

DIRECTORS' REPORT



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 2024.

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 29 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 29 to 44). Description of the principal risks and uncertainties facing the Group can be found in the ERM report (pages 80 to 87). 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 10 to 15) and the MD&A section (pages 44 to 48). Certain financial key performance indicators which complement and supplement our financial disclosures are set out on pages 22 to 25. An account of the Company's relationships with its stakeholders 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 156.

The Board has resolved not to pay any interim dividend for the six months ended 30 September 2023 (2023: Nil). The Board proposed the payment of a final dividend of 5.0 HK cents per Share (2023: Nil), such dividend will be proposed for approval by Shareholders at the AGM to be held on Thursday, 22 August 2024, and are payable to Shareholders whose names appear on the Register of Members of the Company on Thursday, 29 August 2024. Total dividends paid (nil) and to be paid in respect of the year ended 31 March 2024 amounted to HK\$155,159,000.

Dividend Policy

The Company has a policy on the payment of dividends, which is set out in the Corporate Governance report on page 79.

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last 10 financial years is set out on pages 22 to 25 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 25 and 30 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 12 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 24 to the consolidated financial statements.

Equity-linked Agreements

Save for the Share Option Schemes as set out on pages 138 to 143 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

- **2012 Share Option Scheme**

A share option scheme was adopted on 23 August 2012 and became unconditional and effective on 27 August 2012 ("2012 Share Option Scheme"). The 2012 Share Option Scheme expired on 23 August 2022. Upon expiration of the 2012 Share Option Scheme, no option was available for grant as at 1 April 2023 and 31 March 2024 and no further options were granted under it during the year but its provisions continued to govern options granted under this scheme up to and including 23 August 2022. The total number of shares which may be issued upon exercise of all options granted under the scheme is 300,000 Shares, which represented 0.01% of the total issued share capital of the Company as at 31 March 2024. 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.

(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 20 June 2024, no further options could be granted under the 2012 Share Option Scheme and the total number of shares which may be issued upon exercise of all options granted under the scheme was 300,000 Shares, which represented 0.01% of the total issued share capital of the Company on that date.



Share Options (continued)

Share Option Schemes (continued)

- **2012 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 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.

- (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 expired on 23 August 2022.

Share Options (continued)

Share Option Schemes (continued)

- 2012 Share Option Scheme (continued)**

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 2023	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding as at 31 March 2024
Directors								
Ms KWOK Sze Wai Melody	21 Jun 2013	8.07	21 Jun 2016 to 20 Jun 2023	50,000	-	-	(50,000)	-
Ms KWOK Sea Nga Kitty	21 Jun 2013	8.07	21 Jun 2016 to 20 Jun 2023	100,000	-	-	(100,000)	-
Ms LEE Yun Chun Marie-Christine	13 Apr 2018	4.65	13 Apr 2020 to 12 Apr 2028	100,000	-	-	-	100,000
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⁾	2,569,000	-	-	(2,569,000)	-
			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⁾	120,000	-	-	(120,000)	-
				3,209,000	-	-	(2,909,000)	300,000

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.

Notes:

- 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.
- The grantee, Mr KWOK Siu Hung Vincent, is an associate of the chief executive and directors of the Company.
- The grantee, Mr KWOK Siu Keung Paul, is an associate of the chief executive and directors of the Company.
- The grantee, Mr LAW Kin Ming Peter, is an associate of the chief executive and directors of the Company.



Share Options (continued)

Share Option Schemes (continued)

- **2022 Share Option Scheme**

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. The number of options available for grant under the 2022 Share Option Scheme as at 1 April 2023 and 31 March 2024 was both 310,318,945. The number of options available for grant under the Service Provider Sublimit as at 1 April 2023 and 31 March 2024 was both 31,031,894 shares. No share options have been granted under the 2022 Share Option Scheme. A summary of the 2022 Share Option Scheme is set out below:

(a) **Purpose**

To reward and incentivise the Participants (as defined below) for their contribution or potential contribution to the Group and to align their interests with those of the Company and the Shareholders, and/or to recruit and retain high calibre Participants and attract human resources that are valuable to the Group.

(b) **Participants**

The Board shall, in accordance with and subject to the provisions of the 2022 Share Option Scheme and 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 (“Adoption Date”), to make an offer to any person belonging to the following classes of participants 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) (“Eligible Employee”);
- (b) any non-executive director (including independent non-executive director) of the Company or its subsidiaries;
- (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 (“Service Provider”).

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).

Share Options (continued)

Share Option Schemes (continued)

- **2022 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 2022 Share Option Scheme shall not (when aggregated with any Shares subject to any other share option scheme(s) and share award scheme(s) that involve(s) the issuance of new Shares of the Company) exceed 10% of the total number of Shares in issue on the Adoption Date (the "Scheme Mandate Limit"), and in respect of Options that may be granted to Service Providers, a sublimit of 1% of the total number of Shares in issue on the Adoption Date (the "Service Provider Sublimit"). The number of Options available for grant under the Service Provider Sublimit as at 1 April 2023 and 31 March 2024 was both 31,031,894 shares. Option lapsed in accordance with the terms of the 2022 Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.
 - (ii) Where applicable under the Listing Rules, the Company may seek approval by the Shareholders in general meeting to refresh the Scheme Mandate Limit (and the Service Provider Sublimit) after three years from the date of Shareholders' approval for the last refreshment (or the adoption of the 2022 Share Option Scheme), provided that:
 - (a) the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the 2022 Share Option Scheme and any other share option schemes and all awards to be granted under any share award schemes that involve the issuance of new Shares of the Group under the scheme mandate as refreshed shall not exceed 10% of the total number of the Shares in issue as at the date of approval of the refreshed scheme mandate;
 - (b) the Company has first sent a circular to the Shareholders containing the number of options that were already granted under the existing Scheme Mandate Limit and the Service Provider Sublimit, and the reason for such refreshment; and
 - (c) any additional refreshment within any three-year period must be approved by independent Shareholders in accordance with the relevant requirement of the Listing Rules.
 - (iii) Where applicable under the Listing Rules, the maximum number of Shares in respect of which options may be granted to grantees under the 2022 Share Option Scheme and other share option schemes of the Company shall not exceed 30% of the total number of the Shares in issue from time to time or such limit in accordance with the Listing Rules.
 - (iv) As at 20 June 2024, the total number of shares available for issue under the 2022 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 both 310,318,945 Shares, which represented 10% 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 to a specifically identified single Participant under the 2022 Share Option Scheme in any 12-month period up to and including the date of such grant shall not (when aggregated with any Shares subject to any other share option scheme(s) and share award scheme(s) that involve(s) the issuance of new Shares of the Company excluding any Options lapsed in accordance with the terms of the New Share Option Scheme) exceed 1% of the Shares in issue (the "Individual Limit").

Where applicable under the Listing Rules, the Company may grant options beyond the 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 in the aforesaid 12-month period) the purpose of granting the options to the Participant and an explanation as to how the terms of the options serve such purpose; (ii) the number and terms of the options to be granted to the Participant has been fixed before Shareholders' approval; and (iii) separate Shareholders' approval has been obtained in general meeting with the proposed Participant and his close associates (or his associates if the Participant is a connected person) abstaining from voting.



Share Options (continued)

Share Option Schemes (continued)

- **2022 Share Option Scheme (continued)**

(e) **Period within which the option may be exercised by the grantee**

The period to be notified by the Board to each grantee as being the period during which an option may be exercised as the Board determines at its discretion, save that such period shall not be more than ten years from the date of grant of the relevant option.

(f) **Vesting period of options granted**

The minimum period for which an option must be held before it can be exercised, which shall not be less than 12 months (save where applicable under the Listing Rules when the Remuneration Committee has approved the Offer of Options to a specifically identified Participant who is an Eligible Employee or a non-executive director (including independent non-executive director) of the Company or its subsidiaries with a shorter vesting period, and has clearly explained the reason for so doing in the grant announcement published by the Company as required under the Listing Rules).

(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 in 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; or
- (iii) the nominal value of a share of the Company.

(i) **Remaining life of the 2022 Share Option Scheme**

The period of ten years commencing on 31 August 2022.

Share Award Scheme

The share award scheme was adopted by the Board on 11 April 2014 (the "Share Award Scheme"). 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 2024, a total of 7,292,000 awarded Shares had been granted pursuant to the Share Award Scheme, out of which 295,000 awarded Shares remained unvested. During the year, no 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.

Share Award Scheme (continued)

(b) Participants

The Board may, from time to time, at its absolute discretion select any individual being an employee (including without limitation any executive director) of any member of the Group (other than any employee who is resident in a place where the award of the awarded shares and/or the vesting and transfer of the awarded shares pursuant to the terms of the Share Award Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such employee) for participation in the Scheme as a Selected Employee, and grant such number of awarded shares to any employee(s) selected by the Board pursuant to the scheme rules for participation in the Share Award Scheme at no consideration and in such number and on and subject to such terms and conditions as it may in its absolute discretion determine.

(c) 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.

(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) Vesting period of awarded shares granted

A selected employee shall be entitled to receive the awarded Shares vested in him/her 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.

(f) Consideration on acceptance of the awarded shares

No consideration.

(g) Basis of determining the purchase price of shares awarded

No such provision in the scheme.

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.

(h) Remaining life of the Share Award Scheme

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)

(i) Voting rights

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

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\$)	Closing price of the Shares immediately before the date on which the awarded Shares were granted (HK\$)	Vesting period*	Closing price of the Shares immediately before the date on which the awarded Shares were vested (HK\$)	Number of awarded Shares				
						Outstanding as at 1 April 2023	Awarded during the year	Vested during the year	Lapsed during the year	Outstanding as at 31 March 2024
Director										
Mr HO Danny Wing Fi	20 Dec 2022	1.89	–	20 Dec 2022 to 18 Apr 2023	1.91	200,000	–	(200,000)	–	–
Employees	8 Feb 2024	0.82	0.85	8 Feb 2024 to 6 Aug 2024	–	–	100,000	–	–	100,000
				8 Feb 2024 to 19 Aug 2025	–	–	50,000	–	–	50,000
				8 Feb 2024 to 19 Sept 2025	–	–	50,000	–	–	50,000
				8 Feb 2024 to 14 Dec 2025	–	–	50,000	–	–	50,000
				8 Feb 2024 to 21 Feb 2025	0.86	–	30,000	(15,000)	–	15,000
				8 Feb 2024 to 20 Nov 2025	–	–	30,000	–	–	30,000
						200,000	310,000	(215,000)	–	295,000

* The fair value of awarded Shares was determined with reference to market price of the Shares at the grant date.

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

No awarded shares were cancelled during the period.

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 2024 are set out in note 29 to the consolidated financial statements.

Capitalised Interest

No interest was capitalised by the Group during the year (2023: Nil).

Distributable Reserves

As at 31 March 2024, the reserves of the Company available for distribution amounted to HK\$1,849,806,000 (2023: HK\$1,846,254,000).

DIRECTORS' REPORT

Donations

The Group made donations during the year totalling HK\$2,797,000 (2023: HK\$1,092,000).

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: 3 December 1996*
- date of last re-election in AGM: 31 August 2022

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

- date of appointment: 3 December 1996*
- date of last re-election in AGM: 31 August 2022

Ms KWOK Sze Wai Melody, *MH, JP*[◊]

- date of appointment: 2 September 2019*
- date of last re-election in AGM: 24 August 2023

Mr HO Danny Wing Fi (CFO)

- date of appointment: 30 June 2022*
- date of last re-election in AGM: 31 August 2022

Ms KWOK Sea Nga Kitty

- date of appointment: 31 August 2022*
- date of last re-election in AGM: 24 August 2023

Non-executive Director

Ms LEE Yun Chun Marie-Christine

- date of appointment: 26 February 2013
- date of last re-election in AGM: 31 August 2022
- term of directorship: three years commencing on 22 August 2022*

Independent Non-executive Directors

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

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

Mr TAN Wee Seng

- date of appointment: 26 June 2012
- date of last re-election in AGM: 24 August 2023
- term of directorship: three years commencing on 26 August 2022*

Mr CHAN Hiu Fung Nicholas, *BBS[◊], MH, JP*

- date of appointment: 2 September 2019
- date of last re-election in AGM: 24 August 2023
- term of directorship: three years commencing on 27 August 2023*

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 KI Man Fung Leonie will retire by rotation at the forthcoming AGM and, all being eligible, each of them will offer herself/himself for re-election.

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

◊ Since 1 July 2024



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 himself/herself 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). The facility expired on 30 March 2024 and was not renewed. 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 is set out on pages 51 to 56 of this Annual Report.

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

As at 31 March 2024, 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%
Ms KWOK Sze Wai Melody	110,000	6,000	–	–	116,000	0.0037%
Mr HO Danny Wing Fi	200,000	–	–	–	200,000	0.0064%
Ms KWOK Sea Nga Kitty	110,000	–	–	–	110,000	0.0035%
Ms LEE Yun Chun Marie-Christine	–	–	–	100,000 ⁽³⁾	100,000	0.0032%
Ms KI Man Fung Leonie	–	–	–	100,000 ⁽³⁾	100,000	0.0032%
Mr TAN Wee Seng	–	–	–	100,000 ⁽³⁾	100,000	0.0032%

Notes:

- (1) Based on 3,103,189,458 Shares in issue as at 31 March 2024.
- (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 the derivatives interests in the shares of the Company of the non-executive directors (including INEDs) and their movement during the year ended 31 March 2024 are disclosed in the share options section on page 140 of this report.



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

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 2024 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 associated 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 associated 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%

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 page 140, 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 2024, Substantial 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 2024.

(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 2024, 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 Transactions

The transactions with related parties disclosed in note 28 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 PricewaterhouseCoopers 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, 20 June 2024