribution and selling costs as a result of the closure of Audemars Piguet store, improved gross profit margin and increase in interest income.





Management Discussion and Analysis (Continued)

FUTURE OUTLOOK

Although the retail environment in Hong Kong is still full of challenges, the expectation of interest rate cut in the second half year and stabilization of stock and property markets in the second quarter may stimulate customer buying sentiment. We always equip ourselves to capture opportunities arising on the recovery of vulnerable economic environment and to mitigate risks in the changing market conditions.

In the coming year, we will strive to maintain our competitiveness and profitability by capitalizing on our long heritage Masterpiece and King Fook brands, expanding our jewellery and watches brand and product portfolio, enlarging our customer base and enriching their shopping experience, improving our operational efficiencies and investing in our people, and exercising strict expense and inventory control.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31 March 2024, the Group's current assets and current liabilities were approximately HK\$864.0 million and HK\$147.8 million respectively. There were cash and cash equivalents and time deposits of approximately HK\$231.2 million and HK\$193.3 million respectively, gold loan of approximately HK\$58.1 million and no bank loan as at that date.

Based on the total borrowings of the Group of approximately HK\$58.1 million and the equity attributable to owners of the Company of approximately HK\$755.2 million as at 31 March 2024, the overall borrowings to equity ratio was 7.7%, which was at a healthy level.

Exposure to Fluctuation in Foreign Exchange Rates

The Group reviews its foreign currency exposure regularly and does not consider its foreign currency risk to be significant. No financial instrument had been used for hedging in the Year.

Charge on Assets

As at 31 March 2024, there was no charge on the Group's assets.

Capital Expenditure

During the year, the Group incurred capital expenditures of approximately HK\$9.5 million, including the costs of leasehold improvements, furniture and equipment and motor vehicle.

Capital Commitment and Contingent Liabilities

As at 31 March 2024, there was no capital commitment and no contingent liabilities or off-balance sheet obligations.

Financial Ratio

A list of key financial ratios is set out in the Five Year Financial Summary on page 83.

INTERNAL CONTROL

BDO Limited has obtained 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. With the assistance of the internal audit department of the Company, the audit committee continually endeavours to identify areas for improvement.





Management Discussion and Analysis (Continued)

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group attaches importance to balancing the needs of business development and environmental protection, and endeavours to make continuous improvements by different means such as internal training and performance evaluations. The Group has established a well-functioning environmental, social and governance reporting system and compiles an environmental, social and governance report on an annual basis in order to regularly examine and review its environmental protection performance. The environmental, social and governance report for the Year is available on the website of the Company at <https://www.irasia.com/listco/hk/kingfook/index.htm> and the website of the Stock Exchange at <https://www.hkexnews.hk/index.htm>.

EMPLOYEES AND EMOLUMENT POLICY

As at 31 March 2024, the Group had about 139 employees. The employees (including directors) are remunerated according to the nature of their jobs, experience and contribution to the Group. The Group has an incentive bonus scheme to reward employees based on their performance. It also provides training programs to employees to improve the standard of customer services and for their further advancement.





Report of the Directors

The board of directors of the Company (the “Board”) would like to present their report together with the audited consolidated financial statements for the year ended 31 March 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of the subsidiaries are set out in note 37 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results for the year are set out in the consolidated statement of profit or loss and other comprehensive income on page 29.

The Board has declared and paid an interim dividend of HK0.4 cent (2023: HK0.4 cent) per ordinary share of the Company for the year ended 31 March 2024 to its shareholders.

The Board has recommended a final dividend of HK2.6 cents (2023: HK2.0 cents) per ordinary share of the Company and a special dividend of Nil (2023: HK8.0 cents) per ordinary share of the Company for the year ended 31 March 2024. The proposed dividends, if approved at the forthcoming annual general meeting of the Company (the “AGM”) to be held on Tuesday, 10 September 2024, will be payable on Friday, 4 October 2024 to shareholders whose names appear on the register of members of the Company on Monday, 16 September 2024.

SHARE CAPITAL

Details of the share capital of the Company during the year are set out in note 30 to the consolidated financial statements.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 32 and note 36 to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 March 2024 amounted to HK\$173,766,000.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment are set out in note 17 to the consolidated financial statements.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and financial position of the Group for the last 5 financial years is set out on page 83.

MAJOR SUPPLIERS AND CUSTOMERS

The percentages of purchases and sales for the year attributable to the Group’s major suppliers and customers were as follows:

Purchases

— the largest supplier	66%
— 5 largest suppliers combined	80%

Sales

— the largest customer	2%
— 5 largest customers combined	8%

None of the directors, their close associates or any shareholders (who to the knowledge of the Board owns more than 5% of the Company’s issued share capital) had an interest in any of the major suppliers or customers noted above.





Report of the Directors (Continued)

DIRECTORS

The directors during the year and up to the date of this report are:

Name of directors

Executive directors

Mr. Tang Yat Sun, Richard (*Chairman of the Board*)
Dr. Fung Yuk Bun, Patrick
Mr. Wong Wei Ping, Martin

Non-executive directors

Mr. Ho Hau Hay, Hamilton (re-designated as a non-executive director on 24 April 2023)
Mr. Ng Ming Wah, Charles (retired by rotation at the AGM on 7 September 2023)
Ms. Veronica Ho (appointed on 24 April 2023)

Independent non-executive directors

Mr. Cheng Kar Shing, Peter
Mr. Cheng Kwok Shing, Anthony
Ms. Hou Tan Tan Danielle
Mr. Sin Nga Yan, Benedict

Brief biographical details of the directors are set out on pages 3 and 4.

The Company confirms that it has received letters of confirmation of independence from all of the independent non-executive directors in accordance with rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and considers that all the independent non-executive directors are independent.

None of the directors has a service contract with the Company which is not determinable by the Company within 1 year without payment of compensation, other than statutory compensation. The Company had not entered into any contract nor had any existing contract concerning the management and administration of the whole or any substantial part of any business of the Company during the year.

A list of names of the directors who held office in the Company’s subsidiaries during the year and up to the date of this report is kept at the Company’s registered office and made available for inspection by the members free of charge during business hours.



Report of the Directors (Continued)

DIRECTORS' INTERESTS

As at 31 March 2024, the interests of the directors of the Company in the share capital of the Company as recorded in the register maintained by the Company under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules were as follows:

Name of directors	Number of ordinary shares held			Percentage of shareholding
	<i>Personal</i>	<i>Corporate</i>	<i>Total</i>	
Mr. Tang Yat Sun, Richard	7,528,500	Nil	7,528,500	0.83%
Mr. Ho Hau Hay, Hamilton	Nil	*6,657,000	6,657,000	0.73%
Dr. Fung Yuk Bun, Patrick	Nil	^5,856,517	5,856,517	0.64%

* These shares were held by Tak Hung (Holding) Co. Ltd. ("Tak Hung"). As Mr. Ho has a 40% interest in Tak Hung, he is deemed to be interested in all these shares held by Tak Hung.

^ Dr. Fung is deemed to be interested in these shares owned by Po Ding Company Limited as he controls the board of such company.

Save as disclosed above, as at 31 March 2024, none of the directors or chief executive of the Company had any interests or short positions in the shares or underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) 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.

No transaction, arrangement or contract of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company or any entity connected with a director (has the meaning given by section 486 of the Companies Ordinance) had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

CONNECTED TRANSACTIONS

Save for the connected transactions (within the meaning of Chapter 14A of the Listing Rules) disclosed below, there is no contract of significance between the Group and a controlling shareholder of the Company (as defined in the Listing Rules) or any of its subsidiaries, including for the provision of services to the Group:

- The Group (as tenant) entered into various agreements on normal commercial terms with Stanwick Properties Limited ("Stanwick") (as landlord) (a wholly owned subsidiary of YCSEL, the controlling shareholder of the Company) on 11 August 2021 and 24 March 2023 respectively in respect of tenancies relating to premises in King Fook Building, 30-32 Des Voeux Road Central, Hong Kong for a term of 2 years from 16 August 2021 to 15 August 2023 and 1 year from 16 August 2023 to 15 August 2024 respectively at the total monthly rent of HK\$844,400 and HK\$818,600 respectively, exclusive of management fees and air-conditioning charges and Government rates. The management fees and air-conditioning charges are HK\$91,350 per month. The leased properties are used as the key retail outlet and the headquarters of the Group.

Pursuant to these agreements, the Group is also granted the right to use the fittings, furniture and appliances at 3rd Floor of King Fook Building (which is used by the Group as conference room) for a term of 2 years from 16 August 2021 to 15 August 2023 and a term of 1 year from 16 August 2023 to 15 August 2024 respectively at the monthly fee of HK\$25,480. Further, since 16 August 2021 and 16 August 2023, telephone set charges per month payable by the Group to the landlord is HK\$27,200 (80 sets for HK\$340 each per month), and additional telephone set/socket will be charged at HK\$340 per unit per month.

- The Company entered into a licence agreement dated 7 December 1998 (the "Licence Agreement") with YCSEL pursuant to which the Company is granted an exclusive right for the design, manufacture and distribution of gold and jewellery products under the trademark of "King Fook" on a worldwide basis for a total consideration of HK\$1. The Licence Agreement commenced from 7 December 1998 and may be terminated by any party by giving 3 months' written notice to the other party.

The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.



Report of the Directors (Continued)

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Set out below is information disclosed pursuant to rule 8.10(2) of the Listing Rules:

Mr. Cheng Kar Shing, Peter, an independent non-executive director of the Company, is a director of Chow Tai Fook Enterprises Limited. The gold ornament, jewellery and watch retail business of Chow Tai Fook Enterprises Limited and its subsidiaries (“Chow Tai Fook Group”) may compete with similar business of the Group.

Mr. Sin Nga Yan, Benedict, an independent non-executive director of the Company, is a director and general manager of Myer Jewelry Manufacturer Limited. The manufacturing and trading of fine and costume jewellery business of Myer Jewelry Manufacturer Limited and its subsidiaries (“Myer Group”) may compete with similar business of the Group.

The Group has experienced senior management independent of the above-named directors to conduct its business and is therefore capable of carrying on its business independently of, and at arm’s length from the respective businesses of Chow Tai Fook Group and Myer Group.

SUBSTANTIAL SHAREHOLDER

As at 31 March 2024, the following person (other than a director or chief executive of the Company) had interest in shares of the Company, being 5% or more of the Company’s issued share capital, as recorded in the register of substantial shareholders required to be kept by the Company under section 336 of the SFO:

Name of shareholder	Number of ordinary shares held	Nature of interest	Approximate percentage of total issued share capital*
Yeung Chi Shing Estates Limited	586,195,857	Beneficial owner	64.47%

* The percentage was calculated based on 909,308,465 ordinary shares of the Company in issue as at 31 March 2024.

Save as disclosed above, as at 31 March 2024, according to the register of interests required to be kept by the Company under section 336 of the SFO, there was no person who had any interest or short position in the shares or underlying shares of the Company.

PERMITTED INDEMNITY PROVISIONS

The Articles of Association of the Company provides that a director or former director of the Company may be indemnified out of the Company’s assets against any liability incurred by the director to a person (other than the Company or any of its subsidiaries) in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or any of its subsidiaries (as the case may be) as provided under the Companies Ordinance. The Group has taken out and maintained directors’ liability insurance throughout the year to protect the Group’s directors against potential costs and liabilities arising from claims brought against them.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 March 2024, the Company repurchased a total of 50,000 ordinary shares on the Stock Exchange in July 2023 as HK\$0.48 per share at the total price of HK\$24,000. The Company made such share repurchases for the enhancement of shareholder value in the long term. Save as aforesaid, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s shares during the year.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Details of the remuneration of directors and senior management for the year ended 31 March 2024 are set out in notes 15, 16 and 34(b) to the consolidated financial statements respectively.



Report of the Directors (Continued)

BUSINESS REVIEW

Details on the analysis of the Group's performance during the year under review and the material factors underlying its results and financial position are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this annual report respectively.

PUBLIC FLOAT

Based on information publicly available to the Company and within the knowledge of the Board, not less than 25% of the issued share capital of the Company is held by the public.

AUDITOR

The consolidated financial statements for the year ended 31 March 2024 have been audited by BDO Limited ("BDO"). A resolution will be proposed at the forthcoming AGM of the Company to re-appoint BDO as auditor of the Company.

On behalf of the Board

Tang Yat Sun, Richard
Chairman

Hong Kong, 17 June 2024





Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standard corporate governance practices. It had complied with all the code provisions set out in Part 2 of the Corporate Governance Code (the “Code”) in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 31 March 2024 except the deviations as explained below:

Code provision C.3.3

As far as code provision C.3.3 of the Code is concerned, the Company does not have formal letters of appointment for directors setting out the key terms and conditions of their appointment. The board of directors of the Company (the “Board”) decides on the key terms and conditions of the appointment of the directors of the Company from time to time which are recorded in the relevant board minutes.

Code provision F.1.1

In respect of code provision F.1.1 of the Code, the Company does not have a dividend policy or any pre-determined dividend distribution ratio. The Board will decide on the declaration/recommendation of any future dividends after taking into consideration a number of factors, including the prevailing market conditions, the Company’s operating results, business plans and prospects, financial position and working capital requirements, and other factors that the Board considers relevant.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix C3 to the Listing Rules as a code of conduct regarding its directors’ securities transactions. The Company has also adopted the practice to remind all directors of the Company the commencement of each period during which they are not allowed to deal in the securities of the Company under the Model Code.

Having made specific enquiry of all directors of the Company, they have confirmed compliance with the required standard set out in the Model Code regarding directors’ securities transactions during the year ended 31 March 2024.

BOARD OF DIRECTORS

The Company is governed by the Board which has the responsibility for leadership and control of the Company. The directors are collectively responsible for promoting the success of the Group by directing and supervising the Group’s affairs covering the Group’s overall strategy, annual and interim results, major acquisitions and disposals, recommendations on directors’ appointment or reappointment and other significant operational and financial matters.

The Board is responsible for ensuring the adequacy of resources, staff qualifications and experience training programmes and budget of the Company’s accounting, internal audit and financial reporting functions, as well as those relating to the Company’s environmental, social and governance (“ESG”) performance and reporting. It has delegated such responsibility to the Audit Committee.

Decisions and directions of the Board are carried out and implemented by the management of the Company, which reports directly to the chief executive and/or the Executive Committee of directors so as to assist the directors to promote the success of the Group. All directors of the Company are well informed in a timely manner of major changes that may affect the Group’s businesses, including relevant rules and regulations. Management monthly updates to the Board have been provided to all directors of the Company so as to enable them to discharge their duties. Written procedures are also in place for all directors of the Company to take independent professional advice where necessary in order to perform their duties at the expense of the Company.

All directors have access to the advice and services of the company secretary of the Company (the “Company Secretary”) to ensure that all Board procedures as well as rules and regulations are followed. Full minutes of Board meetings are kept by the Company Secretary and are available for inspection by any director on reasonable notice.





Corporate Governance Report (Continued)

BOARD OF DIRECTORS (Continued)

During the year, the Board had complied with rules 3.10 and 3.10A of the Listing Rules relating to the appointment of at least 3 independent non-executive directors (representing at least one-third of the Board) and 1 of the independent non-executive directors has appropriate professional qualifications, or accounting or related financial management expertise. Each of the independent non-executive directors has made an annual confirmation of independence pursuant to rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive directors meet the independence guidelines set out in rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.

There were 6 Board meetings and an annual general meeting of the Company (the “AGM”) during the year ended 31 March 2024. The Board’s composition and the attendances of individual directors at these meetings during such year were as follows:

Name of directors	Board meetings and attendances during term of service	AGM
<i>Executive directors</i>		
Mr. Tang Yat Sun, Richard (<i>Chairman of the Board</i>)	6/6	1/1
Dr. Fung Yuk Bun, Patrick	6/6	1/1
Mr. Wong Wei Ping, Martin	6/6	1/1
<i>Non-executive directors</i>		
Mr. Ho Hau Hay, Hamilton (re-designated as a non-executive director on 24 April 2023)	6/6	1/1
Mr. Ng Ming Wah, Charles (retired by rotation at the AGM on 7 September 2023)	3/3	1/1
Ms. Veronica Ho (appointed on 24 April 2023)	6/6	1/1
<i>Independent non-executive directors</i>		
Mr. Cheng Kar Shing, Peter	5/6	1/1
Mr. Cheng Kwok Shing, Anthony	6/6	1/1
Ms. Hou Tan Tan Danielle	6/6	1/1
Mr. Sin Nga Yan, Benedict	6/6	1/1

Details of the directors as at the date of this annual report are disclosed in the section headed “Brief Biographical Details of the Directors and the Senior Management” on pages 3 to 5.

Mr. Ho Hau Hay, Hamilton is the father of Ms. Veronica Ho.



Corporate Governance Report (Continued)

BOARD OF DIRECTORS (Continued)

Directors' Continuous Professional Development

In compliance with code provision C.1.4 of the Code, all directors of the Company during the year ended 31 March 2024 had participated in continuous professional development to develop and refresh their knowledge and skills, detailed as below:

Name of directors	Attend seminars and/or training programmes	Reading materials
Mr. Tang Yat Sun, Richard (<i>Chairman of the Board</i>)	✓	✓
Dr. Fung Yuk Bun, Patrick	✓	✓
Mr. Wong Wei Ping, Martin	✓	✓
Mr. Ho Hau Hay, Hamilton (re-designated as a non-executive director on 24 April 2023)	✓	✓
Mr. Ng Ming Wah, Charles (retired by rotation at the AGM on 7 September 2023)	✗	✓
Ms. Veronica Ho (appointed on 24 April 2023)	✓	✓
Mr. Cheng Kar Shing, Peter	✓	✓
Mr. Cheng Kwok Shing, Anthony	✓	✓
Ms. Hou Tan Tan Danielle	✓	✓
Mr. Sin Nga Yan, Benedict	✓	✓

The Company arranged and funded 2 training programmes. Some of the directors participated in continuous professional development programmes organised by other organisations. The Company Secretary also provides the directors with relevant reading materials from time to time. The Company Secretary has duly complied with the relevant training requirement under rule 3.29 of the Listing Rules in taking not less than 15 hours of relevant professional training during the year.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CHIEF EXECUTIVE)

The roles of the Chairman and the Chief Executive Officer (Chief Executive) of the Company are separated, with a clear division of responsibilities. The position of Chairman is held by Mr. Tang Yat Sun, Richard while the position of Chief Executive Officer was held by Ms. Sum Mei Lin during the year and up to 1 May 2024. Thereafter the position of Chief Executive Officer has been taken up by Ms. Ng Wing Han, Winnie.

The Chairman is responsible for the leadership of the Board, ensuring its effectiveness in all aspects of its role and for setting agenda of Board meetings and taking into account any matters proposed by other directors for inclusion in the agenda. Through the Board, the Chairman is responsible for ensuring that good corporate governance practices and procedures are followed by the Group. The Chairman is also responsible for the strategic planning of the Group.

The Chief Executive Officer is responsible for the day-to-day management of the Group's business (including monitoring the Group's operational and financial performance) and implementation of the directions of the Board.

NON-EXECUTIVE DIRECTORS

All the non-executive directors of the Company are not appointed for a specific term but each of them is subject to retirement by rotation and re-election at the AGM at least once every 3 years in accordance with the Articles of Association of the Company.



Corporate Governance Report (Continued)

REMUNERATION COMMITTEE

During the year ended 31 March 2024, the Remuneration Committee had 2 members, comprising Mr. Cheng Kwok Shing, Anthony and Mr. Cheng Kar Shing, Peter (both independent non-executive directors). The chairman of this Committee is Mr. Cheng Kwok Shing, Anthony. The terms of reference of the Remuneration Committee follow the guidelines set out in the Code.

The Remuneration Committee met twice during the year. All members attended the meetings.

The Remuneration Committee has reviewed and approved the Group's remuneration policy and made recommendations to the Board on the levels of remuneration paid to the executive directors and the senior management of the Group. It has considered factors such as the performance of the executive directors and the senior management, the profitability of the Group, salaries paid by comparable companies, time commitment and responsibilities. It aims to ensure that the Group is able to attract, retain and motivate a high-calibre team which is essential to the success of the Group.

NOMINATION COMMITTEE

During the year ended 31 March 2024, the Nomination Committee had 3 members, comprising Mr. Tang Yat Sun, Richard (the Chairman of the Board), Mr. Cheng Kar Shing, Peter and Mr. Sin Nga Yan, Benedict (both independent non-executive directors). The chairman of this Committee is Mr. Tang Yat Sun, Richard. The terms of reference of the Nomination Committee follow the guidelines set out in the Code.

The Nomination Committee met twice during the year. The attendances of individual members at these meetings were as follows:

Name of directors	Attendance
Mr. Tang Yat Sun, Richard (<i>chairman of the Nomination Committee</i>)	2/2
Mr. Cheng Kar Shing, Peter	1/2
Mr. Sin Nga Yan, Benedict	2/2

Members of the Nomination Committee identify potential new directors and Chief Executive Officer and recommend to the Board for decision. A director appointed by the Board is subject to election by the shareholders of the Company at the first AGM after his/her appointment.

Potential new directors are selected on the basis of their qualifications, skills, experience and gender diversity which the Board considers will make a positive contribution to the performance of the Board.

Ms. Ng Wing Han, Winnie was appointed as Chief Executive Officer on 2 May 2024.

BOARD DIVERSITY POLICY

The Board has adopted a diversity policy, which was updated on 24 August 2023 to achieve diversity of Board members through consideration of relevant factors, including but not limited to gender, age, ethnicity, cultural and educational background, skill, knowledge or professional/business experience to ensure the Board has an appropriate diversity of talents to contribute to the business of the Group.

The Board aimed to have at least one female member and has achieved such objective by the appointment of Ms. Hou Tan Tan Danielle as an independent non-executive director on 1 April 2022. Further the Board appointed Ms. Veronica Ho as a non-executive director on 24 April 2023. The Board now consists of 7 men and 2 women.

The Board has reviewed the implementation and effectiveness of the Company's policy on Board diversity on an annual basis. It is satisfied with the effectiveness of such policy for the year ended 31 March 2024.





Corporate Governance Report (Continued)

BOARD DIVERSITY POLICY (Continued)

The Company has established the following mechanisms to ensure independent views and input are available to the Board:

- the Board should consider whether any proposed director is independent in his/her view before appointment;
- the Board should encourage directors to express their views in an open and candid manner, and confidentially if circumstances require, through formal and informal means, and should establish channels for directors to so express their independent views and input;
- independent non-executive directors shall have chance to meet by themselves without involving any executive director and to communicate with the Chairman directly to express their views;
- individual directors should have independent access to the senior management of the Company to make informed and independent decisions; and
- the Board should conduct periodic reviews with individual directors on the implementation and effectiveness of the mechanism.

All directors of the Company are given the opportunity to put items on the agenda for regular Board meetings. The Board has reviewed the implementation and effectiveness of such mechanisms on an annual basis. It is satisfied with the effectiveness of such policy for the year ended 31 March 2024.

CORPORATE GOVERNANCE FUNCTIONS

The Board has adopted terms of reference for corporate governance functions set out in the Code and is responsible for performing the corporate governance duties set out therein. It determines the policies and practices on the corporate governance of the Company to comply with legal and regulatory requirements. The Board has reviewed and monitored the training and continuous professional development of the directors and senior management of the Company as well as the code of conduct applicable to the directors of the Company during the year.

ACCOUNTABILITY AND AUDIT

Financial reporting

The directors acknowledge their responsibility for preparing the financial statements of the Company. As at 31 March 2024, the directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the directors have prepared the financial statements of the Company on a going-concern basis.

The responsibilities of the Company's auditor about its financial reporting are set out in the Independent Auditor's Report attached to the Company's financial statements for the year ended 31 March 2024.

Risk management and internal control

The Board acknowledges that it is responsible for the Group's risk management and internal control systems (the "Systems") and reviewing their effectiveness. This responsibility is primarily undertaken by the Audit Committee on its behalf as mentioned below. As business operations involve inherent risks, the Systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

During the year ended 31 March 2024, the Company had complied with the risk management and internal control code provisions of the Code.

The Company's Internal Audit Department performs internal audit function by carrying out the analysis and independent appraisal of the adequacy and effectiveness of the Systems.

As a result of the review by the Audit Committee, the Board confirms, and management has also confirmed to the Board, that the Systems are effective and adequate.



Corporate Governance Report (Continued)

ACCOUNTABILITY AND AUDIT (Continued)

Risk management and internal control (Continued)

Details of the Systems, structures and policies of the Group's risk management and internal control are set out in the "Risk Management and Internal Control Report" of this Annual Report. Such report also contains details of the Group's whistleblowing policy and system for employees and those who deal with the Company (such as customers and suppliers) to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matter relating to the Company as well as policies and systems that promote and support relevant anti-corruption laws and regulations.

AUDITOR'S REMUNERATION

During the year, the remuneration paid/payable to the auditor, BDO Limited, for audit services was approximately HK\$830,000 (2023: HK\$795,000) and for non-audit service was approximately HK\$204,000 (2023: HK\$189,000).

The significant non-audit service assignments covered by these fees included the following:

Nature of service	Fee paid
Interim review	HK\$190,000

AUDIT COMMITTEE

During the year ended 31 March 2024, the Audit Committee had 3 members, comprising Mr. Cheng Kwok Shing, Anthony and Mr. Sin Nga Yan, Benedict (both independent non-executive directors) and Mr. Ng Ming Wah, Charles (a non-executive director) who retired by rotation at the AGM on 7 September 2023 and replaced thereafter by Ms. Veronica Ho (a non-executive director). The chairman of this Committee is Mr. Cheng Kwok Shing, Anthony. The terms of reference of the Audit Committee follow the guidelines set out in the Code. The primary duties of the Audit Committee include the review of the Group's interim and annual financial reports, and the nature and scope of the external and internal audits including review of the effectiveness of the Systems. The Audit Committee is also responsible for making recommendation in relation to the appointment, reappointment and removal of auditor, and reviews and monitors the auditor's independence and objectivity. In addition, the Audit Committee discusses matters raised by the auditor to ensure that appropriate recommendations are implemented.

With the assistance of the Internal Audit Department, the Audit Committee had reviewed internal control matters relating to key business of the Group during the year with the aim to identify areas for improvement. It had also conducted on behalf of the Board a review of the effectiveness of the Systems covering all materials control, including financial, operational and compliance control annually. Based on the review reports of the Internal Audit Department, the Audit Committee assessed the adequacy of resources, qualifications and experience of the staff of the Group's accounting, internal audit and financial reporting functions, and their training programmes and budget and was satisfied with the results. The result has been reported to the Board. Areas for improvement have been identified and appropriate measures taken.

During the year, the Audit Committee had also reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing and financial reporting matters, including review of the Company's interim and annual financial statements before submission to the Board. The Group's financial statements for the year ended 31 March 2024 have been reviewed by the Audit Committee, which is of the opinion that such financial statements comply with applicable accounting standards and legal requirements, and that adequate disclosures have been made.





Corporate Governance Report (Continued)

AUDIT COMMITTEE (Continued)

The Audit Committee met 3 times during the year ended 31 March 2024. The attendances of individual members at these meetings were as follows:

Name of directors	Attendances during the term of service
Mr. Cheng Kwok Shing, Anthony (<i>chairman of the Audit Committee</i>)	3/3
Mr. Ng Ming Wah, Charles (retired by rotation at the AGM on 7 September 2023)	1/1
Mr. Sin Nga Yan, Benedict	3/3
Ms. Veronica Ho (appointed as Audit Committee member on 7 September 2023)	2/2

GENDER DIVERSITY IN THE WORKFORCE

As of 31 March 2024, the gender ratio within the Group's workforce as a whole was 58% female to 42% male while the female to male ratio for the Group's senior management was 2 to 1. The Board believes that the Group has a good gender diversity across its workforce (including senior management). The Group aims to maintain good gender diversity across its workforce through recruitment and providing appropriate training and career development opportunities for its female and male staff members respectively. Please also refer to the ESG Report of the Company for further information on the diversity in the Group's workforce.

COMMUNICATIONS WITH SHAREHOLDERS

The Company communicates with its shareholders through annual reports, interim reports, announcements and circulars issued by the Company from time to time. Shareholders may put enquiries to the Board in writing sent to the Company's registered office at 9th Floor, King Fook Building, 30–32 Des Voeux Road Central, Hong Kong and the Company will respond to enquiries from shareholders promptly. Shareholders may also visit the Company's website (<https://www.irasia.com/listco/hk/kingfook/>) for information about the Group and its activities. All shareholders are encouraged to attend general meetings of the Company to discuss matters relating to the Group. At general meetings of the Company, the directors answer questions from the shareholders.

The Company had reviewed the implementation and effectiveness of its shareholders' communication policy during the year ended 31 March 2024 and concluded that such policy was effective as the Company had not received any adverse comment from any shareholders.

The Company held an AGM on 7 September 2023 (the "Meeting"), which provided opportunities for communication between the shareholders and the Board at which all the then Board members attended. Details of the procedures for conducting a poll were explained at the commencement of the Meeting. In accordance with the Listing Rules, voting of shareholders at the Meeting was taken by poll and the poll results were announced at the Meeting and published on the websites of The Stock Exchange of Hong Kong Limited and the Company respectively after the Meeting. A separate resolution was proposed at the Meeting on each substantial issue, including the re-election of each director.

Pursuant to article 72 of the Company's Articles of Association and section 566 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Companies Ordinance"), shareholders representing at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings of the Company shall have the right to request the directors of the Company to call a general meeting of the Company by sending a request authenticated by the person(s) making it to the Company in hard copy or electronic form stating the general nature of the business to be dealt with at such meeting, including election of director(s). If within 21 days after the date the directors become required to call a general meeting they fail to proceed to convene such meeting for a day not more than 28 days after the date of the notice convening the meeting, the shareholder(s) who requested the meeting, or any of them representing more than one-half of the total voting rights of all of them, may themselves call a general meeting in accordance with the provisions of section 568 of the Companies Ordinance.

Constitutional documents

During the year ended 31 March 2024, no amendment had been made to the Company's constitutional documents.





Risk Management and Internal Control Report

The Group has been continuously enhancing its risk management and internal control systems. During the year ended 31 March 2024 (the “Reporting Period”), the Group engaged an external consultant to review our risk management framework, including the risk governance structure and the risk management policy; and to facilitate, coordinate and support the risk management process. We highlight the key features of our structured risk management approach as follows:

I. RISK GOVERNANCE STRUCTURE

The Group’s risk management framework is guided by the Three Lines model, as shown below:

Board of Directors (the “Board”)

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group’s strategic business objectives, determining the Group’s risk appetite and tolerance levels, and ensuring the Group establishes and maintains appropriate and effective risk management and internal controls systems.

The Board acknowledges its responsibility for the risk management and internal control systems and the review of their effectiveness.

Audit Committee

The Audit Committee, acting on behalf of the Board, is responsible for the oversight of the Group’s risk management and internal control systems. It conducts on behalf of the Board a review of the effectiveness of the Group’s risk management and internal control systems covering key controls, including financial, operational, compliance, and human resources controls, three times a year by discussing with management the risk management and internal control systems to ensure effective systems are in place, including consideration on the adequacy of resources, qualifications, and experience of the staff of the Group’s accounting, financial reporting, and internal audit functions, and their training programs and budget.

Risk Management Committee

The Risk Management Committee, comprising both financial and operational executives of the Group, is responsible for designing, implementing, and monitoring the risk management and internal control systems for approval by the Board and to report to the Audit Committee and the Board on the Group’s risk-related matters. Department heads are directed to implement the systems approved by the Board.

First line

At the first line, business units and departments of the Group, as the risk owners, are responsible for identifying, assessing, managing, and monitoring risks associated with each business operation.

Second line

The Risk Management Committee, as the second line, is responsible for assessing relevant risks and carrying out necessary control activities, exercising appropriate supervision to ensure the effectiveness and efficiency of control over activities within and between different departments, and assessing and presenting regular reports to the Audit Committee and the Board.

The external consultant serves as the risk management coordinator of the Group, with the responsibility to facilitate, coordinate and support the risk management process, update and maintain the risk management deliverables based on the results of discussions with the Risk Management Committee and risk owners, and performing testing on mitigation actions of top risks identified. It also provides the Board with an overall comment on the risk management systems.





Risk Management and Internal Control Report (Continued)

I. RISK GOVERNANCE STRUCTURE (Continued)

Third line

As the third line, the Internal Audit Department of the Company performs internal audit work to ensure that the first and second lines are effective. It provides independent assurance to the Audit Committee and the Board on the adequacy and effectiveness of the internal controls of the Group.

II. RISK MANAGEMENT PROCESS

During the Reporting Period, the Group uses a blended top-down and bottom-up approach for identifying risks. Sources of risk, areas of impact, events, and their potential consequences are identified. A risk universe has been created to ensure the entire spectrum of risks (including ESG risks) is captured. The identified risks are categorised into “Financial”, “Operational”, “Compliance”, and “Human Resources” respectively.

The Group uses a 5-by-5 risk matrix to assess risks. The risk rating is scored in terms of the consequence and likelihood of occurrence. Risks are rated according to their residual risk levels. Residual risk levels refer to the scoring of risks that exist, taking into account all existing controls. The result from the risk analysis is evaluated to determine whether or not identified risks are within predefined risk appetite and tolerance levels.

Once risks have been identified and assessed, risk treatments shall be implemented to mitigate the risks (i.e., to further reduce the risk occurrence or the risk impacts when it occurs), in particular when the risks are rated as “High”, as appropriate. The risk mitigation measures generally include risk transfer, risk avoidance, risk reduction (in terms of likelihood and consequence), and risk acceptance/retention. Each proposed risk mitigation measure has a designated risk owner and an expected completion date assigned to ensure accountability for risk mitigation, which is documented in the top risk record of the Group.

III. RISK MONITORING AND REPORTING

Risk owners are responsible for overseeing and monitoring risks, the status of key risk indicators, and the proposed risk mitigation measures for risks under their purview, setting the key risk indicators and their thresholds for the review by the Risk Management Committee and updating their respective risks on a quarterly basis. The Risk Management Committee meets quarterly to evaluate the top risks identified and other risks that may escalate as deemed necessary and are to be defined by the respective business units or departments or risk owners. The status of top risk changes (if any), key risk indicators, existing risk controls and the respective mitigation actions are reported during the Audit Committee and the Board meetings.

When senior management/department head/risk owner identifies risk from daily operations or changes in the business environment, or the key risk indicators exceed the threshold for early warning signals, which potentially leads to high-risk exposure, the risk will be brought to the attention of the Risk Management Committee for assessment of the potential risk exposure and evaluation whether additional measures should be in place to mitigate the risk in a timely manner. As appropriate, the respective risk assessment and mitigation actions will be brought to the attention of the Audit Committee and the Board.

INTERNAL CONTROL SYSTEM

The main objectives of the internal control system of the Group are to ensure effective and efficient operations, reliable financial reporting, compliance with applicable laws and regulations and a sound risk management system. The components and features of this system cover control environment, risk assessment, control activities, information and communication, and monitoring.

The key activities and associated processes of the internal control system of the Group are as follows:

- Conduct internal control self-assessment semi-annually;
- Review the departmental internal control and policies and procedures of the system periodically;





Risk Management and Internal Control Report (Continued)

INTERNAL CONTROL SYSTEM (Continued)

- Maintain an appropriate organisational and governance structure;
- Monitor and control the operational and financial budgeting and forecasting systems closely;
- Set up the whistle-blowing system to provide a channel for reporting any possible misconducts in the Group;
- Review the inside information policies and procedures periodically; and
- The Internal Audit Department and an external consultant assist to achieve the objectives of the internal control system.

INTERNAL AUDIT

The Internal Audit Department plays an important role in providing an independent appraisal and assurance to the Audit Committee (acting on behalf of the Board) that sound risk management and internal control systems are maintained. During the Reporting Period, the Internal Audit Department performed various risk assessment exercises and risk-based audit assignments. Through different reports and meetings, significant risks or internal control issues were discussed and addressed to the management and the Audit Committee respectively. The significant deficiencies identified have been managed or in the progress of following up by the management. The Audit Committee and the Board are satisfied that there are adequate risk management and internal control systems in the Company.

ANNUAL CONFIRMATION

The Group's risk management and internal control systems are designed to provide reasonable, but not absolute assurance against material misstatement or loss; to manage rather than completely eliminate the risk of failure to achieve business objectives. They play a key role in the management of risks that are significant to the fulfilment of business objectives. The Board, through the Audit Committee and with the assistance of the Company's external consultant, conducted risk management reviews of the business operations for the Reporting Period and considered these systems to be effective and adequate during the Reporting Period. The management provided a confirmation semi-annually to the Board on the effectiveness of these systems for the Reporting Period.

HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Company has a policy with regard to the principles and procedures for handling and disseminating the inside information of the Company in compliance with the requirements under Part XIVA of the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The policy regulates the handling and dissemination of inside information, which includes:

- designated reporting channel from relevant officers in possession of potential inside information informing such information to the designated persons;
- designated persons to assess the potential inside information and provide advice, and where appropriate, to bring such information to the attention of the Board to resolve on further actions complying with applicable laws and regulations; and
- restrictive access to inside information to a limited number of employees on a need-to-know basis.





Independent Auditor's Report



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TO THE MEMBERS OF KING FOOK HOLDINGS LIMITED
(incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of King Fook Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) set out on pages 29 to 81, which comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated statement of profit or loss and other 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 material accounting policy information.

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 2024 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 (the “HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKASs”) 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.

Inventory provision

(Refer to notes 2.14, 3(iv) and 23 to the consolidated financial statements)

As at 31 March 2024, the Group had inventories of approximately HK\$414,979,000 which mainly consisted of jewellery, gold ornament and bullion, watch and gift. For the year ended 31 March 2024, the associated provision for and write down of inventories was approximately HK\$7,894,000. Management has made estimates based on certain assumptions related to obsolete and out-dated inventories.

The considerations of an appropriate level of provision for obsolete and out-dated inventories included inventory ageing, condition of inventories, historical experience of selling products of a similar nature and current sales information, as well as different market factors impacting the selling price of these inventories.

The determination of provision on the aged and out-dated inventories as a result of changed prevailing market conditions, requires an exercise of significant judgement of management based on historical experience. Accordingly, the provisions carried against inventory are considered to be a key audit matter.

BDO Limited
香港立信德豪會計師事務所有限公司

BDO Limited, a Hong Kong limited company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.





Independent Auditor's Report (Continued)

Key audit matters (Continued)

Our response:

Our procedures in relation to inventory provision included:

- Understanding and evaluating the Group's provision policy on inventories and basis of the assessment;
- Reviewing and assessing obsolete or out-dated inventories identified by management and estimation of the net realisable value of these inventories;
- Evaluating historical accuracy of inventory provisioning by comparing historical provision made to the loss incurred for actual sales;
- Reviewing inventory ageing analysis and analysing the level of aged inventory and their associated provisions;
- Testing the carrying amount of aged and obsolete inventories on a sample basis to the source documents; and
- Reviewing and evaluating net realisable value of inventories, with reference to subsequent sales information and the external price data and performed testing on a sample basis, by tracing to the source documents.

Other information in the annual report

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include 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.

Directors' responsibilities for the consolidated financial statements

The directors 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 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 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibilities in this regard.





Independent Auditor's Report (Continued)

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. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, 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 HKSA's 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 HKSA's, we exercise professional judgement and maintain professional skepticism 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.
- 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance 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, action taken to eliminate threats or safeguards applied.





Independent Auditor's Report (Continued)

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

From the matters communicated with those charged with governance, 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.

BDO Limited

Certified Public Accountants

Chow Tak Sing, Peter

Practising Certificate Number P04659

Hong Kong, 17 June 2024





Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Revenue	5	775,573	894,702
Cost of sales		<u>(534,788)</u>	<u>(624,761)</u>
Gross profit		240,785	269,941
Other gains and income	6	25,190	12,962
Distribution and selling costs		<u>(109,365)</u>	<u>(128,208)</u>
Administrative expenses		<u>(52,426)</u>	<u>(50,532)</u>
Other operating expenses	7	<u>(17,444)</u>	<u>(21,384)</u>
Operating profit		86,740	82,779
Finance costs	8	<u>(4,149)</u>	<u>(3,327)</u>
Profit before taxation	9	82,591	79,452
Taxation	10	<u>2,600</u>	<u>—</u>
Profit for the year		<u>85,191</u>	<u>79,452</u>
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		(348)	(572)
Release of exchange reserve upon liquidation of a subsidiary		<u>(2,319)</u>	<u>—</u>
<i>Item that will not be reclassified to profit or loss:</i>			
Change in fair value of investments at fair value through other comprehensive income		<u>380</u>	<u>(445)</u>
Other comprehensive income for the year		<u>(2,287)</u>	<u>(1,017)</u>
Total comprehensive income for the year		<u>82,904</u>	<u>78,435</u>
Profit/(loss) for the year attributable to:			
— Owners of the Company		85,205	79,466
— Non-controlling interests		<u>(14)</u>	<u>(14)</u>
		<u>85,191</u>	<u>79,452</u>
Total comprehensive income for the year attributable to:			
— Owners of the Company		82,918	78,449
— Non-controlling interests		<u>(14)</u>	<u>(14)</u>
		<u>82,904</u>	<u>78,435</u>
		HK cents	HK cents
Earnings per share	13		
— Basic and diluted		<u>9.37</u>	<u>8.73</u>





Consolidated Statement of Financial Position

As at 31 March 2024

		As at 31 March 2024 HK\$'000	As at 31 March 2023 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	17	10,222	4,740
Right-of-use assets	18	31,575	24,000
Investment properties	19	744	816
Investments at fair value through other comprehensive income	20	706	326
Other asset	21	356	356
Deposits	22	7,148	6,751
Deferred tax assets	11	2,600	—
		<u>53,351</u>	<u>36,989</u>
Current assets			
Inventories	23	414,979	387,379
Debtors, deposits and prepayments	22	24,310	57,432
Investments at fair value through profit or loss	24	146	173
Time deposits	25	193,299	71,151
Cash and cash equivalents	26	231,231	301,060
		<u>863,965</u>	<u>817,195</u>
Total assets		<u>917,316</u>	<u>854,184</u>
Current liabilities			
Trade payables, deposits received and other payables	27	58,649	46,359
Gold loan	28	58,109	—
Lease liabilities	18	31,000	28,589
		<u>147,758</u>	<u>74,948</u>
Net current assets		<u>716,207</u>	<u>742,247</u>
Total assets less current liabilities		<u>769,558</u>	<u>779,236</u>
Non-current liabilities			
Provision for long service payments	29	2,000	66
Lease liabilities	18	12,274	12,193
		<u>14,274</u>	<u>12,259</u>
Net assets		<u>755,284</u>	<u>766,977</u>





Consolidated Statement of Financial Position (Continued)

As at 31 March 2024

		As at 31 March 2024 HK\$'000	As at 31 March 2023 HK\$'000
	<i>Notes</i>		
CAPITAL AND RESERVES			
Share capital	30	393,354	393,354
Other reserves	31	32,341	34,628
Retained profits	31	329,525	338,917
		<hr/>	<hr/>
Equity attributable to owners of the Company		755,220	766,899
Non-controlling interests		64	78
		<hr/>	<hr/>
Total equity		755,284	766,977
		<hr/> <hr/>	<hr/> <hr/>

The consolidated financial statements on pages 29 to 81 were approved and authorised for issue by the Board of Directors on 17 June 2024 and were signed by:

Tang Yat Sun, Richard
Chairman

Fung Yuk Bun, Patrick
Director



Consolidated Statement of Changes in Equity

For the year ended 31 March 2024

	Equity attributable to owners of the Company						Non-controlling interests	Total
	Share capital (note 30(a)) HK\$'000	Capital reserve (note 31) HK\$'000	Exchange reserve HK\$'000	Investments at fair value through other comprehensive income reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000		
At 1 April 2022	393,354	24,753	10,510	382	278,595	707,594	92	707,686
2021/22 final dividend (note 12)	—	—	—	—	(14,570)	(14,570)	—	(14,570)
2022/23 interim dividend (note 12)	—	—	—	—	(3,639)	(3,639)	—	(3,639)
Repurchase of ordinary shares	—	—	—	—	(935)	(935)	—	(935)
Transactions with owners	—	—	—	—	(19,144)	(19,144)	—	(19,144)
Profit for the year	—	—	—	—	79,466	79,466	(14)	79,452
Other comprehensive income:								
Exchange differences on translation of foreign operations	—	—	(572)	—	—	(572)	—	(572)
Change in fair value of investments at fair value through other comprehensive income	—	—	—	(445)	—	(445)	—	(445)
Other comprehensive income for the year	—	—	(572)	(445)	—	(1,017)	—	(1,017)
Total comprehensive income for the year	—	—	(572)	(445)	79,466	78,449	(14)	78,435
At 31 March 2023	393,354	24,753	9,938	(63)	338,917	766,899	78	766,977
At 1 April 2023	393,354	24,753	9,938	(63)	338,917	766,899	78	766,977
2022/23 final dividend (note 12)	—	—	—	—	(18,186)	(18,186)	—	(18,186)
2022/23 special dividend (note 12)	—	—	—	—	(72,745)	(72,745)	—	(72,745)
2023/24 interim dividend (note 12)	—	—	—	—	(3,637)	(3,637)	—	(3,637)
Repurchase of ordinary shares (note 30(b))	—	—	—	—	(29)	(29)	—	(29)
Transactions with owners	—	—	—	—	(94,597)	(94,597)	—	(94,597)
Profit for the year	—	—	—	—	85,205	85,205	(14)	85,191
Other comprehensive income:								
Exchange differences on translation of foreign operations	—	—	(348)	—	—	(348)	—	(348)
Release of exchange reserve upon liquidation of a subsidiary	—	—	(2,319)	—	—	(2,319)	—	(2,319)
Change in fair value of investments at fair value through other comprehensive income	—	—	—	380	—	380	—	380
Other comprehensive income for the year	—	—	(2,667)	380	—	(2,287)	—	(2,287)
Total comprehensive income for the year	—	—	(2,667)	380	85,205	82,918	(14)	82,904
At 31 March 2024	393,354	24,753	7,271	317	329,525	755,220	64	755,284

Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit before working capital changes	32(a)	128,479	155,478
Increase in inventories		(35,784)	(37,056)
Decrease/(increase) in debtors, deposits and prepayments		33,287	(32,369)
Increase in trade payables, deposits received and other payables		11,868	6,084
		<u>137,850</u>	<u>92,137</u>
<i>Net cash generated from operations</i>		137,850	92,137
Dividends received from investments at fair value through profit or loss		8	8
Interest received		16,167	6,491
Long service payments paid		(91)	(9)
		<u>16,244</u>	<u>6,480</u>
<i>Net cash generated from operating activities</i>		<u>153,934</u>	<u>98,627</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from investments at fair value through other comprehensive income		27	49
Purchase of property, plant and equipment		(9,506)	(9,181)
Placement of time deposits with maturity over 3 months		(306,840)	(261,151)
Release of time deposits with maturity over 3 months		184,692	334,100
		<u>184,692</u>	<u>334,100</u>
<i>Net cash (used in)/generated from investing activities</i>		<u>(131,627)</u>	<u>63,817</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	32(b)	(94,228)	(18,209)
Proceeds from gold loan		52,797	—
Repayment of gold loan		(2,846)	(39,971)
Payment of repurchase of ordinary shares		(29)	(935)
Payment of principal element of lease liabilities		(43,715)	(52,947)
Interest paid on gold loan		(600)	(1,020)
Payment of interest element of lease liabilities		(3,459)	(2,691)
		<u>(92,080)</u>	<u>(115,773)</u>
<i>Net cash used in financing activities</i>		<u>(92,080)</u>	<u>(115,773)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
		(69,773)	46,671
Cash and cash equivalents at the beginning of the year		301,060	254,519
Effect of foreign exchange rates changes, net		(56)	(130)
		<u>231,231</u>	<u>301,060</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			
		<u>231,231</u>	<u>301,060</u>
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		20,935	38,256
Cash at a financial institution		357	370
Short term bank deposits with maturity within 3 months		209,939	262,434
		<u>231,231</u>	<u>301,060</u>



Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

1. GENERAL INFORMATION

King Fook Holdings Limited (the “Company”) is a limited liability company incorporated and domiciled in Hong Kong. Its registered office is located at 9th Floor, King Fook Building, 30–32 Des Voeux Road Central, Hong Kong and its principal place of business is in Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The directors of the Company consider the ultimate holding company to be Yeung Chi Shing Estates Limited (“YCSEL”), a company incorporated in Hong Kong.

The principal activity of the Company is investment holding. Details of the place of operation and the principal activities of its subsidiaries are set out in note 37.

The consolidated financial statements are presented in Hong Kong Dollars (“HK\$”), which is also the functional currency of the Company.

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements on pages 29 to 81 have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and have been prepared in compliance with the Hong Kong Companies Ordinance.

The material accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new and revised HKFRSs are disclosed in note 2.2.

These consolidated financial statements have been prepared on the historical cost basis except for gold bullion stocks held for trading, gold loan, financial assets at fair value through profit or loss (“FVTPL”) and financial instruments classified as FVTPL and fair value through other comprehensive income (“FVTOCI”) which are stated at fair values. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in the preparation of these consolidated financial statements. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these consolidated financial statements, are disclosed in note 3.

2.2 Adoption of new and revised HKFRSs

In the current year, the Group has applied for the first time the following new and revised HKFRSs issued by the HKICPA, which are relevant to and effective for the Group’s consolidated financial statements for the annual period beginning on 1 April 2023:

HKFRS 17	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two Model Rules

Except for Amendments to HKAS 1 and HKFRS Practice Statement 2, *Disclosure of Accounting Policies*, none of these new or amended HKFRSs has a material impact on the Group’s results and financial position for the current or prior period and financial statements disclosures.



Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Adoption of new and revised HKFRSs (Continued)

The nature and the impact of the revised HKFRSs that are applicable to the Group are described below:

Amendments to HKAS 1 and HKFRS Practice Statement 2: *Disclosure of Accounting Policies*

The amendments require entities to disclose material accounting policy information and provide guidance on applying the concept of materiality to accounting policy disclosure. The Group has revisited the accounting policy information it has been disclosing and considered it is consistent with the amendments.

2.3 New or revised HKFRSs that have been issued but are not yet effective

The Group has not early applied the following new or revised HKFRSs that have been issued but are not yet effective. The Group anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current ¹
Amendments to HKAS 1	Non-current Liabilities with Covenants ¹
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ¹
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to HKAS 21	Lack of Exchangeability ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for annual periods beginning on or after 1 January 2024

² Effective for annual periods beginning on or after 1 January 2025

³ Effective for annual periods beginning on or after a date to be determined

The Group is currently assessing the impact of these new accounting standards and amendments. The Group does not anticipate that the application of the amendments and revision in the future will have an impact on the Group's consolidated financial statements.

2.4 New guidance on accounting for the MPF-LSP offsetting mechanism in Hong Kong issued by HKICPA

In June 2022, Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance") was enacted. The Amendment Ordinance abolishes the use of the accrued benefits derived from employers' mandatory contributions under the Mandatory Provident Fund ("MPF") Scheme to offset severance payment ("SP") and long service payments ("LSP") (the "Abolition"). Subsequently, the Government of the Hong Kong Special Administrative Region (the "HKSAR") announced that the Abolition will take effect on 1 May 2025 (the "Transition Date").

The following key changes will take effect since the Transition Date:

- Accrued benefits derived from employers' MPF contributions cannot be used to offset the LSP/SP in respect of the employment period after the Transition Date.
- The pre-transition LSP/SP is calculated using the last month's salary immediately preceding the Transition Date, instead of using the last month's salary of employment termination date.



Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICIES (Continued)

2.4 New guidance on accounting for the MPF-LSP offsetting mechanism in Hong Kong issued by HKICPA (Continued)

Due to the complexities of the accounting for the offsetting of accrued benefits derived from an employers' MPF contributions and its LSP obligation and the accounting for the offsetting mechanism could become material in light of the Abolition, the HKICPA published 'Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong' (the "Guidance") in July 2023 to provide guidance to account for the offsetting mechanism and the Abolition. The HKICPA concluded that there are two acceptable accounting approaches for the offsetting mechanism, being:

- Approach 1: Account for the amount expected to be offset as a deemed employee contribution towards that employee's LSP benefits in terms of HKAS 19.93(a)
- Approach 2: Account for the employer MPF contributions and the offsetting mechanism as a funding mechanism for the LSP obligation

The Group has not recognised any cumulative catch-up adjustment in profit or loss for the service cost and interest charge for the year ended 31 March 2023 as the difference at the enactment date (16 June 2022) between the carrying amount of the LSP liability calculated under paragraph 93(b) of HKAS 19 before the Abolition and the carrying amount of the LSP liability calculated under paragraph 93(a) of HKAS 19 after the Abolition is immaterial.

2.5 Basis of consolidation and business combination

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (see note 2.6 below) made up to 31 March 2024.

2.6 Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Investments in subsidiaries are included in the Company's statement of financial position, at cost less any impairment loss. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

2.7 Revenue recognition

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 is after deduction of any trade discounts.

(i) *Gold ornament, jewellery, watch and gift retailing, bullion trading and diamond wholesaling*

Customers obtain control of the goods when the goods are delivered to and have been accepted. Revenue is thus recognised upon when the customers accepted the goods. There is generally only one performance obligation. Invoices are usually payable upon transfer of control of goods.

Some of the Group's contracts with customers on sales of certain jewellery products provide a right of return (a right to exchange another product) to customers. These rights of return allow the returned goods to be refunded in cash or other goods with equivalent values. Right of return gives rise to variable consideration. The variable consideration is estimated at contract inception and constrained until the associated uncertainty is subsequently resolved. The application of the constraint on variable consideration increases the amount of revenue that will be deferred. In addition, a refund liability and a right to recover returned goods assets are recognised.





Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICIES (Continued)

2.7 Revenue recognition (Continued)

(i) *Gold ornament, jewellery, watch and gift retailing, bullion trading and diamond wholesaling* (Continued)

The Group launches a customer loyalty program, which allows customers to redeem the award credits for gifts or cash coupons before a specified period of time. An option to acquire additional goods or services gives rise to a separate performance obligation if the option provides a material right that the customers would not receive without entering into that contract, resulting in allocation of transaction price to separate performance obligations and to recognise contract liabilities for the performance obligations that will be satisfied in the future and revenue for the option when the award credits are utilised by customers for goods or services or when the option expires.

(ii) *Other income*

Rental income under operating leases is recognised on a straight line basis over the term of the relevant lease.

Dividends are received from investments at FVTPL and FVTOCI. Dividend income is recognised when the right to receive the dividend is established.

2.8 Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods to customers for which the Group has received consideration (or an amount of consideration is due) from the customers.

2.9 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is provided to write off the cost less their expected residual values over their estimated useful lives, using the straight line method, at the following rates per annum:

Leasehold improvements	15% or over the remaining period of the lease, whichever is shorter
Plant and machinery, furniture and equipment	15%
Motor vehicles	15%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset is written down immediately to its recoverable amounts if its carrying amount is higher than the assets estimated recoverable amount.

The gain or loss arising on retirement or disposal is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in profit or loss.





Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICIES (Continued)

2.10 Investment properties

Investment properties are land and buildings held under a leasehold interest to earn rental income and/or for capital appreciation or for both, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

On initial recognition, investment property is measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment property is stated at cost less accumulated depreciation and any accumulated impairment loss. Depreciation is provided so as to write off the cost of buildings held as investment properties using the straight line method over their expected useful lives of 50 years or over the lease term, if shorter. Leasehold land held as investment property is depreciated over the lease term.

2.11 Impairment of non-financial assets

Property, plant and equipment, investment properties, right-of-use assets, other asset and investments in subsidiaries stated at cost are subject to impairment testing. These assets are tested for impairment at the end of each reporting period if there are indications that the assets' carrying amount may not be recoverable. Impairment indications included certain retail stores fell short of the expected performance.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 assessment of time value of money and the risk specific to the asset.

Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates and assumptions about future events, which are subject to uncertainty and might materially differ from actual result. In making these key estimates and judgements, the directors of the Company take into consideration assumptions that are based on market condition existing at the end of the reporting period and appropriate market and discounts rates. These estimates are regularly compared to actual market data and actual transactions entered into by the Group.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash generating unit ("CGU")). Corporate assets are allocated to individual CGU on a reasonable and consistent basis. As a result, some assets are tested individually for impairment and some are tested at CGU level.

Impairment losses recognised for a CGU are charged pro rata to the assets in the CGU, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal, or value in use, if determinable.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised. A reversal of an impairment loss is recognised as income immediately.





Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICIES (Continued)

2.12 Leases

Accounting as a lessee

All leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the consolidated statement of financial position as right-of-use assets and lease liabilities.

Right-of-use assets

The right-of-use assets should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liabilities (see below for the accounting policy to account for lease liabilities); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group measures the right-of-use assets at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

The Group's leasehold land and buildings that were held for rental or capital appreciation purpose would continue to be accounted for under HKAS 40 as investment properties and would also continue to be carried at cost less accumulated depreciation and impairment loss.

Refundable rental deposits

Refundable rental deposits paid are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

The lease liabilities should be recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments shall be discounted using the Group's incremental borrowing rate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period in which the event or condition that triggers the payment occurs.

Subsequent to the commencement date, a lessee shall measure the lease liabilities by: (i) increasing the carrying amount to reflect interest on the lease liabilities; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.





Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICIES (Continued)

2.12 Leases (Continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if: (i) the modification increases the scope of the lease by adding the right to use one or more underlying assets and (ii) the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that does not involve a decrease in scope of the lease and is not accounted for as a separate lease, the Group remeasures the lease liabilities based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification. The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets.

2.13 Financial instruments

(i) *Financial assets*

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade debtor without a significant financing component is initially measured at the transaction price.

The regular way purchases and sales of financial assets are recognised on the settlement date.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Debt instruments are subsequently measured at amortised costs as these assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method.

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at FVTOCI are measured at fair value. Dividend income is recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.





Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICIES (Continued)

2.13 Financial instruments (Continued)

(ii) *Impairment loss on financial assets*

The Group recognises loss allowances for expected credit losses (“ECLs”) on trade debtors and financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the end of the reporting period; or (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets’ original effective interest rate.

The Group has elected to measure loss allowances for trade debtors using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group’s historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are calculated based on the 12 months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group’s historical experience and credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets, interest income is calculated based on the gross carrying amount.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group’s recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.





Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICIES (Continued)

2.13 Financial instruments (Continued)

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at FVTPL are initially measured at fair value and financial liabilities at amortised cost are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL include financial liabilities designated upon initial recognition as at FVTPL.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at FVTPL, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial liabilities may be designated upon initial recognition as at FVTPL if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded (including the Group's gold loan).

Subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise, except for the gains and losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the consolidated statement of profit or loss and other comprehensive income. The net fair value gain or loss recognised in the consolidated statement of profit or loss and other comprehensive income does not include any interest charged on these financial liabilities. The interest charges were recognised separately as finance cost of the Group.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade payables, other payables and accruals and provisions are subsequently measured at amortised cost, using the effective interest method. The related interest charge is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.





Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICIES (Continued)

2.14 Inventories

Inventories, other than gold bullion held for trading, are stated at the lower of cost and estimated net realisable value. Cost is determined on an actual cost basis. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. It is the Group's policy to determine the net realisable value by reference to management estimates based on prevailing market conditions.

Gold bullion held for trading are stated at fair value less costs to sell. Changes in fair value are recognised in profit or loss in the year of the change.

2.15 Accounting for income taxes

Income tax for the year comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, tax authorities relating to the current or prior reporting period, that are unpaid at the end of reporting period. They are calculated according to the tax rates and tax laws applicable to the tax years to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated based on temporary differences at the end of reporting period between the carrying amounts of assets and liabilities in the consolidated financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax loss available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax loss and unused tax credits can be utilised.

The Group presents deferred tax assets and deferred tax liabilities on a net basis if, and only if:

- (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - (i) the same taxable entity; or
 - (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.





Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICIES (Continued)

2.16 Employee benefits

(i) *Defined contribution plans*

The Group operates a number of defined contribution retirement schemes in Hong Kong. Contributions are made based on certain percentages of the employee's relevant payroll costs.

The employees of the Group's subsidiaries which operate in the People's Republic of China, except Hong Kong (the "PRC"), 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.

Contributions are recognised as expense in profit or loss as employees render services during the year. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

Hong Kong

The Group participates in defined contribution schemes which are registered under the Hong Kong Occupational Retirement Scheme Ordinance (the "ORSO Scheme") and the MPF Scheme established under the MPF Schemes Ordinance (the "MPFSO") in December 2000. The assets of the schemes are held, separately from those of the Group, in funds under the control of independent trustees. Employees who were members of the ORSO Scheme prior to the establishment of the MPF Scheme were offered a choice of staying within the ORSO Scheme or switching to the MPF Scheme, whereas all new employees joining the Group on or after 1 December 2000 are required to join the MPF Scheme. The pension costs of defined contribution retirement schemes charged to the consolidated statement of profit or loss and other comprehensive income represent contributions paid/payable to the funds by the Group at rates specified in the rules of the schemes. For members of the MPF Scheme, the Group contributes 5% (2023: 5%) of relevant payroll costs to the MPF Scheme, which contributions are matched by the employees. The maximum monthly amount of contributions is limited to HK\$1,500 (2023: HK\$1,500) per employee.

(a) ORSO Scheme

The ORSO Scheme is funded by monthly contributions from the employees at 5% (2023: 5%) and the Group at pre-determined rates ranging from 5% to 10% (2023: 5% to 10%) based on the employees' years of services of relevant payroll costs.

The Company and a subsidiary make monthly contributions which are a percentage of relevant payroll costs, subject to a vesting scale with the benefit fully vested upon completion of 10 years' service. The Company and a subsidiary reinvest forfeited contributions for staff who leave the Company or a subsidiary prior to qualifying for 100% disbursement of the contributions into the total pool of contributions that will be shared by the existing members in the scheme at the end of the scheme year. There was no amount forfeited during the year (2023: Nil).

(b) MPF Scheme

The Group has participated in a master trust MPF Scheme since December 2000 and made contributions to the MPF Scheme in accordance with the statutory requirements of the MPFSO.





Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICIES (Continued)

2.16 Employee benefits (Continued)

(i) *Defined contribution plans* (Continued)

PRC

The eligible employees of the Company's subsidiaries in the PRC are members of pension schemes operated by local government of the PRC. The subsidiaries in the PRC are required to contribute a percentage of 7% (2023: 7%) of relevant payroll costs of these employees to the pension schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes.

The Group's contributions under the above-mentioned defined contribution plans in Hong Kong and the PRC are expensed as incurred and not reduced by contributions forfeited by those employees who leave the defined contribution plans prior to vesting fully in the contributions.

(ii) *Short term employee benefits*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of reporting period.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

2.17 Provision for reinstatement costs

Provision for reinstatement costs is recognised when a contractual obligation under the terms of a lease arrangement has arisen to reinstate a leased property at the end of the lease. Reinstatement costs are provided at the value of the expected costs to settle the obligation at the end of the reporting period using estimated cash flows and an equivalent asset is recognised and included in right-of-use assets at initial recognition and depreciated over the term of the lease arrangement. The estimated future costs of reinstatement are reviewed, and adjusted if appropriate, at least at the end of each reporting period.

2.18 Government grant

Government grant is not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grant is recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grant whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grant that is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable and are recognised as other income, rather than reducing the related expense.





Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) *Depreciation*

The Group depreciates property, plant and equipment and investment properties on a straight line basis over the estimated useful lives of 7 to 50 years. The estimated useful lives reflect the directors' estimates of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment and investment properties.

(ii) *Impairment of property, plant and equipment and right-of-use assets*

The Group assesses impairment at the end of each reporting period by evaluating conditions that may lead to impairment of property, plant and equipment and right-of-use assets. Where an impairment condition exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates and assumptions about future events, which are subject to uncertainty and might materially differ from actual results. In making these key estimates and judgements, the directors of the Company take into consideration assumptions that are based on market condition existing at the end of reporting period and appropriate market and discounts rates. These estimates are regularly compared to actual market data and actual transactions entered into by the Group. For the details of the impairment of property, plant and equipment and right-of-use assets, please refer to note 17.

(iii) *Incremental borrowing rate of leases*

The Group applies incremental borrowing rate as the discount rate of lease liabilities, which require financing spread adjustments and lease specific adjustments based on the relevant market rates. The assessments of the adjustments in determining the discount rates involved management's judgement, which may significantly affect the amount of lease liabilities and right-of-use assets.

(iv) *Net realisable value of inventories*

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. These estimates are based on the current market conditions, inventory ageing, condition of inventories, historical experience of selling products of a similar nature and current sales information, as well as different market factors impacting the selling price of these inventories. Management reassesses these estimations at the end of reporting period to ensure inventory is stated at the lower of cost and net realisable value. During the year, the provision for and write down of inventories of approximately HK\$7,894,000 (2023: HK\$14,869,000) was recognised in profit or loss.

(v) *Income taxes*

Determining income tax provisions involves significant judgement in determining the amount of the provision and the timing of payment. There are many transactions and calculations for which the ultimate tax expense is uncertain during the ordinary course of business. The Group recognises taxes based on estimates of the likely outcome with reference to current tax laws and practices. Where the final tax outcome of these transactions is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made. Deferred tax assets relating to certain deductible temporary differences and tax losses will be recognised when management considers it is probable that future taxable profit will be available against which the deductible temporary differences or tax losses can be utilised. Where the expectation is different from the originally estimate, such differences will impact the recognition of deferred tax assets and income tax expense in the period in which such estimate is changed.



Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

4. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the Group's top management including executive directors and chief executive for their decisions about resources allocation to the Group's business components and for their review of these components' performance. The business components in the internal financial information reported to the top management are determined according to the Group's major product and service lines.

Based on the above, the Group's top management determined that the Group has only one single reportable segment, which is retailing, bullion trading and diamond wholesaling. Accordingly, no separate segment of analysis is presented.

No geographical information was presented for the years ended 31 March 2023 and 2024 respectively as more than 90% of the Group's revenue was derived from activities in Hong Kong (place of domicile). Also, most of the Group's non-current assets are located in Hong Kong.

For the years ended 31 March 2023 and 2024 respectively, no revenue from a single customer accounted for 10% or more of the total revenue of the Group.

5. REVENUE

The Group is principally engaged in gold ornament, jewellery, watch and gift retailing, bullion trading and diamond wholesaling. Revenue of the Group recognised during the year comprised the following:

	2024 HK\$'000	2023 HK\$'000
Revenue from contracts with customers:		
Gold ornament, jewellery, watch and gift retailing	733,364	834,659
Bullion trading	39,863	58,220
Diamond wholesaling	2,346	1,823
Total revenue	<u>775,573</u>	<u>894,702</u>
Timing of revenue recognition:		
At a point in time	<u>775,573</u>	<u>894,702</u>

6. OTHER GAINS AND INCOME

	2024 HK\$'000	2023 HK\$'000
Dividend income	35	57
Fair value change of investments at fair value through profit or loss	—	22
Fair value gain on realisation of bullion contract	3,290	—
Gain on release of exchange reserve upon liquidation of a subsidiary	2,319	—
Government grant (note)	—	3,110
Interest income from financial assets at amortised cost	17,031	8,378
Interest income from rental deposits	686	293
Rental income on investment properties	1,220	1,045
Others	609	57
	<u>25,190</u>	<u>12,962</u>

Note: During the year ended 31 March 2023, the Group applied for funding support from the Employment Support Scheme under the Anti-Epidemic Fund set up by the HKSAR Government. There was no unfulfilled conditions or contingencies relating to this government grant in which it was recognised during the year ended 31 March 2023.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

7. OTHER OPERATING EXPENSES

	2024 HK\$'000	2023 HK\$'000
Fair value change of investments at fair value through profit or loss	27	—
Fair value loss on gold loan designated at fair value through profit or loss	8,158	—
Fair value loss on realisation of bullion contracts	—	5,944
Foreign exchange differences, net	394	276
Loss arising from termination of a lease	17	—
Loss on write off/disposal of property, plant and equipment	17	73
Provision for impairment loss on property, plant and equipment	—	7,774
Provision for impairment loss on right-of-use assets	8,831	7,317
	<u>17,444</u>	<u>21,384</u>

8. FINANCE COSTS

	2024 HK\$'000	2023 HK\$'000
Interest charges on:		
Gold loan	690	636
Lease liabilities	3,459	2,691
	<u>4,149</u>	<u>3,327</u>

9. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	2024 HK\$'000	2023 HK\$'000
Auditors' remuneration	844	813
Cost of inventories sold, including	533,645	623,824
— provision for and write down of inventories to net realisable value	7,894	14,869
Depreciation of investment properties	72	72
Depreciation of property, plant and equipment	4,006	6,221
Depreciation of right-of-use assets	30,763	45,103
Outgoings in respect of investment properties	320	258
Rental expenses for variable lease payments	17	2,523
Rental expenses on short term leases in respect of car parking space	19	—
Rental expenses on short term lease in respect of furniture and fixtures	1	1
	<u>610,471</u>	<u>732,681</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

10. TAXATION

	2024 HK\$'000	2023 HK\$'000
Deferred tax — Hong Kong	<u>2,600</u>	<u>—</u>
Taxation credit	<u>2,600</u>	<u>—</u>

No Hong Kong profits tax has been provided for the years ended 31 March 2023 and 2024 respectively as the Group has sufficient tax loss brought forward to set off against the estimated assessable profit.

No overseas profits tax has been provided for the years ended 31 March 2023 and 2024 respectively as the Group has no estimated assessable profit.

Reconciliation between accounting profit and taxation credit at applicable tax rates is as follows:

	2024 HK\$'000	2023 HK\$'000
Profit before taxation	<u>82,591</u>	<u>79,452</u>
Tax on profit before taxation, calculated at the rates applicable to profit in the relevant tax jurisdictions	13,549	13,031
Tax effect of non-taxable income	(3,265)	(1,943)
Tax effect of non-deductible expenses	242	254
Temporary differences not recognised	(223)	1,371
Tax losses not recognised	501	1,492
Tax effect of prior years' unrecognised tax losses utilised this year	(10,804)	(14,205)
Recognition of previously unrecognised deferred tax assets	<u>(2,600)</u>	<u>—</u>
Taxation credit	<u>(2,600)</u>	<u>—</u>

11. DEFERRED TAX ASSETS

The following are the major deferred tax assets recognised by the Group and movements thereon during the current and prior years:

	Tax losses HK\$'000
At 1 April 2022, 31 March 2023 and 1 April 2023	—
Credit to profit or loss for the year (note 10)	<u>2,600</u>
At 31 March 2024	<u>2,600</u>

The Group has tax losses arising in Hong Kong of HK\$286,963,000 (2023: HK\$350,712,000) that are available indefinitely and tax losses arising in the PRC of HK\$4,065,000 (2023: HK\$4,039,000) that will expire in 1 to 5 years, for offsetting against future taxable profits of the companies in which the losses arose.



Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

11. DEFERRED TAX ASSETS (Continued)

Deferred tax assets of approximately HK\$2,600,000 (2023: Nil) have been recognised in respect of tax losses of approximately HK\$15,758,000 (2023: Nil) where the directors of the Company believe it is probable that these assets will be recovered.

No deferred tax assets have been recognised in respect of remaining tax losses due to the unpredictability of future profit streams against which the tax losses can be utilised.

At the end of the reporting period, the Group has deductible temporary differences of HK\$24,299,000 (2023: HK\$25,843,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

12. DIVIDENDS

	2024 HK\$'000	2023 HK\$'000
Dividends recognised as distribution during the year:		
2022/23 final dividend of HK2.0 cents (2021/22 final dividend: HK1.6 cents) per ordinary share	18,186	14,570
2022/23 special dividend of HK8.0 cents (2021/22 special dividend: Nil) per ordinary share	72,745	—
2023/24 interim dividend of HK0.4 cent (2022/23 interim dividend: HK0.4 cent) per ordinary share	3,637	3,639
	<u>94,568</u>	<u>18,209</u>

At a meeting held on 17 June 2024, the board of directors of the Company recommended a final dividend of HK2.6 cents (2023: HK2.0 cents) per ordinary share and a special dividend of Nil (2023: HK8.0 cents) per ordinary share for the year ended 31 March 2024 which are subject to approval by the shareholders of the Company at the forthcoming annual general meeting (the "AGM"). The proposed final dividend is not reflected as dividend payable as at 31 March 2024 in these consolidated financial statements.



Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

13. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the consolidated profit for the year attributable to owners of the Company of HK\$85,205,000 (2023: HK\$79,466,000) and the weighted average number of 909,326,908 (2023: 910,509,013) ordinary shares in issue during the year, calculated as follows:

	2024 HK\$'000	2023 HK\$'000
Profit attributable to owners of the Company	85,205	79,466
	2024	2023
Weighted average number of ordinary shares		
Issued ordinary shares at 1 April	909,358,465	911,658,465
Effect of ordinary shares repurchased and cancelled (note)	<u>(31,557)</u>	<u>(1,149,452)</u>
Weighted average number of ordinary shares at 31 March	<u>909,326,908</u>	<u>910,509,013</u>

Note: The weighted average number of ordinary shares outstanding during the year was adjusted for the effect of 50,000 (2023: 2,300,000) ordinary shares repurchased and cancelled (note 30(b)) multiplied by a time-weighting factor.

(b) Diluted earnings per share

Diluted earnings per share and basic earnings per share for the years ended 31 March 2023 and 2024 respectively are the same as there were no dilutive potential ordinary shares in issue during both years.

14. EMPLOYEE BENEFIT EXPENSE

	2024 HK\$'000	2023 HK\$'000
Wages, salaries and other benefits	72,367	70,596
Pension costs — defined contribution retirement schemes	2,387	2,453
Provision for long service payments (note 29)	2,044	33
Reversal of provision for long service payments (note 29)	<u>(19)</u>	<u>(13)</u>
	<u>76,779</u>	<u>73,069</u>

Employee benefit expense as shown above includes directors' and chief executive's emoluments (note 15).

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

15. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND MATERIAL INTERESTS OF DIRECTORS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Directors' and chief executive's emoluments disclosed pursuant to section 383 of the Hong Kong Companies Ordinance and the Companies (Disclosure of Information about Benefits of the Directors) Regulation (Cap. 622G) are as follows:

	Directors' fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Pension costs — defined contribution retirement schemes HK\$'000	Total HK\$'000
2024				
Executive directors				
Mr. Tang Yat Sun, Richard	160	6,226	18	6,404
Dr. Fung Yuk Bun, Patrick	160	625	—	785
Mr. Wong Wei Ping, Martin	120	625	—	745
Non-executive directors				
Mr. Ng Ming Wah, Charles (retired by rotation at the AGM on 7 September 2023)	66	—	—	66
Mr. Ho Hau Hay, Hamilton (re-designated as a non-executive director on 24 April 2023)	120	25	—	145
Ms. Veronica Ho (appointed on 24 April 2023)	127	25	—	152
Independent non-executive directors				
Mr. Cheng Kar Shing, Peter	160	25	—	185
Mr. Sin Nga Yan, Benedict	170	25	—	195
Mr. Cheng Kwok Shing, Anthony	420	25	—	445
Ms. Hou Tan Tan Danielle	130	25	—	155
Chief executive				
Ms. Sum Mei Lin (resigned on 1 May 2024)	—	4,104	18	4,122
	<u>1,633</u>	<u>11,730</u>	<u>36</u>	<u>13,399</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

15. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND MATERIAL INTERESTS OF DIRECTORS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS (Continued)

	Directors' fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Pension costs — defined contribution retirement schemes HK\$'000	Total HK\$'000
2023				
Executive directors				
Mr. Tang Yat Sun, Richard	150	5,972	18	6,140
Dr. Fung Yuk Bun, Patrick	150	530	—	680
Mr. Wong Wei Ping, Martin	110	530	—	640
Non-executive director				
Mr. Ng Ming Wah, Charles	140	50	—	190
Independent non-executive directors				
Mr. Cheng Kar Shing, Peter	150	50	—	200
Mr. Ho Hau Hay, Hamilton	110	50	—	160
Mr. Sin Nga Yan, Benedict	160	50	—	210
Mr. Cheng Kwok Shing, Anthony	410	50	—	460
Ms. Hou Tan Tan Danielle (appointed on 1 April 2022)	107	50	—	157
Chief executive				
Ms. Sum Mei Lin	—	3,775	18	3,793
	<u>1,487</u>	<u>11,107</u>	<u>36</u>	<u>12,630</u>

During the year, no emoluments were paid by the Group to the directors/chief executive as an inducement to join or upon joining the Group, or as compensation for loss of office (2023: Nil).

None of the other directors/chief executive has waived or agreed to waive any emoluments for the year ended 31 March 2024 (2023: Nil).

In March 2023, the Company entered into two lease agreements with Stanwick Properties Limited (“Stanwick”) which is a wholly owned subsidiary of YCSEL for the lease of furniture and fixture at 3rd Floor and Basement and Ground Floor, Mezzanine Floor, 3rd Floor, 5th Floor, 7th Floor to 10th Floor of the premises and equipment in King Fook Building, 30–32 Des Voeux Road Central, Hong Kong. The directors of the Company are of the opinion that the rental was determined with reference to the market prices and the lease period of 1 year.

Moreover, the Company entered into a licence agreement dated 7 December 1998 (the “Licence Agreement”) with YCSEL to obtain an exclusive right for the design, manufacture and distribution of gold and jewellery products under the trademark of “King Fook” on a worldwide basis for a total consideration of HK\$1. The Licence Agreement commenced from 7 December 1998 and may be terminated by any party by giving 3 months’ written notice to the counterparty.

Mr. Wong Wei Ping, Martin, a director of the Company, is the husband of a shareholder and director of YCSEL.

Except as disclosed as above, no transactions, arrangements or contracts of significance in relation to the Company’s business to which the Company was a party and in which a director of the Company or an entity connected with a director had a material interest, whether directly or indirectly, were entered into or subsisted during or at the end of the financial year.



Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

16. FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT'S EMOLUMENTS

The 5 individuals whose emoluments were the highest in the Group for the year included 1 director and 1 chief executive (2023: 1 director and 1 chief executive) whose emoluments are reflected in the analysis as presented in note 15. The emoluments of the remaining 3 (2023: 3) highest paid individuals are as follows:

	2024 HK\$'000	2023 HK\$'000
Salaries, allowances and benefits in kind	7,066	6,398
Pension costs — defined contribution retirement schemes	<u>173</u>	<u>169</u>
	<u><u>7,239</u></u>	<u><u>6,567</u></u>

The emoluments of the remaining 3 (2023: 3) highest paid individuals, fell within the following emolument bands:

	Number of individuals	
	2024	2023
HK\$1,500,001–HK\$2,000,000	1	2
HK\$2,000,001–HK\$2,500,000	1	—
HK\$2,500,001–HK\$3,000,000	<u>1</u>	<u>1</u>

During the year, no emoluments were paid by the Group to the 5 highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office (2023: Nil).

The emoluments of the members of senior management excluding directors (executive and non-executive) and chief executive, fell within the following emolument bands:

	Number of individuals	
	2024	2023
HK\$1,500,001–HK\$2,000,000	—	1
HK\$2,000,001–HK\$2,500,000	1	—
HK\$2,500,001–HK\$3,000,000	<u>1</u>	<u>1</u>



Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

17. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Plant and machinery, furniture and equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
At 31 March 2022 and 1 April 2022				
Cost	23,467	9,415	656	33,538
Accumulated depreciation	(8,905)	(6,300)	(656)	(15,861)
Impairment loss	(7,212)	(837)	—	(8,049)
Net book amount	<u>7,350</u>	<u>2,278</u>	<u>—</u>	<u>9,628</u>
At 1 April 2022				
Net book amount	7,350	2,278	—	9,628
Additions	7,808	1,373	—	9,181
Write off/disposals	(21)	(52)	—	(73)
Depreciation	(5,713)	(508)	—	(6,221)
Impairment loss	(6,450)	(1,324)	—	(7,774)
Exchange differences	—	(1)	—	(1)
At 31 March 2023	<u>2,974</u>	<u>1,766</u>	<u>—</u>	<u>4,740</u>
At 31 March 2023 and 1 April 2023				
Cost	24,224	10,144	656	35,024
Accumulated depreciation	(8,623)	(6,232)	(656)	(15,511)
Impairment loss	(12,627)	(2,146)	—	(14,773)
Net book amount	<u>2,974</u>	<u>1,766</u>	<u>—</u>	<u>4,740</u>
At 1 April 2023				
Net book amount	2,974	1,766	—	4,740
Additions	8,465	916	125	9,506
Write off/disposals	(9)	(8)	—	(17)
Depreciation	(3,549)	(451)	(6)	(4,006)
Exchange differences	—	(1)	—	(1)
At 31 March 2024	<u>7,881</u>	<u>2,222</u>	<u>119</u>	<u>10,222</u>
At 31 March 2024				
Cost	32,032	10,740	781	43,553
Accumulated depreciation	(11,524)	(6,377)	(662)	(18,563)
Impairment loss	(12,627)	(2,141)	—	(14,768)
Net book amount	<u>7,881</u>	<u>2,222</u>	<u>119</u>	<u>10,222</u>

Depreciation expense of HK\$3,755,000 (2023: HK\$5,981,000) was included in distribution and selling costs and HK\$251,000 (2023: HK\$240,000) was included in administrative expenses for the year ended 31 March 2024.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

Due to the on-going weak consumer sentiment on certain jewellery and watches, certain Group's retail stores fell short of the expected performance which was considered to be an impairment indicator. The Group had performed an impairment assessment on property, plant and equipment and right-of-use assets (note 18) in accordance with HKAS 36, *Impairment of Assets*. Based on the assessment, impairment losses on right-of-use assets of HK\$8,831,000 (2023: HK\$7,317,000) (note 18) was recognised and charged to the consolidated statement of profit or loss and other comprehensive income and no impairment loss on property, plant and equipment was recognised for the year ended 31 March 2024 (2023: HK\$7,774,000). The impairment provision was made against renewal of 2 lease agreements which were entered into during the year and a shop with the remaining lease terms which are less than 1 year from the end of the reporting period and hence would not generate a net cash inflow in the future. The recoverable amounts of these property, plant and equipment and right-of-use assets using value-in-use calculation were determined by the discounted cash flows generated from each of the retail stores based on the management budget plan covering a three-year period and a pre-tax discount rate of 10% (2023: 10%), with major assumptions such as change in revenue (based on projected sales estimated by management which is dependent on the historical sale pattern, gross profit and product mix), change in operating cost (based on historical information and estimated changes related to the Group's various cost saving measures and central administration cost absorption) and change in gross profit and product mix (based on the historical data and adjusted for the possible changes in gross profit and product mix due to the change in market and operational environment).

18. LEASES

Nature of leasing activities

The Group has obtained the right to use properties and furniture and equipment as its office premises and retail stores under non-cancellable operating lease agreements, which comprise fixed payments and variable payments that are based on sales over the lease terms.

Variable lease payments

Lease of certain retail stores includes fixed lease payments and variable lease payments that are based on 4.5% to 15.0% (2023: 4.5% to 15.0%) monthly sales and such payments are settled monthly. The payment terms are common in the retail stores where the Group operates. The amounts of fixed and variable lease payments paid/payable to certain relevant lessors for the years ended 31 March 2023 and 2024 were:

	Number of stores	Fixed payments HK\$'000	Variable payments HK\$'000	Total payments HK\$'000
2024				
Retail store with variable payments	<u>1</u>	<u>4,692</u>	<u>17</u>	<u>4,709</u>
2023				
Retail stores with variable payments	<u>2</u>	<u>6,953</u>	<u>2,523</u>	<u>9,476</u>

The overall financial effect of using variable payment terms is that higher rental costs are incurred by stores with higher sales. Variable lease payments are expected to continue to represent a similar proportion of store sales in future years.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

18. LEASES (Continued)

Right-of-use assets

The analysis of the net book value of the Group's right-of-use assets by class of underlying asset at the end of the reporting period is as follows:

	2024 HK\$'000	2023 HK\$'000
Properties	30,691	22,298
Furniture and equipment	884	1,702
	<u>31,575</u>	<u>24,000</u>

During the year, additions of right-of-use assets of HK\$10,766,000 (2023: HK\$10,703,000) represented the capitalised lease payments payable under new lease agreements.

Movement of right-of-use assets during the year is as follows:

	Properties HK\$'000	Furniture and equipment HK\$'000	Total HK\$'000
As at 1 April 2022	51,619	1,438	53,057
Additions	10,703	—	10,703
Depreciation	(44,264)	(839)	(45,103)
Impairment loss (note 17)	(7,295)	(22)	(7,317)
Lease modifications	11,535	1,125	12,660
	<u>22,298</u>	<u>1,702</u>	<u>24,000</u>
As at 31 March 2023 and 1 April 2023	22,298	1,702	24,000
Additions	10,766	—	10,766
Depreciation	(29,961)	(802)	(30,763)
Impairment loss (note 17)	(8,831)	—	(8,831)
Lease modifications	36,419	—	36,419
Loss arising from termination of a lease	—	(16)	(16)
	<u>30,691</u>	<u>884</u>	<u>31,575</u>
As at 31 March 2024	<u>30,691</u>	<u>884</u>	<u>31,575</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

18. LEASES (Continued)

Lease liabilities

The remaining contractual maturities of the Group's lease liabilities at the end of the reporting period are as follows:

	2024		2023	
	Present value of the minimum lease payments HK\$'000	Total minimum lease payments HK\$'000	Present value of the minimum lease payments HK\$'000	Total minimum lease payments HK\$'000
Within 1 year	31,000	33,037	28,589	30,151
After 1 year but within 2 years	9,711	10,190	9,692	10,023
After 2 years but within 5 years	2,563	2,630	2,501	2,557
	<u>43,274</u>	<u>45,857</u>	<u>40,782</u>	<u>42,731</u>
Less: Total future interest charges		<u>(2,583)</u>		<u>(1,949)</u>
Present value of lease liabilities		<u>43,274</u>		<u>40,782</u>

The present value of future lease payments is analysed as follows:

	2024 HK\$'000	2023 HK\$'000
Current liabilities	31,000	28,589
Non-current liabilities	<u>12,274</u>	<u>12,193</u>
	<u>43,274</u>	<u>40,782</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

19. INVESTMENT PROPERTIES

	2024 HK\$'000	2023 HK\$'000
At the beginning of the year		
Gross carrying amount	3,759	3,759
Accumulated depreciation	<u>(2,943)</u>	<u>(2,871)</u>
Net carrying amount	<u>816</u>	<u>888</u>
Opening net carrying amount	816	888
Depreciation	<u>(72)</u>	<u>(72)</u>
Closing net carrying amount	<u>744</u>	<u>816</u>
At the end of the year		
Gross carrying amount	3,759	3,759
Accumulated depreciation	<u>(3,015)</u>	<u>(2,943)</u>
Net carrying amount	<u>744</u>	<u>816</u>

The Group's investment properties, which are land and buildings held under leasehold interest, are situated in Hong Kong.

The fair value of the Group's investment properties at 31 March 2024 was approximately HK\$52,360,000 (2023: HK\$55,220,000) which was arrived on the basis of a valuation performed by BMI Appraisals Limited, an independent qualified valuer. Valuation was estimated based on the properties' open market value with reference to the market evidence of prices for comparable properties at the end of reporting period.

The fair value of investment properties is a level 3 recurring fair value measurement.

Fair value is determined by applying the sale comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as age, time, location, floor level of property and other relevant factors.

There were no changes to the valuation techniques during the year.

The fair value measurement is based on the above properties' highest and best use, which does not differ from their actual use.

20. INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024 HK\$'000	2023 HK\$'000
Unlisted equity securities	<u>706</u>	<u>326</u>

Financial assets measured at fair value through other comprehensive income represented equity investments that is not held for trading. The Group has made an irrevocable election to classify the equity investments at fair value through other comprehensive income rather than through profit or loss because this is considered to be more appropriate for these strategic investments.

The fair values of these investments at 31 March 2023 and 2024 were determined by the directors of the Company. Details of the fair value measurement are set out in note 38.7.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

21. OTHER ASSET

	2024 HK\$'000	2023 HK\$'000
Membership licence, at cost	<u>356</u>	<u>356</u>

Membership licence is carried at cost less any impairment. It represented cost of membership at The Chinese Gold & Silver Exchange Society.

22. DEBTORS, DEPOSITS AND PREPAYMENTS

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
Current			
Trade debtors	<i>(i)</i>	8,047	1,070
Other receivables	<i>(ii)</i>	5,198	5,569
Other receivables from a bank	<i>(iii)</i>	—	35,969
Rental deposits		6,409	11,689
Other deposits		1,503	1,585
Prepayments		<u>3,153</u>	<u>1,550</u>
		----- 24,310	----- 57,432
Non-current			
Rental deposits		<u>7,148</u>	<u>6,751</u>
		<u>31,458</u>	<u>64,183</u>

Notes:

(i) Trade debtors

	2024 HK\$'000	2023 HK\$'000
Gross carrying amount	8,047	1,070
Less: Provision for impairment loss	—	—
Trade debtors — net	<u>8,047</u>	<u>1,070</u>

Trade debtors are normally due within 1 month. The management of the Group considered that the fair values of trade debtors are not materially different from their carrying amounts because these amounts have short maturity periods at inception.

At the end of each reporting period, the Group reviews receivables for evidence of impairment on both individual and collective basis. Based on the Group's assessment (note 38.2), the loss allowance of ECLs was immaterial and no loss allowance was recognised at 31 March 2023 and 2024. Also, the Group has determined that none of the trade debtors were individually impaired (2023: Nil).

As a result, no loss allowance for ECLs was recognised during the year (2023: Nil).

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

22. DEBTORS, DEPOSITS AND PREPAYMENTS (Continued)

Notes: (Continued)

(i) Trade debtors (Continued)

At 31 March, the ageing analysis of trade debtors, based on invoice date, was as follows:

	2024 HK\$'000	2023 HK\$'000
Within 30 days	7,742	918
31–90 days	272	152
More than 90 days	33	—
	<u>8,047</u>	<u>1,070</u>

(ii) Other receivables

The management of the Group considered that the fair values of other receivables are not materially different from their carrying amounts because these amounts have short maturity periods at inception.

(iii) Other receivables from a bank

The receivables represent the deposits repayable from a bank upon the expiry of the certain financial instrument contracts recognised as financial assets at FVTPL. According to the terms of the financial instrument contract, the repayment would be deposited to the Group after fifth business days upon its expiry. These receivables were fully settled during the year ended 31 March 2024.

23. INVENTORIES

	2024 HK\$'000	2023 HK\$'000
Jewellery	227,944	232,071
Gold ornament	56,949	58,212
Gold bullion	2,175	5,198
Watch and gift	127,911	91,898
	<u>414,979</u>	<u>387,379</u>

As at 31 March 2024, the fair value less costs to sell of gold bullion was approximately HK\$2,175,000 (2023: HK\$5,198,000).

24. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 HK\$'000	2023 HK\$'000
Equity securities		
Listed in Hong Kong	<u>146</u>	<u>173</u>

The above investments are classified as held for trading.

Fair values of the listed equity securities have been determined by reference to their quoted bid prices at the end of reporting period.

Movements in investments at FVTPL are presented within the section of operating activities as part of changes in working capital in the consolidated statement of cash flows.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

24. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Changes in fair value of investments at FVTPL are recorded in other operating income and expenses in the consolidated statement of profit or loss and other comprehensive income.

These investments are subject to financial risk exposure in terms of price risk.

25. TIME DEPOSITS

	2024 HK\$'000	2023 HK\$'000
Time deposits with original maturity over 3 months	<u>193,299</u>	<u>71,151</u>

The effective interest rates on the time deposits with original maturity over 3 months were ranged from 4.3% to 5.5% (2023: 4.9% to 5.7%) per annum. These deposits had a maturity period of 122 to 185 days (2023: 364 to 365 days).

The management of the Group considered that the fair value of the time deposits is not materially different from its carrying amount because of the amortisation of effective interest reflecting the time value of money.

26. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

	2024 HK\$'000	2023 HK\$'000
Cash at banks and in hand	20,935	38,256
Cash at a financial institution	357	370
Short term bank deposits	<u>209,939</u>	<u>262,434</u>
	<u>231,231</u>	<u>301,060</u>

The cash balances at banks and financial institution bore interest at floating rates based on daily bank deposit rates.

The effective interest rates of short term bank deposits as at 31 March 2024 were ranged from 4.30% to 5.57% (2023: 3.28% to 5.08%) per annum. These deposits had original maturity period within 3 months (2023: 3 months) and were eligible for immediate cancellation without receiving any interest for the last deposit period.

The management of the Group considered that the fair value of the short term bank deposits is not materially different from its carrying amount because of the short maturity period at inception.

Included in cash and cash equivalents of the Group were balances of HK\$492,000 (2023: HK\$1,043,000) denominated in Renminbi ("RMB") placed with banks in the PRC. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

27. TRADE PAYABLES, DEPOSITS RECEIVED AND OTHER PAYABLES

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
Trade payables	(i)	17,732	9,690
Other payables		2,666	2,214
Accruals and provisions		18,389	16,540
Contract liabilities	(ii)	3,720	2,823
Deposits received		16,142	15,092
		<u>58,649</u>	<u>46,359</u>

Trade payables, other payables and accruals and provisions are short term in nature and hence their carrying values are considered to be a reasonable approximation of their fair values.

Notes:

(i) Trade payables

At 31 March, the ageing analysis of trade payables, based on invoice date, was as follows:

	2024 HK\$'000	2023 HK\$'000
Within 30 days	17,257	9,629
31–90 days	475	60
More than 90 days	—	1
	<u>17,732</u>	<u>9,690</u>

(ii) Contract liabilities

Movements in contract liabilities are as follows:

	2024 HK\$'000	2023 HK\$'000
At the beginning of the year	2,823	2,742
Decrease as a result of recognising revenue during the year	(1,368)	(1,217)
Increase as a result of receiving deposits from customers	399	498
Increase as a result of recognising of loyalty program due to customers	1,866	800
	<u>3,720</u>	<u>2,823</u>

The contract liabilities mainly relate to the advance consideration received from customers and the Group's customer loyalty program. Contract liabilities of HK\$1,368,000 (2023: HK\$1,217,000) at the beginning of the year has been recognised as revenue for the year ended 31 March 2024 from performance obligations satisfied when the goods were sold during the year.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

27. TRADE PAYABLES, DEPOSITS RECEIVED AND OTHER PAYABLES (Continued)

Notes: (Continued)

(ii) Contract liabilities (Continued)

As at 31 March 2023 and 2024, the aggregated amount of unsatisfied or partially unsatisfied performance obligations under the Group's existing contracts was approximately HK\$3,720,000 (2023: HK\$2,823,000). This amount represents revenue expected to be recognised in the future when such performance obligation is satisfied, which is expected to occur in the next 12 to 24 months.

The customer loyalty points have an expiration up to 2 years and can be redeemed anytime at customers' discretion. The amounts disclosed above represent the Group's expectation on the timing of redemption made by customers. These amounts disclosed above do not include transaction price allocated to performance obligations which have been satisfied but not yet recognised due to variable consideration constraint.

28. GOLD LOAN

	2024 HK\$'000	2023 HK\$'000
Gold loan, unsecured, at fair value		
Repayable within 1 year	<u>58,109</u>	<u>—</u>

At 31 March 2024, gold loan was denominated at United States Dollars ("US\$") and bore interest at fixed rate of 2.0% per annum, which was the effective interest rate.

Fair value of the gold loan has been determined by reference to its quoted bid price at the end of the reporting period.

Corporate guarantees are given by the Company for the Group's banking facilities, including the gold loan.

Gold loan is subject to financial risk exposure in terms of price risk and foreign currency risk.

29. PROVISION FOR LONG SERVICE PAYMENTS

	2024 HK\$'000	2023 HK\$'000
At the beginning of the year	66	55
Provision	2,044	33
Reversal	(19)	(13)
Payment	<u>(91)</u>	<u>(9)</u>
At the end of the year	<u>2,000</u>	<u>66</u>

At 31 March 2023 and 2024, the balances represent the provision for entitlements of the Group's employees to LSP on termination of their employment, which are not fully covered by the Group's provident fund schemes.

Pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay LSP to qualifying employees in Hong Kong upon retirement, subject to a minimum of 5 years employment period, based on the following formula:

Last monthly wages (before termination of employment) \times 2/3 \times Years of service

Last monthly wages are capped at HK\$22,500 while the amount of LSP shall not exceed HK\$390,000. This obligation is accounted for as a post-employment defined benefit plan.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

31. RESERVES

The amount 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.

The capital reserve account of the Group includes negative goodwill arising on acquisitions of subsidiaries before 1 April 2001 which represented the excess of the fair value of the Group's share of the net assets acquired over the cost of the acquisitions.

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of profit before taxation to operating profit before working capital changes is as follows:

	2024 HK\$'000	2023 HK\$'000
Profit before taxation	82,591	79,452
Depreciation of investment properties	72	72
Depreciation of property, plant and equipment	4,006	6,221
Depreciation of right-of-use assets	30,763	45,103
Dividend income	(35)	(57)
Fair value change of investments at fair value through profit or loss	27	(22)
Fair value loss on gold loan designated at fair value through profit and loss	8,158	—
Gain on release of exchange reserve upon liquidation of a subsidiary	(2,319)	—
Interest charges	4,149	3,327
Interest income	(17,717)	(8,671)
Loss arising from termination of a lease	17	—
Loss on write off/disposal of property, plant and equipment	17	73
Provision for and write down of inventories to net realisable value	7,894	14,869
Provision for impairment loss on property, plant and equipment	—	7,774
Provision for impairment loss on right-of-use assets	8,831	7,317
Provision for long service payments	2,044	33
Reversal of provision for long service payments	(19)	(13)
	<u>128,479</u>	<u>155,478</u>
Operating profit before working capital changes	<u>128,479</u>	<u>155,478</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities HK\$'000	Gold loan HK\$'000	Interest payables HK\$'000	Dividend payables HK\$'000	Total HK\$'000
As at 1 April 2022	71,041	44,045	384	—	115,470
Changes from cash flows:					
Repayment of gold loan	—	(39,971)	—	—	(39,971)
Payment of principal element of lease liabilities	(52,947)	—	—	—	(52,947)
Interest paid on gold loan	—	—	(1,020)	—	(1,020)
Payment of interest element of lease liabilities	(2,691)	—	—	—	(2,691)
Dividends paid	—	—	—	(18,209)	(18,209)
Total changes from cash flows	(55,638)	(39,971)	(1,020)	(18,209)	(114,838)
Other non-cash flow changes:					
Additions	10,277	—	—	—	10,277
Lease modification	12,411	—	—	—	12,411
Change in fair value of gold loan	—	(4,074)	—	—	(4,074)
Interest incurred	2,691	—	636	—	3,327
Dividends declared	—	—	—	18,209	18,209
Total other non-cash flow changes	25,379	(4,074)	636	18,209	40,150
As at 31 March 2023	40,782	—	—	—	40,782
As at 1 April 2023	40,782	—	—	—	40,782
Changes from cash flows:					
Proceeds from gold loan	—	52,797	—	—	52,797
Repayment of gold loan	—	(2,846)	—	—	(2,846)
Payment of principal element of lease liabilities	(43,715)	—	—	—	(43,715)
Interest paid on gold loan	—	—	(600)	—	(600)
Payment of interest element of lease liabilities	(3,459)	—	—	—	(3,459)
Dividends paid	—	—	—	(94,228)	(94,228)
Total changes from cash flows	(47,174)	49,951	(600)	(94,228)	(92,051)
Other non-cash flow changes:					
Additions	10,550	—	—	—	10,550
Lease modification	35,656	—	—	—	35,656
Loss arising from termination of a lease	1	—	—	—	1
Change in fair value of gold loan	—	8,158	—	—	8,158
Interest incurred	3,459	—	690	—	4,149
Dividends declared	—	—	—	94,568	94,568
Total other non-cash flow changes	49,666	8,158	690	94,568	153,082
As at 31 March 2024	43,274	58,109	90	340	101,813

Interest payables and dividend payables are included in trade payables, deposits received and other payables presented in the consolidated statement of financial position.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

33. FUTURE OPERATING LEASE RECEIVABLES

At 31 March, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases in respect of investment properties are as follows:

	2024 HK\$'000	2023 HK\$'000
Within 1 year	840	1,279
After 1 year but within 2 years	676	789
After 2 years but within 3 years	—	630
	<u>1,516</u>	<u>2,698</u>

The Group leases out its investment properties under operating lease arrangements which run for an initial period of 2 to 3 years (2023: 1 to 3 years), with option for tenants to renew the lease term at the expiry date.

34. RELATED PARTY TRANSACTIONS

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

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
Management fees and air-conditioning charges paid to Stanwick	<i>(i)</i>	1,096	1,096
Sale of goods to:	<i>(ii)</i>		
Directors		1,035	2,086
YCSEL		2	2
Entities in which certain directors* of the Company have beneficial interests:	<i>(iii)</i>		
Purchase of consumables		121	—
Purchase of equipment		45	—
Car parking fee		17	—
		<u>1,516</u>	<u>2,698</u>

* Some directors also have beneficial interests in the Company.

Notes:

- (i) The Group has entered into a number of lease agreements with Stanwick for the use of properties relating to the Basement and Ground Floor, Mezzanine Floor, 3rd (including a flat roof), 5th, 7th, 8th, 9th and 10th Floors of King Fook Building, 30-32 Des Voeux Road Central, Hong Kong and furniture and equipment. In addition to the management fees and air-conditioning charges paid to Stanwick as disclosed, as at 31 March 2024, the Group had recognised lease liabilities and right-of-use assets of approximately HK\$3,836,000 (2023: HK\$14,849,000) and HK\$1,811,000 (2023: HK\$6,657,000) for the lease payments of those leases respectively. Total undiscounted lease payments under these lease agreements were approximately HK\$11,789,000 (2023: HK\$10,765,000) during the year. Stanwick is a wholly owned subsidiary of YCSEL, the ultimate holding company of the Group. Mr. Wong Wei Ping, Martin, a director of the Company, is the husband of a shareholder and director of YCSEL. These related party transactions were entered into on normal commercial terms.
- (ii) It represents sale of gold ornament, jewellery and watch items net of sale discounts to both the directors of the Company and YCSEL for the year. The transactions were carried out on normal commercial terms in the ordinary course of business.
- (iii) These related party transactions were entered into on normal commercial terms.



Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

34. RELATED PARTY TRANSACTIONS (Continued)

(b) Compensation of key management personnel

The remuneration of directors of the Company (executive and non-executive) and other members of key management during the year was as follows:

	2024 HK\$'000	2023 HK\$'000
Salaries, allowances and benefits in kind	18,563	17,157
Pension costs — defined contribution retirement schemes	<u>191</u>	<u>187</u>
	<u>18,754</u>	<u>17,344</u>



Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	<i>Notes</i>	As at 31 March 2024 HK\$'000	As at 31 March 2023 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		727	806
Right-of-use assets		1,411	3,810
Investments in subsidiaries		22,023	22,023
		<u>24,161</u>	<u>26,639</u>
Current assets			
Debtors, deposits and prepayments		3,053	2,227
Amounts due from subsidiaries		396,298	394,874
Time deposits		157,850	—
Cash and cash equivalents		66,831	230,223
		<u>624,032</u>	<u>627,324</u>
Current liabilities			
Creditors, deposits received and accruals		13,576	11,863
Amounts due to subsidiaries		64,994	66,933
Lease liabilities		1,038	2,780
		<u>79,608</u>	<u>81,576</u>
Net current assets		<u>544,424</u>	<u>545,748</u>
Non-current liabilities			
Provision for long service payments		1,017	—
Lease liabilities		448	1,486
		<u>1,465</u>	<u>1,486</u>
Net assets		<u>567,120</u>	<u>570,901</u>
CAPITAL AND RESERVES			
Share capital	30	393,354	393,354
Retained profits	36	173,766	177,547
		<u>567,120</u>	<u>570,901</u>

The statement of financial position of the Company was approved and authorised for issue by the Board of Directors on 17 June 2024 and was signed by:

Tang Yat Sun, Richard
Chairman

Fung Yuk Bun, Patrick
Director

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

36. RETAINED PROFITS OF THE COMPANY

The movement of retained profits of the Company is as follows:

	HK\$'000
At 1 April 2022	193,321
Profit for the year	3,370
2021/22 final dividend	(14,570)
2022/23 interim dividend	(3,639)
Repurchase of ordinary shares	(935)
	<u>177,547</u>
At 31 March 2023	<u>177,547</u>
At 1 April 2023	177,547
Profit for the year	90,816
2022/23 final dividend	(18,186)
2022/23 special dividend	(72,745)
2023/24 interim dividend	(3,637)
Repurchase of ordinary shares	(29)
	<u>173,766</u>

37. SUBSIDIARIES

Details of subsidiaries as at 31 March 2024 are as follows:

Name	Place/country of incorporation	Particulars of issued capital/registered capital	Percentage of issued capital/registered capital held by		Place of operation and principal activities
			Group	Company	
Guangzhou Free Trade Zone King Fook Gold & Jewellery Company Limited*	PRC	US\$1,000,000	100	100	Dormant
King Fook China Resources Limited	Hong Kong	2 ordinary shares of HK\$20	100	100	Investment holding in Hong Kong
King Fook Gold & Jewellery Company Limited	Hong Kong	546,750 ordinary shares of HK\$54,675,000	100	100	Investment holding and trading in Hong Kong
King Fook Investment Company Limited	Hong Kong	2,500,000 ordinary shares of HK\$2,500,000	100	100	Investment holding in Hong Kong
King Fook Jewellery Group Limited	Hong Kong	600,000 ordinary shares of HK\$60,000,000	100	100	Gold ornament, jewellery, watch and gift retailing and bullion trading in Hong Kong
King Fook Jewellery Macau Limited	Macau	Macau Patacas 25,000	100	—	Dormant
King Shing Bullion Traders & Finance Company Limited	Hong Kong	60,000 ordinary shares of HK\$6,000,000	100	—	Dormant

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

37. SUBSIDIARIES (Continued)

Name	Place/country of incorporation	Particulars of issued capital/registered capital	Percentage of issued capital/registered capital held by		Place of operation and principal activities
			Group	Company	
King Fook Jewellery (China) Company Limited*	PRC	RMB68,000,000	100	—	Gold ornament, jewellery, watch and diamond retailing and wholesaling in the PRC
King Fook (Shanghai) International Trading Limited**	PRC	US\$200,000	100	—	Gold ornament, jewellery and watch wholesaling in the PRC
Polyview International Limited	Hong Kong	2 ordinary shares of HK\$2	100	100	Investment holding in Hong Kong
Trade Vantage Holdings Limited	Hong Kong	2 ordinary shares of HK\$2	100	—	Investment trading in Hong Kong
Young's Diamond Corporation (International) Limited	Hong Kong	100,000 ordinary shares of HK\$10,000,000	99.05	99.05	Diamond wholesaling in Hong Kong
Young's Diamond Factory Limited	Hong Kong	2,000 ordinary shares of US\$20,000	99.05	—	Dormant
Young's Diamond Corporation (Shanghai) Limited **	PRC	RMB1,855,456	100	89.22	Diamond wholesaling in the PRC

Notes:

The names of these subsidiaries represent management's translation of the Chinese names of these companies as no English names have been registered.

* Subsidiaries are wholly foreign owned enterprises in the PRC.

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and investment activities. The financial risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the Group's financial performance. The board of directors of the Company meets periodically to analyse and formulate strategies to manage the Group's exposure to financial risks. Generally, the Group utilises conservative strategies on its risk management. Except as disclosed in note 38.5 about the commodity price risk, the Group has not used any derivatives or other instruments for hedging purposes. The Group does not issue derivative financial instruments for trading purposes. The most significant financial risks to which the Group is exposed are described below.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

38.1 Categories of financial assets and liabilities

The carrying amounts presented in the consolidated statement of financial position relate to the following categories of financial assets and financial liabilities:

	2024 HK\$'000	2023 HK\$'000
Non-current assets		
Investments at fair value through other comprehensive income	706	326
Financial asset at amortised cost		
Deposits	7,148	6,751
	<u>7,854</u>	<u>7,077</u>
Current assets		
Investments at fair value through profit or loss	146	173
Financial assets at amortised cost		
Trade debtors	8,047	1,070
Other receivables	5,198	41,538
Deposits	7,912	13,274
Time deposits	193,299	71,151
Cash and cash equivalents	231,231	301,060
	<u>445,833</u>	<u>428,266</u>
	<u>453,687</u>	<u>435,343</u>
Non-current liability		
Lease liabilities	12,274	12,193
Current liabilities		
Financial liability at fair value through profit or loss		
Gold loan	58,109	—
Financial liabilities at amortised cost		
Trade payables	17,732	9,690
Other payables and accruals and provisions	18,764	17,443
Lease liabilities	31,000	28,589
	<u>125,605</u>	<u>55,722</u>
	<u>137,879</u>	<u>67,915</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

38.2 Credit risk

Credit risk refers to the risk that the counterparties to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of operations and its investing activities.

In order to minimise the credit risk, the management of the Group reviews the recoverable amount of each individual debt periodically and at the end of each reporting period to ensure that adequate impairment loss is made for irrecoverable amounts. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced. The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

The Group measures loss allowances for trade debtors at an amount equal to lifetime ECLs, which is assessed based on individual and collective basis. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The Group determines the expected loss rate for its trade debtors as follows:

	2024	2023
Current	0.1%	0.2%
Past due 90 days or less	2.2%	2.2%
Past due for over 90 days and less than 1 year	2.2%	—

The Group has assessed that the loss allowance of ECLs was immaterial as at 31 March 2023 and 2024. Accordingly, no loss allowance for trade debtors was recognised as at 31 March 2023 and 2024. There is no significant change in the estimation techniques or significant assumptions made.

Expected loss rate is based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables and the forward looking information.

In respect of short term bank deposits and cash at banks and financial institution balances, the credit risk is limited because majority of the deposits are placed with reputable banks and financial institution.

The credit risks for other receivables and deposits of the Group are considered insignificant as the counterparties have a low risk of default. The Group assessed that the loss allowance of ECLs for the balances are immaterial under the 12 months ECLs method. Accordingly, no loss allowance was recognised as at 31 March 2023 and 2024.

The Group does not hold any collateral as security or other credit enhancements over the financial assets.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities.

Details of Group's maximum exposures to credit risk on trade debtors, other receivables and deposits refer to note 22.

The credit policies have been consistently applied by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

38.3 Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Most of the Group's transactions are carried out in HK\$. Exposures to currency exchange rates arise from the Group's cash and cash equivalents, which are denominated in Swiss Franc ("CHF"), Euro ("EUR"), RMB and US\$ and time deposit, other receivables from a bank and gold loan (note 28), which are denominated in US\$.

Details of financial assets and liability denominated in foreign currencies as at 31 March, translated into HK\$ equivalents at the closing rate, are as follows:

	CHF HK\$'000	EUR HK\$'000	RMB HK\$'000	US\$ HK\$'000
2024				
Financial assets				
Time deposit	—	—	—	53,380
Cash and cash equivalents	320	61	14	58,432
Financial liability				
Gold loan	—	—	—	(58,109)
Net exposure	320	61	14	53,703
2023				
Financial assets				
Cash and cash equivalents	325	8	15	25,005
Other receivables from a bank	—	—	—	35,969
Net exposure	325	8	15	60,974

The Group reviews its foreign currency exposures regularly and does not consider its foreign currency risk to be significant as the US\$ is pegged with the HK\$. However, the Group would consider hedging of its foreign currency exposures if its foreign currency risk becomes significant.

The policies to manage foreign currency risk have been followed by the Group since prior years and are considered to be effective.

A reasonable change in CHF, EUR, RMB and US\$ rates in the next 12 months is assessed to result in an immaterial change in the Group's profit after tax, retained profits and other components of capital and reserves. The Group adopts centralised treasury policies in cash and financial management and focuses on reducing the Group's overall exchange differences.



Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

38.4 Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to changes in market interest rates through its cash at banks at floating interest rates and short term bank deposits, time deposits, bullion contracts and gold loan at fixed interest rates. Short term bank deposits, time deposits, bullion contracts and gold loan issued at fixed interest rates and lease liabilities exposes the Group to fair value interest rate risk. The interest rates and terms of gold loan are disclosed in note 28.

The Group's policy is to manage its interest rate risk, working within an agreed framework, to ensure that there are no undue exposures to significant interest rate movements and rates are approximately fixed when necessary.

The policies to manage interest rate risk have been followed by the Group since prior years and are considered to be effective.

The Group's maximum exposure to interest rate risk on cash at banks bear variable interest rates amounted to approximately HK\$231,231,000 (2023: HK\$301,060,000). The Group's short term bank deposits, time deposits, bullion contracts and gold loan were short term in nature, any change in the interest rate from time to time is not considered to have significant impact to the Group's financial performance.

The Group adopts centralised treasury policies in cash and financial management and focuses on reducing the Group's overall interest charge and maximising the interest income.

38.5 Price risk

Price risk relates to the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market prices (other than changes in interest rates and foreign exchange rates).

Equity price risk

The Group is exposed to equity price changes arising from equity investments classified as investments at FVTPL and at FVTOCI. Other than unlisted securities, all of these investments are listed.

The Group's listed investments are primarily listed on the Stock Exchange. The policies to manage equity price risk have been followed by the Group since prior years and are considered to be effective.

A reasonable change in equity price in the next 12 months is assessed to result in an immaterial change in the Group's profit after tax and retained profits. Changes in equity price have no impact on the Group's other components of capital and reserves.

The Group adopts centralised treasury policies in cash and financial management and focuses on reducing the Group's overall exposure to fair value change.



Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

38.5 Price risk (Continued)

Commodity price risk

The Group is engaged in the gold ornament retailing and gold bullion trading. The bullion market is influenced by global as well as regional supply. In order to mitigate potential commodity price risk, the Group entered into certain financial instruments, including gold loan (note 28) and bullion contracts, with reputable banks to reduce its exposure to fluctuation in the bullion prices on gold stocks. Since the amounts of gold stocks is close to the level of gold loan and the bullion contracts, there is offsetting effect on price fluctuation, the management of the Group does not expect that there will be any significant commodity price risk exposure. The level of these bullion contracts are not expected to exceed the Group's future needs. The above financial instruments did not meet the criteria for hedge accounting.

The policies to manage commodity price risk are considered to be effective.

38.6 Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. The Group is exposed to liquidity risk in respect of settlement of trade payables, other payables, accruals and provisions, gold loan and lease liabilities, and also in respect of its cash flow management.

The Group's policy is to maintain sufficient cash and cash equivalents and have available funding to meet its working capital requirements. The Group's liquidity is dependent upon the cash received from its customers. The management of the Group is satisfied that the Group will be able to meet in full its financial obligations as and when they fall due in the foreseeable future.

At 31 March, the Group's financial liabilities have contractual maturities, which are based on contractual undiscounted cash flows, as set out below:

	On demand HK\$'000	Within 6 months HK\$'000	6 to 12 months HK\$'000	After 1 year but within 2 years HK\$'000	After 2 years but within 5 years HK\$'000	Total HK\$'000	Carrying amount HK\$'000
2024							
Trade payables	15,187	2,545	—	—	—	17,732	17,732
Other payables	1,196	1,470	—	—	—	2,666	2,666
Accruals and provisions	1,459	14,516	123	—	—	16,098	16,098
Gold loan	—	58,116	—	—	—	58,116	58,109
Lease liabilities	—	19,352	13,685	10,190	2,630	45,857	43,274
	<u>17,842</u>	<u>95,999</u>	<u>13,808</u>	<u>10,190</u>	<u>2,630</u>	<u>140,469</u>	<u>137,879</u>
2023							
Trade payables	6,066	3,624	—	—	—	9,690	9,690
Other payables	2,035	179	—	—	—	2,214	2,214
Accruals and provisions	2,618	12,497	114	—	—	15,229	15,229
Lease liabilities	—	18,496	11,655	10,023	2,557	42,731	40,782
	<u>10,719</u>	<u>34,796</u>	<u>11,769</u>	<u>10,023</u>	<u>2,557</u>	<u>69,864</u>	<u>67,915</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

38.7 Fair value measurements

At the end of the reporting period, the financial assets and liability measured at fair value in the consolidated statement of financial position are set out as follows:

Notes	2024				2023			
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Financial asset at fair value through profit or loss								
Investments at fair value through profit or loss								
— Listed equity securities (i)	<u>146</u>	<u>—</u>	<u>—</u>	<u>146</u>	<u>173</u>	<u>—</u>	<u>—</u>	<u>173</u>
Financial asset at fair value through other comprehensive income								
Investments at fair value through other comprehensive income								
— Unlisted equity securities (iii)	<u>—</u>	<u>—</u>	<u>706</u>	<u>706</u>	<u>—</u>	<u>—</u>	<u>326</u>	<u>326</u>
Financial liability at fair value through profit or loss								
Gold loan (ii)								
	<u>—</u>	<u>58,109</u>	<u>—</u>	<u>58,109</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

The Group followed HKFRS 13, *Fair Value Measurement*, which introduces a 3 level hierarchy for fair value measurement disclosures and additional disclosures about the relative reliability of fair value measurements.

The hierarchy groups financial assets and liability into 3 levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liability. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical asset or liability;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes:

- (i) At the end of each reporting period, the listed equity securities are measured subsequent to initial recognition at fair value, grouped into Level 1 based on the degree to which the fair value is observable. Level 1 fair value measurements are those quoted prices (unadjusted) in active markets for identical asset or liability.
- (ii) At the end of each reporting period, the gold loan is measured subsequent to initial recognition at fair value, grouped into Level 2 based on the degree to which the fair value is observable. The fair value is determined using discounted cash flow valuation technique reference to quoted market bid price of gold traded in active liquid markets as a key input.

For the years ended 31 March 2023 and 2024, there were no significant changes in the credit spread of the Group and therefore the amounts of changes in fair value of the financial liabilities arising from changes in the credit risk and the accumulated amounts as at the end of the respective years were not significant. The changes in fair value of the financial liabilities were mainly attributable to changes in commodity price.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

38.7 Fair value measurements (Continued)

Notes: (Continued)

- (iii) At the end of each reporting period, the unlisted equity securities are measured subsequent to initial recognition at fair value, grouped into Level 3 based on the degree to which the inputs for the fair value is unobservable. The fair value measurements of unlisted equity securities are determined by the directors of the Company.

Movement of financial assets grouped into Level 3 is as follows:

Unlisted equity securities	2024 HK\$'000	2023 HK\$'000
At the beginning of the year	326	771
Fair value change recognised in other comprehensive income	380	(445)
At the end of the year	706	326

The valuations are determined based on the following significant unobservable inputs:

Financial assets	Valuation technique	Significant unobservable inputs	Range/value	Sensitivity of fair value to the input
Unlisted equity securities with carrying amounts of HK\$9,000 (2023: HK\$13,000) as at 31 March 2024	Market approach	Price-to-book multiple ("P/B multiple")	0.14 to 2.18 (2023: 0.22 to 0.85)	The fair values of unlisted equity securities are determined with reference to multiples of comparable listed companies, using the average of the P/B multiple of comparable. The fair value measurement should be positively correlated to the P/B multiple. Had the highest P/B multiple among the comparable been used as at 31 March 2024, the fair value would have increased by HK\$20,000. Had the lowest P/B multiple among the comparable been used as at 31 March 2024, the fair value would have decreased by HK\$7,000.
		Discount for lack of marketability ("DLOM")	24.2% (2023: 24.2%)	The fair values of unlisted equity securities are also determined with reference to DLOM. The fair value measurement should be negatively correlated to the DLOM. Had the DLOM decreased by 5% as at 31 March 2024, the fair value would have increased by HK\$1,000. Had the DLOM increased by 5% as at 31 March 2024, the fair value would have decreased by HK\$1,000.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

38.7 Fair value measurements (Continued)

Notes: (Continued)

(iii) (Continued)

Financial assets	Valuation technique	Significant unobservable inputs	Range/value	Sensitivity of fair value to the input
Unlisted equity securities with carrying amounts of HK\$697,000 (2023: HK\$313,000) as at 31 March 2024	Market approach	Enterprise value-to-earnings before interest, taxes, depreciation and amortisation multiple ("EV/EBITDA multiple")	16.72 to 75.23 (2023: 17.30 to 37.01)	The fair values of unlisted equity securities are determined with reference to multiples of comparable listed companies, using the average of the EV/EBITDA multiple of comparable. The fair value measurement should be positively correlated to the EV/EBITDA multiple. Had the highest EV/EBITDA multiple among the comparable been used as at 31 March 2024, the fair value would have increased by HK\$106,000. Had the lowest EV/EBITDA multiple among the comparable been used as at 31 March 2024, the fair value would have decreased by HK\$105,000.
		DLOM	24.2% (2023: 24.2%)	The fair values of unlisted equity securities are also determined with reference to DLOM. The fair value measurement should be negatively correlated to the DLOM. Had the DLOM decreased by 5% as at 31 March 2024, the fair value would have increased by HK\$46,000. Had the DLOM increased by 5% as at 31 March 2024, the fair value would have decreased by HK\$46,000.

There have been no transfers between levels in the reporting period.



Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2024

39. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's capital management objectives are:

- (i) to ensure the Group's ability to continue as a going concern; and
- (ii) to provide an adequate return to shareholders.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The equity capital-to-overall financing ratio at the end of reporting period was as follows:

	2024 HK\$'000	2023 HK\$'000
Equity capital		
Total capital and reserves	<u>755,284</u>	<u>766,977</u>
Overall financing		
Gold loan	58,109	—
Lease liabilities	<u>43,274</u>	<u>40,782</u>
	<u>101,383</u>	<u>40,782</u>
Equity capital-to-overall financing ratio	<u>7.45 : 1</u>	<u>18.81 : 1</u>

40. EVENT AFTER THE REPORTING PERIOD

Subsequent to the reporting period, the Group entered into a lease agreement for the use of a new retail store at Harbour City with a term of 3 years at the total lease payment of HK\$11,651,000.





Summary of Investment Properties

Description	Lot No.	Saleable Floor Area (sq. feet)	Interest Attributable to The Group	Type	Lease Term
Unit H, 3rd Floor, Kaiser Estate 2nd Phase, Nos. 47-53 Man Yue Street & Nos. 20-28 Man Lok Street, Hunghom, Kowloon, Hong Kong	The remaining portion of section H of Kowloon Marine Lot No. 40	4,436	99.05%	C	Medium
Unit K, 3rd Floor, Kaiser Estate 2nd Phase, Nos. 47-53 Man Yue Street & Nos. 20-28 Man Lok Street, Hunghom, Kowloon, Hong Kong	The remaining portion of section H of Kowloon Marine Lot No. 40	5,316	99.05%	C	Medium
Private Car Parking Space Nos. G10 & G33 on Ground Floor, Kaiser Estate 2nd Phase, Nos. 47-53 Man Yue Street & Nos. 20-28 Man Lok Street, Hunghom, Kowloon, Hong Kong	The remaining portion of section H of Kowloon Marine Lot No. 40	N/A	99.05%	CP	Medium

C: Commercial

CP: Car park

N/A: Not applicable





Five Year Financial Summary

	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
Assets and liabilities					
Total assets	917,316	854,184	863,288	821,409	818,799
Total liabilities	162,032	87,207	155,602	160,770	183,305
Current assets/current liabilities (times)	5.85	10.90	5.78	6.55	6.30
Capital and reserves					
Capital and reserves	755,284	766,977	707,686	660,639	635,494
Capital and reserves per share (HK\$)	0.83	0.84	0.78	0.72	0.70
Total assets/capital and reserves (times)	1.21	1.11	1.22	1.24	1.29
Profit					
Profit before taxation	82,591	79,452	60,040	28,610	5,799
Profit attributable to owners	85,205	79,466	60,050	28,615	5,692
Earnings per share (HK cents)	9.37	8.73	6.59	3.13	0.62
Return on average total assets	9.6%	9.3%	7.1%	3.5%	0.8%
Return on average capital and reserves	11.2%	10.8%	8.8%	4.4%	0.9%
Dividends					
Dividends declared	27,279	94,569	18,217	9,117	1,827
Dividend per share (HK cents)	3.00	10.40	2.00	1.00	0.20
Dividend payout ratio	32.0%	119.0%	30.3%	31.9%	32.1%



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king fook jewellery

STENZHORN

PALMIERO



ANNAMARIA
CAMMILLI
FIRENZE



MATTIA CIELO



masterpiece
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