

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their report together with the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2022.

Principal Activities and Segment Analysis of Operations

The principal activity of the Company is investment holding. The principal activities of the principal subsidiaries are set out in note 30 to the consolidated financial statements.

An analysis of the Group's turnover and results for the year by business segments is set out in note 3 to the consolidated financial statements.

Business Review

A fair review of the Group's business is provided in the MD&A section (pages 31 to 39). Description of the principal risks and uncertainties facing the Group can be found under Our Strategy (page 15) and the ERM report (pages 76 to 81). No important event affecting the Group has occurred since the end of the financial year under review. The outlook of the Group's business is discussed under Our Strategy (pages 14 to 15) and the MD&A section (pages 39 to 43). Certain financial key performance indicators which complement and supplement our financial disclosures are set out on pages 22 to 24. An account of the Company's relationships with its stakeholders are set out under Our Strategy (pages 10 to 15). More details regarding the relationship with our employees and discussions on the Group's environmental policies and performance are included in the ESG report. To the extent necessary for an understanding of the development, performance or position of the Company's business, discussions on the Company's compliance with the relevant laws and regulations that have a significant impact on the Company are set out in the CG report.

The above sections form part of the report of the directors.

Results and Appropriations

The results for the year are set out in the consolidated income statement on page 148.

The Board has resolved not to pay any interim dividend for the six months ended 30 September 2021 (2021: Nil). The Board has not recommended the payment of any final dividend for the year ended 31 March 2022 (2021: Nil).

Dividend Policy

The Company has a policy on the payment of dividends, which is set out in the Corporate Governance report on page 75.

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last ten financial years is set out on pages 22 to 24 of this Annual Report.

Major Customers and Suppliers

During the year, the percentage of purchases attributable to the Group's five largest suppliers combined and the percentage of sales attributable to the Group's five largest customers combined were both less than 30% of the Group's respective purchases and sales for the year.

Reserves

Details of the movements in reserves of the Group and the Company during the year are set out in notes 26 and 31 to the consolidated financial statements.

Property, Plant and Equipment

Details of the movements in property, plant and equipment of the Group during the year are set out in note 13 to the consolidated financial statements.

Share Capital

Details of the movements in share capital of the Company during the year are set out in note 25 to the consolidated financial statements.

Equity-linked Agreements

Save for the Share Option Schemes as set out on pages 129 to 135 of this Annual Report, there was no equity-linked agreement entered into by the Company during the year or subsisted at the end of the year.

Share Options

Share Option Schemes

- **2002 Share Option Scheme**

A share option scheme was approved by the Shareholders at the AGM held on 29 August 2002 (the "2002 Share Option Scheme"). The 2002 Share Option Scheme was terminated and a new share option scheme was adopted pursuant to resolutions passed by the Shareholders on 23 August 2012 (the "2012 Share Option Scheme"). The 2012 Share Option Scheme became unconditional and effective on 27 August 2012. Upon termination of the 2002 Share Option Scheme, no further options could be granted under it but its provisions continued to govern options granted under this scheme up to and including 23 August 2012. A summary of the 2002 Share Option Scheme is set out below:

(a) **Purpose**

To provide Participants (as defined below) with the opportunity to acquire proprietary interests in the Company and to encourage Participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole.

(b) **Participants**

Any directors (including executive, non-executive and independent non-executive directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any members of the Group who the Board or a duly authorised committee thereof considers, in its sole discretion, to have contributed to the Group.

(c) **Total number of shares available for issue**

- The maximum number of Shares in respect of which options may be granted under the 2002 Share Option Scheme shall not (when aggregated with any Shares subject to any other share option scheme(s) of the Company) exceed 10% of the issued share capital of the Company on 29 August 2002, the date on which the 2002 Share Option Scheme was adopted (the "2002 Scheme Mandate Limit"). Options lapsed in accordance with the terms of the 2002 Share Option Scheme will not be counted for the purpose of calculating the 2002 Scheme Mandate Limit.
- The 2002 Scheme Mandate Limit may be renewed at any time subject to prior Shareholders' approval but in any event shall not exceed 10% of the issued share capital of the Company as at the date of approval of the renewal of the 2002 Scheme Mandate Limit. Options previously granted under the 2002 Share Option Scheme or any other share option schemes (including those outstanding, cancelled, lapsed in accordance with the terms or exercised options) will not be counted for the purpose of calculating the refreshed 2002 Scheme Mandate Limit.
- The maximum number of Shares in respect of which options may be granted to grantees under the 2002 Share Option Scheme and other share option schemes of the Company shall not exceed 30% of the issued share capital of the Company from time to time.
- As at 30 June 2022, no further options could be granted under the 2002 Share Option Scheme and all outstanding options granted under this scheme lapsed on 29 June 2022.

Share Options (continued)

Share Option Schemes (continued)

- **2002 Share Option Scheme (continued)**

(d) **Maximum entitlement of each participant**

The maximum number of Shares in respect of which options may be granted under the 2002 Share Option Scheme to a specifically identified single grantee shall not (when aggregated with any Shares subject to any other share option scheme(s) of the Company) in any 12-month period exceed 1% of the shares of the Company in issue.

The Company may grant options beyond the said individual limit to a Participant if (i) the Company has first sent a circular to Shareholders containing the identity of the Participant in question, the number and terms of the options granted and to be granted and other relevant information as required under the Listing Rules; and (ii) separate Shareholder's approval has been obtained.

(e) **Option period**

The period within which the Shares must be taken up under an option shall be notified by the Board to each grantee at the time of making an offer which shall not expire later than 10 years from the date of grant of the relevant option.

(f) **Minimum period for which an option must be held before it can be exercised**

The minimum period, if any, for which an option must be held before it can be exercised shall be determined by the Board at its absolute discretion. The 2002 Share Option Scheme itself does not specify any minimum holding period.

(g) **Consideration on acceptance of the option**

HK\$1.00 is required to be paid by the grantee to the Company on acceptance of the option offer as consideration.

(h) **Basis of determining the subscription price**

The subscription price shall be determined by the Board at its absolute discretion but in any event shall not be less than the higher of:

- (i) the closing price of the Company's shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant;
- (ii) the average closing price of the Company's shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a share of the Company.

(i) **Remaining life of the 2002 Share Option Scheme**

The 2002 Share Option Scheme was terminated pursuant to resolutions passed by the Shareholders at the annual general meeting held on 23 August 2012.

Share Options (continued)

Share Option Schemes (continued)

- **2002 Share Option Scheme (continued)**

Details of the share options granted under the 2002 Share Option Scheme and their movements during the year are set out below:

Name	Date of grant	Subscription price per Share (HK\$)	Exercise period	Number of Share Options				
				Outstanding as at 1 April 2021	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding as at 31 March 2022
Directors								
Dr LOOK Guy	1 Mar 2012	4.77	28 Feb 2014 to 28 Feb 2022	4,690,998	-	-	(4,690,998)	-
			28 Feb 2015 to 28 Feb 2022	4,690,998	-	-	(4,690,998)	-
			1 Sep 2013 to 28 Feb 2022 ⁽¹⁾	3,381,996	-	-	(3,381,996)	-
			1 Sep 2014 to 28 Feb 2022 ⁽¹⁾	4,690,998	-	-	(4,690,998)	-
			25 Jun 2015 to 28 Feb 2022 ⁽¹⁾	4,690,998	-	-	(4,690,998)	-
Ms KWOK Sze Wai Melody	17 Jun 2011	4.95	17 Jun 2014 to 16 Jun 2021	50,000	-	-	(50,000)	-
			29 Jun 2012	4.85	29 Jun 2015 to 28 Jun 2022	70,000	-	-
Employees	17 Jun 2011	4.95	17 Jun 2014 to 16 Jun 2021 ⁽³⁾	1,394,000	-	-	(1,394,000)	-
			17 Jun 2014 to 16 Jun 2021 ⁽²⁾	40,000	-	-	(40,000)	-
			17 Jun 2014 to 16 Jun 2021 ⁽⁴⁾	40,000	-	-	(40,000)	-
			17 Jun 2014 to 16 Jun 2021 ⁽⁵⁾	50,000	-	-	(50,000)	-
	29 Jun 2012 ⁽⁶⁾	4.85	29 Jun 2015 to 28 Jun 2022	2,164,000	-	-	(232,000)	1,932,000
			29 Jun 2015 to 28 Jun 2022 ⁽²⁾	40,000	-	-	-	40,000
			29 Jun 2015 to 28 Jun 2022 ⁽⁴⁾	50,000	-	-	-	50,000
			29 Jun 2015 to 28 Jun 2022 ⁽⁵⁾	120,000	-	-	-	120,000
			29 Jun 2015 to 28 Jun 2022 ⁽⁷⁾	200,000	-	-	-	200,000
				26,363,988	-	-	(23,951,988)	2,412,000

There are no share options cancelled during the year.

The vesting period of all the outstanding share options and share options granted is the period beginning on the date of grant and ending on the date immediately before commencement of the exercise period.

Share Options (continued)

Share Option Schemes (continued)

- **2002 Share Option Scheme (continued)**

Notes:

- (1) The exercise of the share options is subject to certain performance targets that must be achieved by the director. The share options shall be exercised by the director not later than 28 February 2022.
- (2) The grantee, Ms KWOK Lai Kwan Anna, is an associate of the chief executive and directors of the Company.
- (3) On 17 June 2011, the Company granted share options to certain employees of the Company in order to reward them for contributing to the long term success of the business of the Group and to encourage and motivate them to continue to contribute to the success of the Group.
- (4) The grantee, Mr KWOK Siu Hung Vincent, is an associate of the chief executive and directors of the Company.
- (5) The grantee, Ms KWOK Sea Nga Kitty, is an associate of the chief executive and directors of the Company.
- (6) On 29 June 2012, the Company granted 7,567,000 share options to certain employees of the Company in order to reward them for contributing to the long term success of the business of the Group and to encourage and motivate them to continue to contribute to the success of the Group. The exercise of 150,000 share options out of the outstanding balance of 2,342,000 share options as at 31 March 2022 is subject to certain performance targets that must be achieved by the related employees.
- (7) The grantee, Mr LAW Kin Ming Peter, is an associate of the chief executive and directors of the Company.

- **2012 Share Option Scheme**

The 2012 Share Option Scheme was adopted on 23 August 2012 and became unconditional and effective on 27 August 2012. A summary of the 2012 Share Option Scheme is set out below:

(a) **Purpose**

To provide Participants (as defined below) with the opportunity to acquire proprietary interests in the Company and to encourage Participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its Shareholders as a whole.

(b) **Participants**

Any directors (including executive, non-executive directors and independent non-executive directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any members of the Group whom the Board or a duly authorised committee thereof considers, in its sole discretion, to have contributed to the Group.

Share Options (continued)

Share Option Schemes (continued)

- **2012 Share Option Scheme (continued)**

(c) **Total number of shares available for issue**

- (i) The maximum number of Shares in respect of which options may be granted under the 2012 Share Option Scheme shall not (when aggregated with any Shares subject to any other share option scheme(s) of the Company) exceed 10% in nominal amount of the issued share capital of the Company on 23 August 2012, the date on which the 2012 Share Option Scheme was adopted (the "2012 Scheme Mandate Limit"). Option lapsed in accordance with the terms of the 2012 Share Option Scheme will not be counted for the purpose of calculating the 2012 Scheme Mandate Limit.
- (ii) The 2012 Scheme Mandate Limit may be renewed at any time subject to prior Shareholders' approval but in any event shall not exceed 10% of the issued share capital of the Company as at the date of approval of the renewal of the 2012 Scheme Mandate Limit. Option previously granted under the 2012 Share Option Scheme or any other share option schemes (including those outstanding, cancelled, lapsed in accordance with the terms or exercised options) will not be counted for the purpose of calculating the refreshed 2012 Scheme Mandate Limit.
- (iii) The maximum number of Shares in respect of which options may be granted to grantees under the 2012 Share Option Scheme and other share option schemes of the Company shall not exceed 30% in nominal amount of the issued share capital of the Company from time to time.
- (iv) As at 30 June 2022, 282,175,006 Shares were available for issue under the 2012 Share Option Scheme and the total number of shares which may be issued upon exercise of all options to be granted under the scheme was 278,616,006 Shares, which represented 9.09% and 8.98% respectively of the total issued share capital of the Company at that date.

(d) **Maximum entitlement of each participant**

The maximum number of Shares in respect of which options may be granted under the 2012 Share Option Scheme to a specifically identified single Participant shall not (when aggregated with any Shares subject to any other share option scheme(s) of the Company and including exercised, cancelled and outstanding options) in any 12-month period exceed 1% of the shares of the Company in issue.

The Company may grant options beyond the said individual limit to Participants if (i) the Company has first sent a circular to Shareholders containing the identity of the Participant in question, the number and terms of the options to be granted (and options previously granted to such Participant) and other relevant information as required under the Listing Rules; and (ii) separate Shareholders' approval has been obtained in general meeting with the proposed Participant and his associates abstaining from voting.

(e) **Option period**

The period within which the Shares must be taken up under an option shall be notified by the Board to each grantee at the time of making an offer which shall not expire later than 10 years from the date of grant of the relevant option.

(f) **Minimum period for which an option must be held before it can be exercised**

The minimum period, if any, for which an option must be held before it can be exercised shall be determined by the Board at its absolute discretion. The 2012 Share Option Scheme itself does not specify any minimum holding period.

(g) **Consideration on acceptance of the option**

HK\$1.00 is required to be paid by the grantee to the Company on acceptance of the option offer as consideration.

Share Options (continued)

Share Option Schemes (continued)

- **2012 Share Option Scheme (continued)**

(h) Basis of determining the subscription price

The subscription price shall be determined by the Board in its absolute discretion but in any event shall not be less than the highest of:

- (i) the closing price of the Company's shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant;
- (ii) the average closing price of the Company's shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; or
- (iii) the nominal value of a share of the Company.

(i) Remaining life of the 2012 Share Option Scheme

The 2012 Share option Scheme shall be valid and effective for a period of 10 years commencing on 27 August 2012, the date on which it became unconditional and will expire on 26 August 2022.

Details of the share options granted under the 2012 Share Option Scheme and their movements during the year are set out below:

Name	Date of grant	Subscription price per Share (HK\$)	Exercise period	Number of Share Options				
				Outstanding as at 1 April 2021	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding as at 31 March 2022
Directors								
Ms KWOK Sze Wai Melody	21 Jun 2013	8.07	21 Jun 2016 to 20 Jun 2023	50,000	-	-	-	50,000
Ms LEE Yun Chun	13 Apr 2018	4.65	13 Apr 2020 to 12 Apr 2028	100,000	-	-	-	100,000
Marie-Christine								
Ms KI Man Fung Leonie	13 Apr 2018	4.65	13 Apr 2020 to 12 Apr 2028	100,000	-	-	-	100,000
Mr TAN Wee Seng	13 Apr 2018	4.65	13 Apr 2020 to 12 Apr 2028	100,000	-	-	-	100,000
Employees								
	21 Jun 2013	8.07	21 Jun 2016 to 20 Jun 2023 ⁽¹⁾	3,394,000	-	-	(469,000)	2,925,000
			21 Jun 2016 to 20 Jun 2023 ⁽²⁾	50,000	-	-	-	50,000
			21 Jun 2016 to 20 Jun 2023 ⁽³⁾	20,000	-	-	(20,000)	-
			21 Jun 2016 to 20 Jun 2023 ⁽⁴⁾	100,000	-	-	-	100,000
			21 Jun 2016 to 20 Jun 2023 ⁽⁵⁾	50,000	-	-	-	50,000
			21 Jun 2016 to 20 Jun 2023 ⁽⁶⁾	20,000	-	-	-	20,000
			21 Jun 2016 to 20 Jun 2023 ⁽⁷⁾	120,000	-	-	-	120,000
				4,104,000	-	-	(489,000)	3,615,000

There are no share options cancelled during the period.

The vesting period of all the outstanding share options and share options granted is the period beginning on the date of grant and ending on the date immediately before commencement of the exercise period.

Share Options (continued)

Share Option Schemes (continued)

- **2012 Share Option Scheme (continued)**

Notes:

- (1) On 21 June 2013, the Company granted share options to certain employees of the Company in order to reward them for contributing to the long term success of the business of the Group and to encourage and motivate them to continue to contribute to the success of the Group.
- (2) The grantee, Ms KWOK Lai Kwan Anna, is an associate of the chief executive and directors of the Company.
- (3) The grantee, Ms KWOK Lai Ying Ann, is an associate of the chief executive and directors of the Company.
- (4) The grantee, Ms KWOK Sea Nga Kitty, is an associate of the chief executive and directors of the Company.
- (5) The grantee, Mr KWOK Siu Hung Vincent, is an associate of the chief executive and directors of the Company.
- (6) The grantee, Mr KWOK Siu Keung Paul, is an associate of the chief executive and directors of the Company.
- (7) The grantee, Mr LAW Kin Ming Peter, is an associate of the chief executive and directors of the Company.

Share Award Scheme

The share award scheme was adopted by the Board on 11 April 2014 (the "Share Award Scheme"). Under the Share Award Scheme, the Board may, from time to time, at its absolute discretion, select any eligible employees as selected employees and grant awarded Shares to them at no consideration. The awarded Shares are acquired by the independent trustee, at the costs of the Company, and held under a trust on and subject to, among others, the terms and conditions of the Share Award Scheme. Awarded Shares will be vested in the selected employees according to the terms of grant determined by the Board.

As at 31 March 2022, a total of 6,782,000 awarded Shares had been granted pursuant to the Share Award Scheme, out of which 345,000 awarded Shares remained unvested. During the year, a total of 15,000 awarded Shares lapsed and remained part of the trust fund under the Share Award Scheme. A summary of the Share Award Scheme is set out below:

(a) Purpose

The purposes of the Share Award Scheme are: (a) to recognise the contributions by certain employees and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (b) to attract suitable personnel for further development of the Group.

(b) Administration

The Share Award Scheme may be subject to the administration of the Board and the trustee in accordance with the scheme rules and the trust deed.

(c) Duration

Subject to any early termination as may be determined by the Board pursuant to the scheme rules, the Share Award Scheme shall be valid and effective for a term of 15 years commencing from 11 April 2014, the date on which the Share Award Scheme was adopted.

Share Award Scheme (continued)

(d) Maximum limit

The maximum number of Shares which may be granted under the Share Award Scheme shall not exceed 5% of the total issued Shares from time to time. The maximum number of Shares which may be awarded to a selected employee under the Share Award Scheme within a period of 12 months shall not exceed 1% of the total issued Shares from time to time.

(e) Operation

The Board may, from time to time, at its sole and absolute discretion, select any employee, other than the excluded employee (as defined in the Share Award Scheme), as a selected employee for participation in the Share Award Scheme. In determining the number of Shares to be awarded to a selected employee, the Board may take into consideration the rank and performance of the relevant selected employee. The Board may impose any conditions (including a period of continued service with a specified member of the Group after the date on which an award is made by the Board) as it deems appropriate in its absolute discretion with respect to the entitlement of a selected employee to the awarded Shares.

No award shall be made and no instructions to acquire Shares shall be given to the trustee under the Share Award Scheme where any director of the Company possesses unpublished price sensitive or inside information in relation to the Group or the Shares or where dealings by directors of the Company are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.

The Board shall from time to time cause to be paid funds out of the Group's resources to the trustee sufficient for the acquisition of the awarded Shares. The trustee shall keep the Board informed from time to time of the number of Shares purchased and the price at which those Shares have been purchased. The Shares so purchased and any balance of the funds after completion of the purchase shall also form part of the trust fund.

(f) Vesting and lapse

A selected employee shall be entitled to receive the awarded Shares vested in him in accordance with the vesting schedule (if any) and subject to the selected employee having satisfied all vesting conditions (if any) specified by the Board at the time of making the award. Vesting of the Shares will be conditional on the selected employee remaining an employee of the Group as provided in the scheme rules on the relevant vesting dates.

An award may lapse on occurrence on certain events under the Share Award Scheme. The events include, among other things, where a selected employee ceases to be an eligible employee at any time before the vesting date by reason of termination of his employment or engagement summarily by the Group as an employer, his resignation or his retirement (unless his contract of employment or engagement with the Group is renewed or he is re-engaged under a new contract of employment with the Group). If a selected employee dies prior to a vesting date, all the awarded Shares shall be deemed to be vested on the day immediately prior to his/her death.

If a selected employee is found to be an excluded employee or fails to return duly executed transfer documents for the relevant Shares awarded within the stipulated period, the relevant part of an award made to such selected employee will automatically lapse forthwith. The relevant Shares awarded shall not vest on the relevant vesting date but shall be held in the Trust fund for making other awards under the Share Award Scheme. If there occurs an event of change in control of the Company, or the Company's subsidiary employing the selected employee ceases to be a subsidiary of the Company, the vesting of all awarded Shares shall accelerate in accordance with the rules of the Share Award Scheme.

The trustee shall hold any awarded Shares which have lapsed, forfeited or failed to vest in the relevant selected employees as part of the trust fund exclusively for the benefit of all or one or more of the selected employees (excluding any excluded employee). The Board may in its discretion make awards out of such Shares in accordance with the trust and the Share Award Scheme.

Share Award Scheme (continued)

(g) Voting rights

The trustee shall not exercise the voting rights in respect of any Shares held by it under the trust.

(h) Termination

The Share Award Scheme shall terminate on the earlier of the fifteenth (15th) anniversary date of 11 April 2014, the date on which the Share Award Scheme was adopted or such date of early termination as determined by the Board. Upon termination, no further grant of awarded Shares may be made.

Details of the awarded Shares granted under the Share Award Scheme and their movements during the year are set out below:

Name	Date of award	Average fair value per Share (HK\$)	Vesting period*	Number of awarded Shares				
				Outstanding as at 1 April 2021	Awarded during the year	Vested during the year	Lapsed during the year	Outstanding as at 31 March 2022
Employees	29 Jun 2018	4.98	29 Jun 2018 to 23 May 2021	15,000	–	(15,000)	–	–
	21 Jun 2019	2.25	21 Jun 2019 to 30 Jun 2022	200,000	–	(75,000)	–	125,000
	30 Sep 2019	1.74	30 Sep 2019 to 26 Mar 2022	60,000	–	(45,000)	(15,000)	–
	9 Oct 2020	1.31	9 Oct 2020 to 30 Sep 2023	180,000	–	(50,000)	–	130,000
	16 Dec 2021	1.68	16 Dec 2021 to 17 Nov 2023	–	100,000	(25,000)	–	75,000
	9 Mar 2022	1.30	9 Mar 2022 to 21 Feb 2023	–	30,000	(15,000)	–	15,000
				455,000	130,000	(225,000)	(15,000)	345,000

* The period during which all the specified vesting conditions of the awarded Shares are to be satisfied.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's articles of association and there are no restrictions against such rights under the laws in the Cayman Islands where the Company was incorporated.

Buy-back, Sale or Redemption of Shares

During the year, there was no buy-back, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

Subsidiaries

Details of the Company's principal subsidiaries as at 31 March 2022 are set out in note 30 to the consolidated financial statements.

Capitalised Interest

No interest was capitalised by the Group during the year (2021: Nil).

Distributable Reserves

As at 31 March 2022, the reserves of the Company available for distribution amounted to HK\$1,845,151,000 (2021: HK\$1,810,348,000).

Donations

The Group made donations during the year totalling HK\$1,987,000 (2021: HK\$1,809,000).

REPORT OF THE DIRECTORS

Directors

The Directors who held office during the year were:

Executive Directors

Dr KWOK Siu Ming Simon, *SBS, JP* (Chairman and CEO)

- date of appointment as a director: 3 December 1996*
- date of last re-election in AGM as a director: 27 August 2020

Dr KWOK LAW Kwai Chun Eleanor, *BBS, JP* (Vice-chairman)

- date of appointment as a director: 3 December 1996*
- date of last re-election in AGM as a director: 27 August 2020

Dr LOOK Guy (CFO)

- date of appointment as a director: 10 September 2002*
- date of last re-election in AGM as a director: 15 September 2021

Ms KWOK Sze Wai Melody, *MH*

- date of appointment as a director: 2 September 2019*
- date of last re-election in AGM as a director: 27 August 2020

Non-executive Director

Ms LEE Yun Chun Marie-Christine

- date of appointment as a director: 26 February 2013
- date of last re-election in AGM as a director: 27 August 2020
- term of directorship: three years commencing on 22 August 2019*

Independent Non-executive Directors

Ms KI Man Fung Leonie, *GBS, SBS, JP*

- date of appointment as a director: 15 December 2006
- date of last re-election in AGM as a director: 15 September 2021
- term of directorship: three years commencing on 15 December 2021*

Mr TAN Wee Seng

- date of appointment as a director: 11 March 2010
- date of last re-election in AGM as a director: 15 September 2021
- term of directorship: three years commencing on 26 August 2019*

Mr CHAN Hiu Fung Nicholas, *MH, JP*

- date of appointment as a director: 2 September 2019
- date of last re-election in AGM as a director: 27 August 2020
- term of directorship: three years commencing on 27 August 2020*

Mr HO Danny Wing Fi was appointed as an executive director of the Company with effect from 30 June 2022. In accordance with Article 99 of the articles of association of the Company, he may hold office only until the first AGM after his appointment. He is eligible and will stand for re-election by the shareholders at the forthcoming AGM to be held on 25 August 2022. Pursuant to Article 116 of the articles of association of the Company, Dr KWOK Siu Ming Simon, Dr KWOK LAW Kwai Chun Eleanor and Ms LEE Yun Chun Marie-Christine will retire by rotation at the forthcoming AGM and all being eligible will offer themselves for re-election.

* Subject to the provisions on rotation and retirement in the articles of association of the Company.

Confirmation of Independence from INEDs

The Company has received a written confirmation from each INED of his/her independence pursuant to Rule 3.13 of the Listing rules which has been reviewed by the Nomination Committee. Both the Nomination Committee and the Board consider all INEDs to be independent throughout the year and that they remain so as at the date of this Annual Report.

Directors' Service Contracts

None of the directors offering themselves for re-election at the forthcoming AGM has entered into any service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

Contracts of Significance

A revolving loan facility of up to HK\$200,000,000 was made available to the Group on 31 March 2022 by Dr KWOK Siu Ming Simon and Dr KWOK LAW Kwai Chun Eleanor, executive directors and controlling shareholders of the Company (please see the announcement dated 31 March 2022 published by the Company for details). No other transaction, arrangement and contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any director of the Company or his/her connected entity is or was materially interested, either directly or indirectly, subsisted during or at the end of the year.

Indemnification of Directors

The articles of association of the Company provide that directors shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a director in defending any proceedings, whether civil or criminal, in which judgement is given in his/her favour, or in which he/she is acquitted. All Directors have the benefit of directors' and officers' liability insurance. The Company has taken out and maintained director's and officers' liability insurance throughout the year.

Biographical Details of Directors and Senior Management

The updated biographical information of the Directors and senior management are set out on pages 45 to 51 of this Annual Report.

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 March 2022, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and 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 by the Company under Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code are set out below:

(I) Long position in the Shares, Underlying Shares and Debentures of the Company

Name of Director	Number of Shares in the Company					Approximate percentage of the Shares in issue ⁽¹⁾
	Personal interests	Family interests	Corporate interests	Derivatives interests	Total interests	
Dr KWOK Siu Ming Simon	40,728,000	–	1,946,734,297 ⁽²⁾	–	1,987,462,297	64.0458%
Dr KWOK LAW Kwai Chun Eleanor	–	40,728,000	1,946,734,297 ⁽²⁾	–	1,987,462,297	64.0458%
Dr LOOK Guy	450,000	–	–	–	450,000	0.0145%
Ms KWOK Sze Wai Melody	110,000	6,000	–	120,000 ⁽³⁾	236,000	0.0076%
Ms LEE Yun Chun Marie-Christine	–	–	–	100,000 ⁽⁴⁾	100,000	0.0032%
Ms KI Man Fung Leonie	–	–	–	100,000 ⁽⁴⁾	100,000	0.0032%
Mr TAN Wee Seng	–	–	–	100,000 ⁽⁴⁾	100,000	0.0032%

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures (continued)

(I) Long position in the Shares, Underlying Shares and Debentures of the Company (continued)

Notes:

- (1) Based on 3,103,189,458 Shares in issue as at 31 March 2022.
- (2) These Shares are held as to 1,506,926,594 Shares by Sunrise Height incorporated, as to 438,407,703 Shares by Green Ravine Limited and as to 1,400,000 Shares by Million Fidelity international Limited. All these companies are owned as to 50% each by Dr KWOK Siu Ming Simon and Dr KWOK LAW Kwai Chun Eleanor.
- (3) Details of Ms KWOK Sze Wai Melody's derivatives interests in the shares of the Company for the year ended 31 March 2022 are disclosed in the share options section on pages 131 & 134 of this report.
- (4) Details of the derivatives interests in the shares of the Company of the non-executive directors (including INEDs) for the year ended 31 March 2022 are disclosed in the share options section on page 134 of this report.

(II) Long Position in the Shares, Underlying Shares and Debentures of Associated Corporations

Dr KWOK Siu Ming Simon and Dr KWOK LAW Kwai Chun Eleanor are each taken to be interested in all the issued non-voting deferred shares (the "Deferred Shares") of Base Sun investment Limited ("Base Sun"), Matford trading Limited ("Matford"), Sa Sa Cosmetic Company Limited and Sa Sa Investment (HK) Limited, all of which are wholly-owned subsidiaries of the Company. Details of interests in the Deferred Shares as at 31 March 2022 are set out below:

Dr KWOK Siu Ming Simon: Number of Deferred Shares in associated corporation

Name of associated corporation	Personal interests	Family interests	Corporate interests	Other interests	Total interests	Percentage of shareholding to all the Deferred Shares of associate corporation
Base Sun Investment Limited	–	–	2 ⁽¹⁾	–	2	100%
Matford Trading Limited	3 ⁽²⁾	–	–	–	3	50%
Sa Sa Cosmetic Company Limited	1	–	–	–	1	50%
Sa Sa Investment (HK) Limited	1	–	–	–	1	50%

Dr KWOK LAW Kwai Chun Eleanor: Number of Deferred Shares in associated corporation

Name of associated corporation	Personal interests	Family interests	Corporate interests	Other interests	Total interests	Percentage of shareholding to all the Deferred Shares of associate corporation
Base Sun Investment Limited	–	–	2 ⁽¹⁾	–	2	100%
Matford Trading Limited	3 ⁽³⁾	–	–	–	3	50%
Sa Sa Cosmetic Company Limited	1	–	–	–	1	50%
Sa Sa Investment (HK) Limited	1	–	–	–	1	50%

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures (continued)

(II) Long Position in the Shares, Underlying Shares and Debentures of Associated Corporations (continued)

Notes:

- (1) Dr KWOK Siu Ming Simon and Dr KWOK LAW Kwai Chun Eleanor together hold two Deferred Shares in Base Sun through Win Win Group International Limited ("Win Win") and Modern Capital Investment Limited ("Modern Capital"). Win Win and Modern Capital are companies beneficially owned as to 50% each by Dr KWOK Siu Ming Simon and Dr KWOK LAW Kwai Chun Eleanor and each of Win Win and Modern Capital holds one Deferred Share in Base Sun.
- (2) Dr KWOK Siu Ming Simon holds three Deferred Shares in Matford through Mr YUNG Leung Wai Tony who acts as a nominee shareholder.
- (3) Dr KWOK LAW Kwai Chun Eleanor holds three Deferred Shares in Matford through Ms KWOK Lai Yee Mabel who acts as a nominee shareholder.

Save as disclosed above, no director or chief executive of the Company has any interests or short position in the shares, underlying shares and 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 by the Company under Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' Benefits from Rights to Acquire Shares or Debentures

Save as disclosed under the share options section on pages 131 and 134, at no time during the year was the Company or its subsidiaries, a party to any arrangements which enabled the Directors (including their spouses or children under 18 years of age), to acquire benefits by means of acquisition of shares in or debenture of the Company or any other body corporate.

Interests and Short Positions in Shares and Underlying Shares of Substantial Shareholders

As at 31 March 2022, Shareholders, other than a director or chief executive of the Company, who had interests and short positions in the Shares and underlying Shares of the Company which were recorded in the register of interests required to be kept by the Company under Section 336 of the SFO are as follows:

Long Position of Substantial Shareholders in the Shares

Name of company	Capacity	No. of Shares held	Approximate percentage shareholding ⁽¹⁾
Sunrise Height Incorporated ⁽²⁾	Beneficial owner	1,506,926,594	48.56%
Green Ravine Limited ⁽²⁾	Beneficial owner	438,407,703	14.13%

Notes:

- (1) Based on 3,103,189,458 Shares in issue as at 31 March 2022.
- (2) Both Sunrise Height incorporated and Green Ravine Limited are owned as to 50% each by Dr KWOK Siu Ming Simon and Dr KWOK LAW Kwai Chun Eleanor.

Interests and Short Positions in Shares and Underlying Shares of Other Persons

As at 31 March 2022, the Company has not been notified of any persons (other than the directors or chief executives or substantial shareholders of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register to be kept under Section 336 of the SFO.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Related Party Transaction

The transactions with related parties disclosed in note 29 to the consolidated financial statements do not constitute discloseable connected transaction under the Listing rules.

Connected Transactions

During the year, there were no connected transactions or continuing connected transactions that were not fully exempted from shareholders' approval, annual review and all disclosure requirements under the Listing Rules.

Specific Performance Obligation on Controlling Shareholder

As disclosed in the Company's announcement dated 7 August 2020, Sa Sa Cosmetic Company Limited (an indirect wholly-owned subsidiary of the Company) as borrower obtained general banking facilities from a bank to finance the working capital requirements of the Group. Such banking facilities are provided by way of two revolving loan facilities up to an aggregate amount of HK\$80,000,000 with no specific tenor, which may be modified, cancelled or suspended at any time without prior notice at the bank's sole discretion.

It is a condition of the banking facilities, among others, that Dr KWOK Siu Ming Simon and/or his family members shall maintain (whether directly or indirectly) not less than 51% shareholding of the Company, and Dr KWOK Siu Ming Simon shall remain as chairman of the Board.

Sufficiency of Public Float

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

Auditor

The financial statements for the year have been audited by PwC who retired and, being eligible, offered itself for re-appointment. A resolution to re-appoint it and to authorise the Directors to fix its remuneration will be proposed for approval at the forthcoming AGM.

On behalf of the Board

KWOK Siu Ming Simon

Chairman and CEO

Hong Kong, 30 June 2022