

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

The Group is principally engaged in the retailing and wholesaling of cosmetic products.

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company has its listing on the Stock Exchange.

As at 31 March 2023, 48.56%, 14.13% and 0.05% of the total issued shares of the Company were owned by Sunrise Height Incorporated, Green Ravine Limited and Million Fidelity International Limited respectively. Sunrise Height Incorporated and Green Ravine Limited were incorporated in the British Virgin Islands and Million Fidelity International Limited was incorporated in Hong Kong SAR. These companies are owned 50.0% each by Dr KWOK Siu Ming Simon and Dr KWOK LAW Kwai Chun Eleanor, as being the ultimate controlling parties of the Company.

These consolidated financial statements are presented in thousands of Hong Kong dollar (HK\$'000), unless otherwise stated.

2 Revenue and other income

Accounting Policy

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for the retail and wholesales of cosmetic products, stated net of value added taxes, returns, rebates and discounts.

Revenue is recognised when specific criteria have been met for the Group's activities described below:

Sale of goods – retail and e-commerce transactions

The Group sells cosmetic products through chain of retail stores and e-commerce platforms. Revenue from the sale of goods is recognised at a point in time when any subsidiary of the Group entity sells and has delivered a product to the customer and the Group receives sales and acceptance confirmations, and there is no unfulfilled obligation that affects the customer's acceptance of the products. Payment of the transaction price is due immediately when the customer purchases the goods. The Group estimates the sales return provision based on accumulated experience and considers that no provision is recognised as the amount of returns is immaterial.

Sale of goods – wholesale

Sales are recognised at a point in time when control of the products has been transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that affects the wholesaler's acceptance of the products.

The goods are often sold with sales discounts. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts, if any. No element of financing is deemed present.

Slide display rental income and storage income

Slide display rental income and storage income are recognised on a straight-line basis in accordance with the terms of the relevant agreements.

2 Revenue and other income (continued)

Accounting Policy (continued)

Customer loyalty programme

The Group operates a customer loyalty programme, where certain customers accumulate points for purchases made which entitle them to purchase goods for free or at a discounted price. The customer loyalty programme gives rise to a separate performance obligation because it provides a material right to the customer and allocates a portion of the transaction price to the loyalty credits awarded to customers based on the relative stand-alone selling price. All awarded points will expire on 31 March of each year and there was no material award points outstanding as at the year end.

When either party to a contract has performed, the Group presents the contract in the consolidated statement of financial position as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers the promised goods to the customer, the Group presents the contract as a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer the promised goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

The Group is principally engaged in the retailing and wholesaling of cosmetic products. Turnover represents the sales of goods to customers. An analysis of revenues and other income recognised during the year is as follows:

	2023 HK\$'000	2022 HK\$'000
Turnover – recognised under HKFRS 15 at a point in time		
Retail and wholesale	3,500,525	3,412,727
Other income – recognised under other accounting standards		
Government subsidies (Note)	25,817	4,953
Slide display rental income	17,664	18,596
Storage income	12,685	11,417
Short-term sub-lease income	–	17,269
	56,166	52,235

Note:

During the year ended 31 March 2023, wage subsidies of HK\$25,424,000 were granted from the Hong Kong SAR government's Employment Support Scheme for the use of paying wages of employees and HK\$240,000 were granted from the Beauty Parlours, Massage Establishments and Party Rooms Subsidy Scheme under Anti-Epidemic Fund. Remaining subsidy of HK\$153,000 was granted from another subsidy scheme launched by the government of Malaysia.

During the year ended 31 March 2022, wage subsidies of HK\$4,526,000 were granted from the Wage Subsidy Programme launched by the government of Malaysia and HK\$233,000 were granted from the Hong Kong SAR government's Employment Support Scheme under Anti-Epidemic Fund for the use of paying wages of employees. Remaining subsidy of HK\$194,000 was granted from another subsidy scheme launched by the government of Macau SAR.

2 Revenue and other income (continued)

The Group has complied with all attached conditions before 31 March 2023 and 2022 and recognised the corresponding subsidies in the consolidated income statement.

(a) Revenue recognition in relation to contract liabilities

As at 31 March 2023 and 2022, contract liabilities included receipts in advance and deferred revenue amounting to HK\$14,176,000 (2022: HK\$25,317,000) and HK\$250,000 (2022: HK\$226,000) respectively.

The following table shows the revenue recognised in the current reporting period relating to carried-forward receipts in advance and deferred revenue:

	2023 HK\$'000	2022 HK\$'000
Revenue recognised that was included in the receipts in advance and deferred revenue balance at the beginning of the year	25,543	22,320

There was no revenue recognised for the years ended 31 March 2023 and 2022 related to performance obligations that were satisfied in prior year.

(b) Unsatisfied long-term contracts

The Group selected to choose a practical expedient and omit disclosure of remaining performance obligations as all related contracts have a duration of one year or less.

3 Segment information

Accounting Policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the executive directors of the Group who make strategic and operating decisions.

Executive directors of the Group review the internal reporting of the Group in order to assess performance and allocate resources. Executive directors consider the business principally from a geographic perspective and assess the performance of the geographic segments based on a measure of segments results.

The business reportable segments identified are Hong Kong and Macau SARs, Online business, Mainland China and Malaysia.

Segment assets consist primarily of property, plant and equipment, right-of-use assets, deferred tax assets, inventories, receivables, deposits and prepayments, time deposits, cash and cash equivalents and income tax recoverable. Capital expenditure comprises additions to property, plant and equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Segment information (continued)

The breakdown of key segment information including total turnover from external customers is disclosed below.

For the year ended 31 March 2023					
	Hong Kong & Macau SARs HK\$'000	Online business HK\$'000	Mainland China HK\$'000	Malaysia HK\$'000	Total HK\$'000
Turnover	2,373,301	601,977	225,270	299,977	3,500,525
Segment results	101,055	(21,201)	(44,459)	22,852	58,247
Other information					
Capital expenditure	44,195	1,260	1,477	11,655	58,587
Finance income	1,786	92	333	1,042	3,253
Finance costs	15,599	123	1,462	1,916	19,100
Income tax (credit)/expense	(79,928)	(143)	–	7,463	(72,608)
Depreciation of property, plant and equipment	54,560	550	4,666	3,776	63,552
Depreciation of right-of-use assets	241,978	699	8,135	24,740	275,552
(Reversal of provision)/provision for slow moving inventories and shrinkage	(8,172)	95	4,665	(1,898)	(5,310)

For the year ended 31 March 2022					
	Hong Kong & Macau SARs HK\$'000	Online business HK\$'000	Mainland China HK\$'000	Malaysia HK\$'000	Total HK\$'000
Turnover	2,212,532	695,581	312,014	192,600	3,412,727
Segment results	(198,874)	6,927	(144,269)	(7,516)	(343,732)
Other information					
Capital expenditure	28,683	1,096	24,432	1,470	55,681
Finance income	1,633	15	333	1,068	3,049
Finance costs	8,689	63	2,117	909	11,778
Income tax expense/(credit)	8,263	1,368	–	(2,724)	6,907
Depreciation of property, plant and equipment	61,568	315	12,029	5,959	79,871
Depreciation of right-of-use assets	226,696	315	23,823	25,360	276,194
Provision/(reversal of provision) for slow moving inventories and shrinkage	(3,205)	3,707	6,507	1,941	8,950
Impairment of property, plant and equipment	233	–	19,135	128	19,496
Impairment of right-of-use assets	23,813	–	42,600	1,069	67,482

3 Segment information (continued)

	Hong Kong & Macau SARs HK\$'000	Online business HK\$'000	Mainland China HK\$'000	Malaysia HK\$'000	Total HK\$'000
At 31 March 2023					
Non-current assets	894,120	7,194	18,610	84,736	1,004,660
Current assets	840,203	125,363	91,898	151,203	1,208,667
Total assets as per consolidated statement of financial position					2,213,327
At 31 March 2022					
Non-current assets	703,097	7,512	33,639	34,167	778,415
Current assets	744,546	223,771	162,566	177,525	1,308,408
Total assets as per consolidated statement of financial position					2,086,823

4 Other gains – net

	2023 HK\$'000	2022 HK\$'000
Net exchange (losses)/gains (Note (a))	(5,994)	3,118
Gains on derecognition of lease liabilities and right-of-use assets (Note (b))	17,901	16,120
	11,907	19,238

Note:

(a) Net exchange (losses)/gains are accounted for in accordance with Significant Accounting Policy No. 8.

(b) During the year ended 31 March 2023, the Group has closed a number of stores before the end of the leases. An impairment loss for the corresponding right-of-use assets has been made in the prior year. The remaining lease liabilities and right-of-use assets of these leases were derecognized upon early termination, which resulted in gains of HK\$17,901,000.

During the year ended 31 March 2022, the Group has decided not to exercise the extension option upon the end of certain leases. Accordingly, the previously recognised lease liabilities and right-of-use assets of these leases in relation to the period covered by the extension option were derecognised, resulted in gains of HK\$16,120,000.

5 Expenses by nature

	2023 HK\$'000	2022 HK\$'000
Cost of inventories sold	2,104,475	2,143,231
Employee benefit expenses (including directors' emoluments) (Note 6)	661,943	651,816
Depreciation expenses		
– right-of-use assets (Note 13)	275,552	276,194
– property, plant and equipment (Note 12)	63,552	79,871
Lease rentals in respect of land and buildings		
– lease rental for short-term leases	61,247	127,645
– contingent rent	32,886	32,826
– rent concession related to Covid-19 (Note)	(17,688)	(35,934)
Building management fees, government rent and rates	67,686	76,699
Advertising and promotion expenses	58,531	63,708
Transportation and delivery charges	47,198	50,826
Outsource warehouse handling expenses and platform charges	35,595	41,830
Utilities and telecommunication	32,124	33,037
Bank and credit card charges	32,093	28,918
Repair and maintenance	20,632	23,396
Packaging expenses	14,298	16,334
Postage, printing and stationery	6,212	8,942
Auditors' remuneration		
– audit services	2,799	2,718
– non-audit services	693	1,018
Donations	1,092	1,987
Write-off of property, plant and equipment (Note 12)	1,196	1,352
(Reversal of provision)/provision for slow moving inventories and shrinkage (Note 16)	(5,310)	8,950
Others	70,306	89,954
	3,567,112	3,725,318
Representing:		
Cost of sales	2,099,165	2,152,181
Selling and distribution costs	1,223,114	1,323,946
Administrative expenses	244,833	249,191
	3,567,112	3,725,318

Note:

During the year ended 31 March 2023, rent concession related to Covid-19 amounted to HK\$17,688,000 (2022: HK\$35,836,000) was included in selling and distribution costs and nil (2022: HK\$98,000) was included in administrative expenses.

6 Employee benefit expenses (including directors' emoluments)

	Significant Accounting Policies No. 9	
	2023 HK\$'000	2022 HK\$'000
Basic salaries, bonuses, housing allowances, other allowances and benefits-in-kind	619,281	621,243
Retirement benefit costs (Note 23(b))	41,126	29,077
Directors' fees	1,255	1,172
Share-based payment (Note 24(c))	281	324
	661,943	651,816

7 Director and senior management emoluments

(a) Directors' emoluments

Directors' emoluments comprise payments to the Company's directors (including three (2022: three) directors in the five highest paid individuals in the Group) in connection with management of affairs of the Company and the Group. The non-executive director receives an annual director's fee of HK\$257,400 (2022: HK\$257,400). Considering the comparatively heavier workload and responsibility of the Audit Committee, its Chairman and members will receive an additional annual remuneration amounted to HK\$150,000 and HK\$80,000 (2022: HK\$150,000 and HK\$80,000) respectively.

The aggregate amounts of emoluments payable to the directors of the Company during the year were as follows:

	2023 HK\$'000	2022 HK\$'000
Directors' fees	1,255	1,172
Basic salaries, housing allowances, other allowances and benefits-in-kind	9,259	6,020
Discretionary bonuses	547	423
Share-based payment	324	–
Retirement benefit costs	188	123
	11,573	7,738

The directors' emoluments of the Company were as follows:

	Directors' fees HK\$'000	Basic salaries, housing allowances, other allowances and benefits-in-kind HK\$'000	Discretionary bonuses HK\$'000	Retirement benefit costs HK\$'000	Share-based payment (i) HK\$'000	Total HK\$'000
For the year ended 31 March 2023						
Executive Directors						
Dr KWOK Siu Ming Simon (ii)	–	2,322	119	–	–	2,441
Dr KWOK LAW Kwai Chun Eleanor	–	2,107	108	–	–	2,215
Mr HO Danny Wing Fi (iv)	–	2,214	70	68	324	2,676
Dr LOOK Guy (iii)	–	910	–	–	–	910
Ms KWOK Sze Wai Melody	–	811	127	57	–	995
Ms KWOK Sze Nga Kitty (v)	–	895	123	63	–	1,081
Non-executive Director						
Ms LEE Yun Chun Marie-Christine	241	–	–	–	–	241
Independent Non-executive Directors						
Ms KI Man Fung Leonie	316	–	–	–	–	316
Mr TAN Wee Seng	382	–	–	–	–	382
Mr CHAN Hiu Fung Nicholas	316	–	–	–	–	316
	1,255	9,259	547	188	324	11,573

7 Director and senior management emoluments (continued)

(a) Directors' emoluments (continued)

The directors' emoluments of the Company were as follows:

	Directors' fees HK\$'000	Basic salaries, housing allowances, other allowances and benefits- in-kind HK\$'000	Discretionary bonuses HK\$'000	Retirement benefit costs HK\$'000	Share-based payment (i) HK\$'000	Total HK\$'000
For the year ended 31 March 2022						
<u>Executive Directors</u>						
Dr KWOK Siu Ming Simon (ii)	-	1,786	119	-	-	1,905
Dr KWOK LAW Kwai Chun Eleanor	-	1,621	108	-	-	1,729
Dr LOOK Guy	-	2,047	-	84	-	2,131
Ms KWOK Sze Wai Melody	-	566	196	39	-	801
<u>Non-executive Director</u>						
Ms LEE Yun Chun Marie-Christine	225	-	-	-	-	225
<u>Independent Non-executive Directors</u>						
Ms KI Man Fung Leonie	295	-	-	-	-	295
Mr TAN Wee Seng	357	-	-	-	-	357
Mr CHAN Hiu Fung Nicholas	295	-	-	-	-	295
	1,172	6,020	423	123	-	7,738

Notes:

- (i) Share-based payment represents amortisation to the income statement of the fair value of awarded shares and share options measured at the respective grant dates, regardless of whether the share options would be exercised or not.
- (ii) Dr KWOK Siu Ming Simon is the Chairman and CEO of the Company.
- (iii) Dr LOOK Guy retired from his positions as executive director of the Company with effect from the conclusion of the AGM held on 31 August 2022.
- (iv) Mr HO Danny Wing Fi appointed as executive director of the Company with effect from 30 June 2022.
- (v) Ms KWOK Sea Nga Kitty appointed as executive director of the Company with effect from the conclusion of the AGM held on 31 August 2022.

No compensation for loss of office has been paid to the directors for the years ended 31 March 2023 and 2022.

Except for one non-executive director and three independent non-executive directors who waived emoluments HK\$16,000 (2022: HK\$32,000) and a range of HK\$21,000 to HK\$25,000 (2022: HK\$42,000 to HK\$51,000) respectively, no other directors waived any emoluments in the years ended 31 March 2023 and 2022.

7 Director and senior management emoluments (continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2022: three) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2022: two) individuals during the year were as follows:

	2023 HK\$'000	2022 HK\$'000
Basic salaries, housing allowances, other allowances and benefits-in-kind	3,080	2,738
Discretionary bonuses	143	143
Retirement benefit costs	117	104
Share-based payment	14	76
	3,354	3,061

The emoluments of the individuals fell within the following bands:

Emoluments bands	Number of individuals	
	2023	2022
HK\$1,000,001 – HK\$1,500,000	1	1
HK\$1,500,001 – HK\$2,000,000	1	1
	2	2

(c) Senior management emoluments (excluding directors' emoluments)

The details of the senior management emoluments (excluding directors' emoluments) payable during the year were as follows:

	2023 HK\$'000	2022 HK\$'000
Basic salaries, housing allowances, other allowances and benefits-in-kind	3,080	2,738
Discretionary bonuses	143	143
Retirement benefit costs	117	104
Share-based payment	14	76
	3,354	3,061

7 Director and senior management emoluments (continued)

(c) Senior management emoluments (excluding directors' emoluments) (continued)

The emoluments of the individuals fell within the following bands:

Emoluments bands	Number of individuals	
	2023	2022
HK\$1,000,001 – HK\$1,500,000	1	1
HK\$1,500,001 – HK\$2,000,000	1	1
	2	2

8 Finance income and costs

Accounting Policy

Interest income on financial assets at amortised cost is calculated using the effective interest method. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

The accounting policy of interest expenses on lease liabilities is disclosed in Note 13.

The accounting policy of interest expenses on bank borrowings is disclosed in Note 22.

	2023 HK\$'000	2022 HK\$'000
Finance income from:		
Interest income on bank deposits	2,364	1,654
Others	889	1,395
	3,253	3,049
Finance costs from:		
Interest expenses on lease liabilities	16,739	11,455
Interest expenses on bank borrowings	2,361	323
	19,100	11,778

9 Income tax (credit)/expense

Accounting Policy

The tax (credit)/expense for the year comprise current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax (credit)/expense is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Hong Kong profits tax has been provided for at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits for the year. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2023 HK\$'000	2022 HK\$'000
Current tax:		
Hong Kong profits tax		
Current	2,313	2,305
Over-provision in previous years	(297)	(318)
Overseas taxation		
Current	505	197
Over-provision in previous years	(16)	(6)
Total current tax	2,505	2,178
Deferred tax (Note 15):		
(Increase)/decrease in net deferred tax assets	(75,113)	4,729
Income tax (credit)/expense	(72,608)	6,907

The income tax (credit)/expense on the Group's loss before income tax differs from the theoretical amount that would arise using the profits tax rate of Hong Kong SAR as follows:

	2023 HK\$'000	2022 HK\$'000
Loss before income tax	(14,361)	(336,825)
Tax calculated at a taxation rate of 16.5% (2022: 16.5%)	(2,370)	(55,576)
Effect of different taxation rates in other countries (Note)	829	334
Expenses not deductible for income tax purposes	5,158	19,979
Income not subject to income tax	(6,571)	(75)
Unrecognised tax losses	11,256	49,270
Recognition of tax losses previously not recognised	(80,597)	(6,701)
Over-provision in previous years	(313)	(324)
Income tax (credit)/expense	(72,608)	6,907

Note:

The Group is subject to different tax jurisdictions mainly in Macau SAR, Malaysia and Mainland China with tax rate ranges from 12% to 25% (2022: 12% to 25%).

10 Earnings/(loss) per share

Accounting Policy

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing cost associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

- (a) Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue less the total number of shares held under the Share Award Scheme during the year.

	2023	2022
Profit/(loss) attributable to owners of the Company (HK\$'000)	58,247	(343,732)
Weighted average number of ordinary shares in issue less shares held under the Share Award Scheme during the year (thousands)	3,101,830	3,101,568

- (b) For the year ended 31 March 2023, diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: share options and shares held under the Share Award Scheme during the year. For the share options, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options and future service cost. For shares held under the Share Award Scheme, awarded shares granted to the employees but not yet vested as at 31 March 2023 has been included in the number of shares.

For the year ended 31 March 2022, diluted loss per share equals to basic loss per share as the potential ordinary shares were not included in the calculation of diluted loss per share because they are anti-dilutive.

11 Dividends

Accounting Policy

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

The Board has not recommended the payment of a final dividend for the year ended 31 March 2023 (2022: Nil).

12 Property, plant and equipment

Accounting Policy

Land and buildings mainly comprise offices. Property, plant and equipment is stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Leasehold land	Over remaining lease term
Buildings	20-36 years
Leasehold improvements	Over shorter of lease term or 6 years
Equipment, furniture and fixtures	3-5 years
Motor vehicles and vessel	4-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (**Significant Accounting Policies No. 5**).

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are recognised in the income statement.

Please refer to **Critical Accounting Estimates and Judgements (i)** for estimates and judgements on impairment for property, plant and equipment.

12 Property, plant and equipment (continued)

	Land and buildings HK\$'000	Leasehold improvements HK\$'000	Equipment, furniture and fixtures HK\$'000	Motor vehicles and vessel HK\$'000	Total HK\$'000
At 31 March 2021					
Cost	190,790	594,054	265,463	19,840	1,070,147
Accumulated depreciation and impairment	(77,383)	(506,842)	(221,995)	(17,213)	(823,433)
Net book amount	113,407	87,212	43,468	2,627	246,714
Year ended 31 March 2022					
Opening net book amount	113,407	87,212	43,468	2,627	246,714
Additions	–	43,614	11,034	1,033	55,681
Write-off	–	(405)	(947)	–	(1,352)
Disposals	–	(11)	–	–	(11)
Depreciation	(5,630)	(51,663)	(21,110)	(1,468)	(79,871)
Impairment losses	–	(18,300)	(1,196)	–	(19,496)
Exchange differences	–	406	68	(1)	473
Closing net book amount	107,777	60,853	31,317	2,191	202,138
At 31 March 2022					
Cost	190,790	533,499	255,016	20,868	1,000,173
Accumulated depreciation and impairment	(83,013)	(472,646)	(223,699)	(18,677)	(798,035)
Net book amount	107,777	60,853	31,317	2,191	202,138
Year ended 31 March 2023					
Opening net book amount	107,777	60,853	31,317	2,191	202,138
Additions	–	42,649	9,835	6,103	58,587
Write-off	–	(986)	(209)	(1)	(1,196)
Disposals	–	–	(1)	–	(1)
Depreciation	(5,629)	(40,011)	(16,013)	(1,899)	(63,552)
Exchange differences	–	(728)	(285)	(1)	(1,014)
Closing net book amount	102,148	61,777	24,644	6,393	194,962
At 31 March 2023					
Cost	190,790	501,938	238,454	26,684	957,866
Accumulated depreciation and impairment	(88,642)	(440,161)	(213,810)	(20,291)	(762,904)
Net book amount	102,148	61,777	24,644	6,393	194,962

12 Property, plant and equipment (continued)

- (a) Depreciation expense of HK\$47,637,000 (2022: HK\$61,954,000) was included in selling and distribution costs, HK\$15,915,000 (2022: HK\$17,917,000) was included in administrative expenses.
- (b) Write-off of property, plant and equipment of HK\$1,196,000 (2022: HK\$1,352,000) was included in selling and distribution costs.
- (c) As at 31 March 2023, land and buildings with carrying value amounted to HK\$100,567,000 (2022: HK\$106,110,000) were pledged for banking facilities made available to the Group.

As at 31 March 2023, net book amount of retail store assets represented property, plant and equipment and right-of-use assets amounting to HK\$48,901,000 (2022: HK\$43,636,000) and HK\$375,281,000 (2022: HK\$331,339,000) respectively. The Group regards each individual retail store as a separately identifiable cash-generating unit. Management carried out an impairment assessment for the retail store assets, including property, plant and equipment and right-of-use assets, which have an impairment indicator.

The carrying amount of the retail store assets is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The estimates of the recoverable amounts were based on value-in-use calculations using discounted cash flow projections based on the financial forecasts approved by management covering the remaining tenure of the lease, with major assumptions such as revenue growth rate, percentage change of running costs and gross profit margin. As a result of the impairment assessment, no impairment loss of property, plant and equipment (2022: HK\$19,496,000) and right-of-use assets (Note 13) (2022: HK\$67,482,000) was recognised.

Key assumptions used in the value-in-use calculations for the recoverable amount of retail store assets in Hong Kong and Macau SARs and Mainland China markets are as follows:

Revenue growth rate:	based on the estimated foot traffic of the Group's retail stores and the recovery of the economy of this market
Percentage change of running costs:	based on the estimated change related to the Group's cost saving plan and historical data
Gross profit margin:	based on the historical data and potential change in product mix

13 Leases

Accounting Policy

The Group as lessee

The Group leases various retail stores, warehouses and offices. Rental contracts are typically made for fixed periods from 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the lease liabilities and finance costs. The finance cost is charged to consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

To determine the incremental borrowing rate, the Group:

- uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- restoration costs; and
- any initial direct costs.

13 Leases (continued)

Accounting Policy (continued)

The Group as lessee (continued)

Payments associated with short-term leases are recognised on a straight-line basis as an expense in consolidated income statement. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options are included in a number of property leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- 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 is not accounted for as a separate lease, the Group remeasures the lease liability 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.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its leased properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

13 Leases (continued)

(a) Right-of-use assets

	Store properties HK\$'000	Warehouses and offices properties HK\$'000	Total HK\$'000
At 1 April 2021	345,088	112,154	457,242
Inception of lease contracts	344,236	11,230	355,466
Reassessment of lease term	(48,951)	(70,296)	(119,247)
Adjustment for lease modification	(5,613)	(106)	(5,719)
Depreciation	(236,492)	(39,702)	(276,194)
Impairment losses	(67,482)	–	(67,482)
Exchange difference	552	134	686
At 31 March and 1 April 2022	331,338	13,414	344,752
Inception of lease contracts	280,798	177,863	458,661
Reassessment of lease term	–	(16)	(16)
Adjustment for lease modification	(448)	(5,353)	(5,801)
Depreciation	(234,775)	(40,777)	(275,552)
Exchange difference	(1,632)	(733)	(2,365)
At 31 March 2023	375,281	144,398	519,679

The Group obtains right to control the use of various retail stores, warehouses and offices for a period of time through lease arrangements. Lease arrangements are negotiated on an individual basis and contain a wide range of different terms and conditions including lease payments and lease terms ranging from 1 to 10 years (2022: 1 to 10 years).

During the year ended 31 March 2023, depreciation of right-of-use assets of HK\$269,575,000 (2022: HK\$268,808,000) was included in selling and distribution costs, HK\$5,977,000 (2022: HK\$7,386,000) was included in administrative expenses.

Some of the property leases which the Group is the lessee contain variable lease payment terms that are linked to sales generated from the leased stores. Variable lease terms are used to link lease payments to store cash flows and reduce fixed cost. The variable lease payments depend on sales and consequently on the overall economic development over the next few years. Taking into account the development of sales expected over the next few years, variable lease payments are expected to continue to present a similar proportion of store sales in future years.

For details of impairment losses on right-of-use assets, refer to Note 12(c).

13 Leases (continued)

(b) Lease liabilities

	2023 HK\$'000	2022 HK\$'000
At 1 April	471,510	649,116
Inception of lease contracts	453,216	351,014
Reassessment of lease term	(16)	(135,662)
Adjustment for lease modification	(24,118)	(5,722)
Interest expenses on lease liabilities (Note)	16,739	11,455
Payment for lease liabilities (including interest)	(346,629)	(399,694)
Exchange difference	(5,099)	1,003
At 31 March	565,603	471,510

Note:

During the year ended 31 March 2023, interest expenses on lease liabilities of HK\$16,739,000 (2022: HK\$11,455,000) were included in finance costs.

Maturity analysis of lease liabilities is as follows:

	2023 HK\$'000	2022 HK\$'000
Lease liabilities payable:		
Not later than 1 year	231,928	251,561
Later than 1 year but not later than 5 years	329,434	207,933
Over 5 years	4,241	12,016
	565,603	471,510
Less: portion classified as current liabilities	(231,928)	(251,561)
Non-current liabilities	333,675	219,949

(c) Short-term leases and not yet commenced leases

As at 31 March 2023, the total future lease payments for short-term leases and not yet commenced leases amounted to HK\$17,609,000 (2022: HK\$24,157,000) and HK\$41,746,000 (2022: HK\$215,491,000) respectively.

14 Rental deposits and other assets

	Significant Accounting Policies No. 6	
	2023 HK\$'000	2022 HK\$'000
Rental and other deposits	64,775	80,828
Others	5,552	5,552
	70,327	86,380

Rental deposits are carried at amortised cost using the effective interest rate of 0.44% to 1.79% per annum (2022: 0.44% to 1.79% per annum). The carrying amounts of rental deposits approximate their fair values.

15 Deferred tax

Accounting Policy

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences and losses can be utilised.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Please refer to **Critical Accounting Estimates and Judgements (iii)** for estimates and judgements on deferred tax assets in respect of tax losses and temporary differences.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The net amounts are as follows:

	2023 HK\$'000	2022 HK\$'000
Deferred tax assets	219,692	145,145
Deferred tax liabilities	(279)	(201)
Deferred tax assets – net	219,413	144,944

The movement in net deferred tax assets is as follows:

	2023 HK\$'000	2022 HK\$'000
At 1 April	144,944	149,698
Deferred tax credited/(charged) to the consolidated income statement (Note 9)	75,113	(4,729)
Exchange differences	(644)	(25)
At 31 March	219,413	144,944

As at 31 March 2023 and 2022, except for the deferred tax assets on certain provisions were expected to be recovered within 12 months, substantially all remaining balances of other deferred tax assets and liabilities were expected to be recovered after 12 months. Tax losses included in deferred tax assets amounting to HK\$56,634,000 (2022: HK\$2,438,000) and HK\$151,866,000 (2022: HK\$116,937,000) which is expected to be recovered within 12 months and over 12 months respectively.

15 Deferred tax (continued)

The movements in deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year are as follows:

Deferred tax assets	Decelerated tax depreciation		Leases		Provisions		Tax losses		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April	11,773	7,699	11,998	24,669	1,999	1,709	119,375	115,745	145,145	149,822
Credited/(charged) to the consolidated income statement	(5,115)	4,079	(9,005)	(12,672)	66	298	89,245	3,643	75,191	(4,652)
Exchange differences	(412)	(5)	(19)	1	(93)	(8)	(120)	(13)	(644)	(25)
At 31 March	6,246	11,773	2,974	11,998	1,972	1,999	208,500	119,375	219,692	145,145

Deferred tax liabilities

Accelerated tax depreciation

	2023	2022
	HK\$'000	HK\$'000
At 1 April	201	124
Charged to the consolidated income statement	78	77
At 31 March	279	201

Deferred tax assets are recognised for tax losses carry forward to the extent that realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred tax assets of HK\$90,737,000 (2022: HK\$151,276,000) in respect of tax losses amounting to HK\$376,916,000 (2022: HK\$775,827,000) and temporary differences amounting to HK\$53,550,000 (2022: HK\$52,420,000) that can be carried forward against future taxable income. Tax losses amounting to HK\$222,279,000 (2022: HK\$162,538,000) will expire within 1 to 5 years from 31 March 2023. The remaining tax losses and capital allowances have no expiry date.

16 Inventories

Accounting Policy

Inventories comprise merchandise and are stated at the lower of cost and net realisable value.

Cost represents the invoiced cost of inventories plus the applicable freight and duties. Costs are assigned to individual items on the weighted-average basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Please refer to **Critical Accounting Estimates and Judgements (ii)** for estimates and judgements on provision for inventory.

16 Inventories (continued)

	2023	2022
	HK\$'000	HK\$'000
Merchandise for resale	669,464	747,946

The cost of inventories recognised in cost of sales amounted to HK\$2,104,475,000 (2022: HK\$2,143,231,000).

During the year, the Group has made reversal provision of HK\$5,310,000 (2022: provision of HK\$8,950,000) for slow moving inventories and shrinkage.

17 Trade receivables

Accounting Policy

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Please refer to **Significant Accounting Policies No. 6(iv)** for policies on impairment of financial assets.

	2023	2022
	HK\$'000	HK\$'000
Trade receivables	68,813	75,980
Less: Provision for expected credit losses	(3,106)	(2,766)
Trade receivables – net	65,707	73,214

The carrying amounts of trade receivables approximate their fair values.

The Group's turnover comprises mainly cash sales and credit card sales. Certain wholesale customers are granted credit terms ranging from 7 to 120 days. The ageing analysis of trade receivables by invoice date is as follows:

	2023	2022
	HK\$'000	HK\$'000
Within 1 month	51,893	46,955
1 to 3 months	4,669	18,607
Over 3 months	9,145	7,652
	65,707	73,214

17 Trade receivables (continued)

Movement in the Group's provision for expected credit losses on trade receivables is as follows:

	2023 HK\$'000	2022 HK\$'000
At 1 April	2,766	1,259
Provision for impairment	352	1,500
Exchange differences	(12)	7
At 31 March	3,106	2,766

The Group applies HKFRS 9 simplified approach to measure ECL, which uses a lifetime expected loss allowance for all trade receivables. For details, please refer to Note 1(ii) in "Financial Risk Management".

Trade receivables are denominated in the following currencies:

	2023 HK\$'000	2022 HK\$'000
Renminbi	37,892	49,686
Hong Kong dollar	19,757	20,051
US dollar	3,999	2,805
Malaysian Ringgit	2,085	672
Singapore dollar	1,220	-
Others	754	-
	65,707	73,214

18 Other receivables, deposits and prepayments

Accounting Policy

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for expected credit losses.

If collection of other receivables is expected to be in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Please refer to **Significant Accounting Policies No. 6(iv)** for policies on impairment of financial assets.

	2023 HK\$'000	2022 HK\$'000
Rental and utilities deposits	75,728	77,882
Other receivables and payment in advance	45,583	53,086
Prepayments	21,040	27,885
Other deposits	18,339	21,276
	160,690	180,129

The carrying amounts of other receivables and deposits approximate their fair values. The other receivables are due and receivable within one year from the end of the reporting period.

19 Cash and bank balances

Accounting Policy

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

	2023 HK\$'000	2022 HK\$'000
Time deposits	–	241
Short-term bank deposits	160,034	47,052
Cash at bank and on hand	143,222	249,426
Cash and cash equivalents	303,256	296,478
Total	303,256	296,719

Cash and bank balances are denominated in the following currencies:

	2023 HK\$'000	2022 HK\$'000
Hong Kong dollar	140,198	133,844
Malaysian Ringgit	61,740	80,836
Renminbi	35,279	36,655
US dollar	27,885	9,601
Macau Pataca	13,011	20,024
Euro	11,411	8,424
Swiss Franc	10,040	2,681
Japanese Yen	2,840	2,253
Others	852	2,401
	303,256	296,719

As at 31 March 2023, there are no time deposit over three months. As at 31 March 2022, the year-end effective interest rate on time deposits over three months was 1.75% per annum. These deposits have an average maturity of 12 months.

The year-end effective interest rate on short-term bank deposits was 3.18% per annum (2022: 1.12% per annum). These deposits have an average maturity of 1 month (2022: 1 month).

As at 31 March 2023, total cash and bank balances denominated in Renminbi and Malaysian Ringgit of approximately HK\$91,901,000 (2022: HK\$115,222,000) were kept in Mainland China and Malaysia. The remittance of these funds out of Mainland China and Malaysia is subject to applicable foreign exchange restrictions imposed by the respective local governments.

20 Trade payables

Accounting Policy

Trade payables are obligations to pay for goods that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

The ageing analysis of trade payables by invoice date is as follows:

	2023 HK\$'000	2022 HK\$'000
Within 1 month	240,554	163,757
1 to 3 months	67,144	79,956
Over 3 months	22,020	35,466
	329,718	279,179

The carrying amounts of trade payables approximate their fair values.

Trade payables are denominated in the following currencies:

	2023 HK\$'000	2022 HK\$'000
Hong Kong dollar	224,044	149,090
US dollar	40,143	28,952
Renminbi	26,520	63,318
Euro	12,650	11,737
Malaysian Ringgit	12,396	14,585
South Korean Won	7,656	5,272
Japanese Yen	3,321	3,721
Swiss Franc	2,452	1,902
Macau Pataca	409	177
Others	127	425
	329,718	279,179

21 Other payables and accruals

Accounting Policy

Other payables and accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Provisions are recognised when the Group has a present legal and constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligations using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

	2023	2022
	HK\$'000	HK\$'000
Accrued staff costs	75,732	58,013
Accrued reinstatement costs	20,444	22,545
Valued-added tax and other tax payables	15,686	16,729
Contract liabilities (Note 2)	14,426	25,543
Accrued capital expenditure	10,276	11,095
Accrued advertising and promotion expenses	10,241	8,338
Accrued transportation expenses	6,306	10,821
Accrued repair and maintenance	4,655	5,135
Accrued utilities and telecommunication	4,071	4,273
Accrued rental related expenses	3,923	3,630
Other payables and accruals	37,436	46,344
	203,196	212,466

22 Borrowings

Accounting Policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

	2023 HK\$'000	2022 HK\$'000
Secured:		
Bank borrowings	20,000	80,000
Total secured borrowings	20,000	80,000
Unsecured:		
Bank borrowings	10,000	20,000
Trust receipt loans	–	2,484
Total unsecured borrowings	10,000	22,484
Total borrowings	30,000	102,484

As at 31 March 2023, the maturity of borrowings based on scheduled repayment dates is within one year and contain a repayment-on-demand clause (2022: within one to two year and contain a repayment-on-demand clause), and it is classified as current liabilities.

As at 31 March 2023, no trust receipt loans was outstanding (31 March 2022: interest rate for trust receipt loans was 1.58% per annum). The bank borrowings were at interest rate ranging from 4.04% to 4.65% (31 March 2022: ranging from 1.29% to 1.64%) and were denominated in Hong Kong dollar.

The carrying amounts of borrowings approximate their fair values.

As at 31 March 2023, land and buildings with carrying value amounted to HK\$100,567,000 (31 March 2022: HK\$106,110,000) was pledged for banking facilities made available to the Group.

23 Retirement benefit obligations

(a) Retirement benefit obligations

	Significant Accounting Policies No. 9	
	2023	2022
	HK\$'000	HK\$'000
Retirement benefit obligations liability on: – long service payments (Note (b)(ii))	12,660	9,532

(b) Retirement benefit costs

	2023	2022
	HK\$'000	HK\$'000
Retirement benefit costs charged to consolidated income statement:		
Retirement benefit costs (Note 6)		
– defined contribution plans (Note (i))	27,961	28,589
– long service payments (Note (ii))	13,165	488
	41,126	29,077
Retirement benefit costs (credited)/charged to other comprehensive income:		
– long service payments (Note (ii))	(8,490)	7,510

Notes:

- (i) The subsidiaries of the Group in Hong Kong SAR elected to contribute to the Mandatory Provident Fund Scheme ("MPF Scheme"). The MPF Scheme is a defined contribution retirement benefit plan administered by independent trustees. Under the MPF Scheme, both the employer and employees are required to contribute 5% of the employee's monthly salaries (capped at HK\$30,000). Contributions from the employer equivalent to the contribution as specified at the rules of the MPF Scheme are 100% vested as soon as they are paid to the relevant MPF Scheme but all benefits derived from the mandatory contributions must be preserved until the employee reaches the age of 65, subject to a few exceptions. As to the employer's contribution in excess of the portion vested in the MPF Scheme, the employees are entitled to 100% of it after 10 years of completed service or at a reduced scale after completion of 3 to 9 years' service. Any forfeited employer's excess contributions are refundable to the Group.

The employees of the Group in Mainland China are members of state-managed retirement benefit schemes operated by the respective local government in Mainland China. The Group is required to contribute a specified percentage of payroll costs to the scheme to fund the benefits. The only obligation of the Group with respect to these schemes is to make the specified contributions.

A subsidiary of the Group in Malaysia contributes to the Employees Provident Fund, the national defined contribution plan. The contributions are charged to profit or loss in the period to which they relate. The Company has no further payment obligations once the contributions have been paid.

23 Retirement benefit obligations (continued)

(b) Retirement benefit costs (continued)

Notes: (continued)

- (ii) The Group's provision for long service payments are determined based on the actuarial valuation as at 31 March 2023 prepared by Roma Appraisals Limited, a qualified actuary, using the projected unit credit method.

The movements of long service payments during the year are as follows:

	Present value of obligations	
	2023 HK\$'000	2022 HK\$'000
At 1 April	9,532	1,864
Current service cost	415	297
Interest cost	182	191
Past service cost (Note)	12,568	–
Retirement benefit costs charged to consolidated income statement	13,165	488
Remeasurements:		
Actuarial (gain)/loss – experience	(8,480)	7,520
Actuarial gain – financial assumptions	(10)	(575)
Actuarial loss – demographic assumptions	–	565
Retirement benefit costs (credited)/charged to other comprehensive income	(8,490)	7,510
Benefits paid directly by the employer	(1,547)	(330)
At 31 March	12,660	9,532

In June 2022, the Hong Kong SAR Government enacted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022. The amendment will come into effect prospectively from a date in 2025 to be appointed by the Hong Kong SAR Government ("Transition Date"), under which the accrued benefits attributable to the employers' mandatory contributions under the Mandatory Provident Fund would no longer be eligible to offset against the severance payment and long service payment accrued from the Transition Date. The retirement benefit obligation arising from long service payments has been remeasured accordingly and the impact is reflected as past service cost for the year.

24 Share capital

Accounting Policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Please refer to **Significant Accounting Policies No. 10** for details on Share Options and Share Award Scheme.

	No. of shares	HK\$'000
Authorised shares of HK\$0.1 each At 31 March 2022 and 2023	8,000,000,000	800,000
Issued and fully paid shares of HK\$0.1 each At 31 March 2022 and 2023	3,103,189,458	310,319

24 Share capital (continued)

(a) Share options

The 2002 Share Option Scheme was adopted on 29 August 2002 and terminated on 23 August 2012. No further options could be granted under the 2002 Share Option Scheme upon termination but the options already granted remained governed by the 2002 Share Option Scheme. The 2012 Share Option Scheme was adopted on 23 August 2012.

Under both the 2002 Share Option Scheme and the 2012 Share Option Scheme, share options may be granted to 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.

The option period 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. The subscription price shall be determined by the Board at 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; and (iii) the nominal value of a share of the Company. The Group has no obligation to repurchase or settle the options in cash.

The outstanding share options of the Company were granted under the 2012 Share Option Scheme to the directors of the Company and certain key management personnel, which are to be vested after the selected employee completed a period of services in the Group from one to three years from the grant date or achieved certain performance targets set by the Board. All outstanding share options have been vested.

The 2012 Share Option Scheme expired on 23 August 2022. Following the expiration of the 2012 Share Option Scheme, the Company adopted a new share option scheme (the "2022 Share Option Scheme") on 31 August 2022.

Under the 2022 Share Option Scheme, the Board shall, in accordance with and subject to the provisions of the 2022 Share Option Scheme and the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), be entitled but shall not be bound at any time within the period of ten years commencing on 31 August 2022, the date on which the 2022 Share Option Scheme was adopted, to make an offer to any person belonging to the following classes of grantee (the "Participant") to subscribe, subject to such conditions as the Board may think fit, and no person other than the Participant named in such offer may subscribe, for such number of shares at such subscription price as the Board shall determine:

- (a) any employee (whether employed on a full-time or part-time basis, including any executive director but excluding any non-executive director) of the Company or its subsidiaries (including persons who are granted options as an inducement to enter into employment contracts with the Group);
- (b) any non-executive director (including independent non-executive director) of the Group;
- (c) any director and employee of any holding company, fellow subsidiary or associated company of the Company;
- (d) any shareholder of any member of the Group; and
- (e) any person(s) who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are material to the long term growth of the Group as determined by the Remuneration Committee, including advisers, consultants, distributors, contractors, suppliers, agents, business partners, joint venture partners, promoters and service providers of any member of the Group, but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, or consultants providing professional services to the Group,

24 Share capital (continued)

(a) Share options (continued)

and, for the purposes of the 2022 Share Option Scheme, the offer may be made to a trust or similar arrangement for the benefit of a specified Participant subject to the fulfilment of requirements of the Listing Rules (including waiver from the Stock Exchange, where applicable).

The option period 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. 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. The Group has no obligation to repurchase or settle the options in cash.

During the year ended 31 March 2023, no share option was granted under the 2012 Share Option Scheme and 2022 Share Option Scheme (2022: Nil).

Movements in the number of share options outstanding are as follows:

	No. of share options year ended 31 March	
	2023	2022
At 1 April	6,027,000	30,467,988
Lapsed	(2,818,000)	(24,440,988)
At 31 March	3,209,000	6,027,000

The expiry dates and subscription prices of the share options outstanding as at 31 March 2023 and 2022 are set out as follows:

Expiry dates	Subscription price per Share (HK\$)	No. of share options outstanding as at 31 March	
		2023	2022
2002 Share Option Scheme			
28 June 2022	4.85	–	2,412,000
2012 Share Option Scheme			
20 June 2023	8.07	2,909,000	3,315,000
12 April 2028	4.65	300,000	300,000
		3,209,000	6,027,000
Weighted average remaining contractual life of options outstanding at end of the year		0.67 years	1.07 years

24 Share capital (continued)

(b) Share award

Pursuant to a resolution of the Board dated 11 April 2014, the Board approved the adoption of the Share Award Scheme under which shares of the Company may be awarded to selected employees for no cash consideration in accordance with its absolute discretion. The Share Award Scheme operates for 15 years starting from 11 April 2014. The maximum number of shares which may be awarded to any selected employee under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company. The awarded shares are to be vested after the selected employee completed a period of services in the Group from four months from the grant date.

A trust has been set up and fully funded by the Company for the purpose of purchasing, administrating and holding the Company's shares for the Share Award Scheme. The total number of shares to be awarded under the Share Award Scheme is limited to 5% of the issued share capital of the Company.

During the year ended 31 March 2023 and 31 March 2022, no share was acquired by the Company.

Movements in the number of awarded shares:

	Number of awarded shares year ended 31 March	
	2023	2022
At 1 April	345,000	455,000
Awarded (Note)	200,000	130,000
Vested	(180,000)	(225,000)
Lapsed	(165,000)	(15,000)
At 31 March	200,000	345,000

Note: The fair value of awarded shares was determined with reference to market price of the Company's shares at the grant date. Average fair value per share was HK\$1.89 (2022: HK\$1.59).

Details of the awarded shares outstanding as at 31 March 2023 were set out as follows:

Date of award	Average fair value per share (HK\$)	Vesting period*	Number of awarded shares				Outstanding as at 31 March 2023
			Outstanding as at 1 April 2022	Awarded during the year	Vested during the year	Lapsed during the year	
21 Jun 2019	2.25	21 Jun 2019 to 30 Jun 2022	125,000	-	(125,000)	-	-
9 Oct 2020	1.31	9 Oct 2020 to 30 Sep 2023	130,000	-	(15,000)	(115,000)	-
16 Dec 2021	1.68	16 Dec 2021 to 17 Nov 2023	75,000	-	(25,000)	(50,000)	-
9 Mar 2022	1.30	9 Mar 2022 to 21 Feb 2023	15,000	-	(15,000)	-	-
20 Dec 2022	1.89	20 Dec 2022 to 18 Apr 2023	-	200,000	-	-	200,000
			345,000	200,000	(180,000)	(165,000)	200,000

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

(c) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year as part of employee benefit expense were as follows:

	2023 HK\$'000	2022 HK\$'000
Expenses recognised by share award scheme	281	324

25 Reserves

	Share premium HK\$'000	Shares held under the Share Award Scheme HK\$'000	Capital redemption reserve HK\$'000	Employee share-based compensation reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2022	1,412,707	(4,516)	11,783	15,587	(44,738)	(718,234)	672,589
Profit for the year	-	-	-	-	-	58,247	58,247
Other comprehensive loss:							
Actuarial gain on retirement benefit obligations	-	-	-	-	-	8,490	8,490
Currency translation differences of foreign subsidiaries recorded in translation reserve	-	-	-	-	(9,063)	-	(9,063)
Total comprehensive profit for the year	-	-	-	-	(9,063)	66,737	57,674
Share award scheme:							
Value of employee services	-	-	-	281	-	-	281
Vesting of shares under share award scheme	-	760	-	(362)	-	(398)	-
Employee share option scheme:							
Lapse of share options	-	-	-	(4,453)	-	4,453	-
Unclaimed dividends forfeited	-	-	-	-	-	318	318
Total transactions with owners, recognised directly in equity	-	760	-	(4,534)	-	4,373	599
At 31 March 2023	1,412,707	(3,756)	11,783	11,053	(53,801)	(647,124)	730,862

	Share premium HK\$'000	Shares held under the Share Award Scheme HK\$'000	Capital redemption reserve HK\$'000	Employee share-based compensation reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2021	1,412,707	(5,466)	11,783	53,473	(48,041)	(404,632)	1,019,824
Loss for the year	-	-	-	-	-	(343,732)	(343,732)
Other comprehensive loss:							
Actuarial loss on retirement benefit obligations	-	-	-	-	-	(7,510)	(7,510)
Currency translation differences of foreign subsidiaries recorded in translation reserve	-	-	-	-	3,303	-	3,303
Total comprehensive loss for the year	-	-	-	-	3,303	(351,242)	(347,939)
Share award scheme:							
Value of employee services	-	-	-	324	-	-	324
Vesting of shares under share award scheme	-	950	-	(449)	-	(501)	-
Employee share option scheme:							
Lapse of share options	-	-	-	(37,761)	-	37,761	-
Unclaimed dividends forfeited	-	-	-	-	-	380	380
Total transactions with owners, recognised directly in equity	-	950	-	(37,886)	-	37,640	704
At 31 March 2022	1,412,707	(4,516)	11,783	15,587	(44,738)	(718,234)	672,589

26 Cash flow information

(a) Cash generated from operations

	2023 HK\$'000	2022 HK\$'000
Profit/(loss) for the year	58,247	(343,732)
Adjustments for:		
– Income tax (credit)/expense	(72,608)	6,907
– Depreciation of property, plant and equipment	63,552	79,871
– Depreciation of right-of-use assets	275,552	276,194
– Impairment of property, plant and equipment	–	19,496
– Impairment of right-of-use assets	–	67,482
– Write-off of property, plant and equipment	1,196	1,352
– Losses on disposal of property, plant and equipment (Note 26(b))	–	10
– (Reversal of provision)/provision for slow moving inventories and shrinkage	(5,310)	8,950
– Share-based payment	281	324
– Gain on derecognition of lease liabilities and right-of-use assets	(18,317)	(16,120)
– Finance costs	19,100	11,778
– Finance income	(3,253)	(3,049)
	318,440	109,463
Changes in working capital:		
– Inventories	88,862	4,503
– Trade receivables	7,507	3,758
– Other receivables, deposits and prepayments	36,482	11,630
– Trade payables	50,539	(11,051)
– Other payables, accruals and retirement benefit obligations	(8,511)	9,123
Cash generated from operations	493,319	127,426

(b) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

	2023 HK\$'000	2022 HK\$'000
Net book amount (Note 12)	1	11
Losses on disposal of property, plant and equipment	–	(10)
Proceeds from disposal of property, plant and equipment	1	1

(c) The liabilities arising from financing activities represented borrowings and lease liabilities. For details of movement in lease liabilities, see Note 13(b). There are no other movements between the opening and closing balance of borrowings other than proceeds from and repayment of borrowings as disclosed in the consolidated statement of cash flows.

27 Commitments

Capital commitments in respect of acquisition of property, plant and equipment

	2023 HK\$'000	2022 HK\$'000
Contracted but not provided for	4,207	26,502

28 Significant related party transactions

Accounting Policy

Related parties are individuals and companies, including subsidiaries, fellow subsidiaries, jointly controlled entities, associated companies and key management personnel, where the individual or company has the ability, directly or indirectly, control or jointly control the other party or exercise significant influence over the other party in making financial and operating decisions. A close family member of any such individual is considered to be a related party.

(a) Transactions with related parties

	2023 HK\$'000	2022 HK\$'000
Purchase of goods from an entity owned by the immediate family member of an executive director	2,960	2,772
Rental paid to an entity wholly owned by executive directors	719	2,204

The related party transaction was conducted in accordance with terms mutually agreed with related party and in the ordinary course of business.

A revolving loan facility of up to HK\$200,000,000 was also made available to the Group on 31 March 2022 by Dr KWOK Siu Ming Simon and Dr KWOK LAW Kwai Chun Eleanor, the executive directors and controlling shareholders of the Company. The facility is valid until 30 March 2024. All outstanding amounts under the facility shall carry interest at the rate of Hong Kong Interbank Offered Rate plus 1.35% per annum.

(b) Key management compensation

Key management, including executive directors, senior management and other key management personnel, represents individual who has authority and responsibility for planning, directing and controlling the activities of the Group.

Key management compensation is disclosed as follows:

	2023 HK\$'000	2022 HK\$'000
Basic salaries, housing allowances, other allowances and benefits-in-kind	32,452	28,595
Retirement benefit costs	927	910
Share-based payment	281	324
	33,660	29,829

28 Significant related party transactions (continued)

(c) Interest of directors

None of the directors received any termination benefits during the year ended 31 March 2023 (2022: Nil). During the year ended 31 March 2023, the Group did not pay consideration to any third parties for making available directors' services. As at 31 March 2023, there were no loans, quasi-loans or other dealings in favour of directors, their controlled bodies corporate and connected entities (2022: Nil). During the year and at the year end, no director of the Company had or has a material interest, directly or indirectly, in any significant transactions, arrangements and contracts in relation to the Group's business to which the Group was or is a party (2022: Nil).

29 Principal subsidiaries

Particulars of the principal subsidiaries at 31 March 2023:

Name	Place of incorporation/ establishment and kind of legal entity (Country/Region)	Principal activities and place of operation (if different from place of incorporation)	Particulars of issued share capital/paid up share capital	Direct/indirect interest held
Base Sun Investment Limited	Hong Kong, limited liability company	Property holding	Ordinary HK\$100 Deferred HK\$2	100%
Cosmic Rosy Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$1	100%
Cyber Colors Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$1	100%
Docile Company Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$2	100%
Dragon Gold Investments Limited	Hong Kong, limited liability company	Trading of cosmetic and skin care products	Ordinary HK\$2	100%
Dragonstar International Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$1	100%
Eleanor International Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$1	100%
Ever Bloom Development Limited	Hong Kong, limited liability company	Investment holding	Ordinary HK\$1	100%
Fielding Group Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$2	100%
Forever Best International Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$1	100%
Hadatuko Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$1	100%
Highmove Enterprises Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$1	100%
Hong Kong Sa Sa (M) Sdn. Bhd.	Malaysia, limited liability company	Trading and retailing of cosmetic products	Ordinary RM20,000,000	100%

"Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China.

29 Principal subsidiaries (continued)

Name	Place of incorporation/ establishment and kind of legal entity (Country/Region)	Principal activities and place of operation (if different from place of incorporation)	Particulars of issued share capital/paid up share capital	Direct/indirect interest held
Matford Trading Limited	Hong Kong, limited liability company	Property holding	Ordinary HK\$100 Deferred HK\$6	100%
Methode Swiss Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$1	100%
Netcom Holdings Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$50,000	100%
New Image International Holdings Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$6	100%
Nouveau International Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$1	100%
Rosy Sino Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$1	100%
Sa Sa Boutique Limited	Hong Kong, limited liability company	Investment holding	Ordinary HK\$2	100%
Sa Sa Cosmetic Company Limited	Hong Kong, limited liability company	Retailing and wholesaling of cosmetic products	Ordinary HK\$100 Deferred HK\$2	100%
Sa Sa dot Com Limited	Hong Kong, limited liability company	Online business	Ordinary HK\$1,000,000	100%
Sa Sa Development Limited	Hong Kong, limited liability company	Property holding	Ordinary HK\$100	100%
Sa Sa Health Food Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$50,000	100%
Sa Sa Investment (HK) Limited	Hong Kong, limited liability company	Property holding	Ordinary HK\$100 Deferred HK\$2	100%
Sa Sa Investment Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$1	100%
Sa Sa Making Life Beautiful Charity Fund Limited	Hong Kong, limited liability company	Charitable activities	Limited by guarantee	100%
Sa Sa Nominees Limited	Hong Kong, limited liability company	Provision of services to group companies	Ordinary HK\$2	100%
Sa Sa Overseas Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$2	100%
Sa Sa Property Limited	Hong Kong, limited liability company	Property holding	Ordinary HK\$100	100%

"Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China.

29 Principal subsidiaries (continued)

Name	Place of incorporation/ establishment and kind of legal entity (Country/Region)	Principal activities and place of operation (if different from place of incorporation)	Particulars of issued share capital/paid up share capital	Direct/indirect interest held
Sasatinnie Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$1	100%
SkinPeptoxyl Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$1	100%
Soo Beauté Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$1	100%
S.P. Laboratories S.A.	Switzerland, limited liability company	Holding of intellectual property rights	CHF555,000	100%
Swiss Rituel Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$1	100%
Suisse Programme Limited	Gibraltar, limited liability company	Holding of intellectual property rights	Ordinary £100	100%
Whitfield Enterprises Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$2	100%
明貴貿易(上海)有限公司 (Note 1)	People's Republic of China, limited liability company	Wholesale of cosmetic products	HK\$10,000,000	100%
莎莎化妝品(中國)有限公司 (Note 2)	People's Republic of China, limited liability company	Trading and retailing of cosmetic products	HK\$205,000,000	100%
鄭州莎莎電子商務有限公司 (Note 3)	People's Republic of China, limited liability company	Provision of online business related services to group companies	RMB500,000	100%
莎莎電子商務(廣州)有限公司 (Note 4)	People's Republic of China, limited liability company	Provision of online business related services to group companies	RMB1,000,000	100%

Notes:

- 1) 明貴貿易(上海)有限公司 is a wholly foreign-owned enterprise established in the People's Republic of China.
- 2) 莎莎化妝品(中國)有限公司 is a wholly foreign-owned enterprise established in the People's Republic of China.
- 3) 鄭州莎莎電子商務有限公司 is a wholly foreign-owned enterprise established in the People's Republic of China.
- 4) 莎莎電子商務(廣州)有限公司 is a wholly foreign-owned enterprise established in the People's Republic of China.

"Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China.

30 Statement of financial position and reserve movement of the Company

Statement of financial position of the Company

	2023 HK\$'000	2022 HK\$'000
ASSETS		
Non-current assets		
Investments in and amounts due from subsidiaries	2,154,216	2,158,847
Other assets	750	750
	2,154,966	2,159,597
Current assets		
Other receivables, deposits and prepayments	692	648
Cash and cash equivalents	20,628	20,952
	21,320	21,600
LIABILITIES		
Current liabilities		
Other payables and accruals	633	2,873
Net current assets	20,687	18,727
Total assets less current liabilities	2,175,653	2,178,324
EQUITY		
Capital and reserves		
Share capital	310,319	310,319
Reserves	1,865,334	1,868,005
Total equity	2,175,653	2,178,324

The statement of financial position of the Company was approved by the Board on 15 June 2023 and was signed on its behalf.

KWOK Siu Ming Simon
Chairman and CEO

KWOK LAW Kwai Chun Eleanor
Vice-chairman

30 Statement of financial position and reserve movement of the Company (continued)

Reserve movement of the Company

	Share premium HK\$'000	Shares held under the Share Award Scheme HK\$'000	Capital redemption reserve HK\$'000	Employee share-based compensation reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 April 2022	1,412,707	(4,516)	11,783	15,587	432,444	1,868,005
Loss and total comprehensive loss for the year	-	-	-	-	(3,270)	(3,270)
Share award scheme:						
Value of employee services	-	-	-	281	-	281
Vesting of shares under share award scheme	-	760	-	(362)	(398)	-
Employee share option scheme:						
Lapse of share options	-	-	-	(4,453)	4,453	-
Unclaimed dividends forfeited	-	-	-	-	318	318
Total transactions with owners, recognised directly in equity	-	760	-	(4,534)	4,373	599
At 31 March 2023	1,412,707	(3,756)	11,783	11,053	433,547	1,865,334

	Share premium HK\$'000	Shares held under the Share Award Scheme HK\$'000	Capital redemption reserve HK\$'000	Employee share-based compensation reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 April 2021	1,412,707	(5,466)	11,783	53,473	397,641	1,870,138
Loss and total comprehensive loss for the year	-	-	-	-	(2,837)	(2,837)
Share award scheme:						
Value of employee services	-	-	-	324	-	324
Vesting of shares under share award scheme	-	950	-	(449)	(501)	-
Employee share option scheme:						
Lapse of share options	-	-	-	(37,761)	37,761	-
Unclaimed dividends forfeited	-	-	-	-	380	380
Total transactions with owners, recognised directly in equity	-	950	-	(37,886)	37,640	704
At 31 March 2022	1,412,707	(4,516)	11,783	15,587	432,444	1,868,005