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# king fook holdings limited

## 景福集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 280)

### GROUP RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

The Board of Directors (the “Board”) of King Fook Holdings Limited (the “Company”) announces the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the financial year ended 31 March 2023 together with the audited comparative figures for the previous year as follows:

#### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 March	
		2023 HK\$'000	2022 HK\$'000
<b>Revenue</b>	6	<b>894,702</b>	819,150
Cost of sales		<u>(624,761)</u>	<u>(584,957)</u>
<b>Gross profit</b>		<b>269,941</b>	234,193
Other operating income	7	<b>12,962</b>	3,368
Distribution and selling costs		<b>(128,208)</b>	(122,338)
Administrative expenses		<b>(50,532)</b>	(44,666)
Other operating expenses	8	<b>(21,384)</b>	(4,652)
<b>Operating profit</b>		<b>82,779</b>	65,905
Finance costs		<u>(3,327)</u>	<u>(5,865)</u>
<b>Profit before taxation</b>	9	<b>79,452</b>	60,040
Taxation	10	<u>-</u>	-
<b>Profit for the year</b>		<b>79,452</b>	60,040

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)**

	<i>Notes</i>	<b>Year ended 31 March</b>	
		<b>2023</b>	<b>2022</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Other comprehensive income</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		(572)	345
<i>Item that will not be reclassified to profit or loss:</i>			
Change in fair value of investments at fair value through other comprehensive income		<u>(445)</u>	<u>(390)</u>
<b>Other comprehensive income for the year</b>		<u><b>(1,017)</b></u>	<u><b>(45)</b></u>
<b>Total comprehensive income for the year</b>		<u><b>78,435</b></u>	<u><b>59,995</b></u>
<b>Profit/(loss) for the year attributable to:</b>			
- Owners of the Company		<u>79,466</u>	<u>60,050</u>
- Non-controlling interests		<u>(14)</u>	<u>(10)</u>
		<u><b>79,452</b></u>	<u><b>60,040</b></u>
<b>Total comprehensive income for the year attributable to:</b>			
- Owners of the Company		<u>78,449</u>	<u>60,005</u>
- Non-controlling interests		<u>(14)</u>	<u>(10)</u>
		<u><b>78,435</b></u>	<u><b>59,995</b></u>
<b>Earnings per share</b>			
- Basic and diluted	<i>12</i>	<u><b>8.73</b></u>	<u><b>6.59</b></u>
		<b>HK cents</b>	<b>HK cents</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 March	
	Notes	2023 HK\$'000	2022 HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		4,740	9,628
Right-of-use assets	13	24,000	53,057
Investment properties		816	888
Investments at fair value through other comprehensive income		326	771
Other asset		356	356
Deposits	14	6,751	15,898
		<u>36,989</u>	<u>80,598</u>
<b>Current assets</b>			
Inventories		387,379	369,722
Debtors, deposits and prepayments	14	57,432	14,198
Investments at fair value through profit or loss		173	151
Time deposits		71,151	144,100
Cash and cash equivalents		301,060	254,519
		<u>817,195</u>	<u>782,690</u>
<b>Total assets</b>		<u>854,184</u>	<u>863,288</u>
<b>Current liabilities</b>			
Trade payables, deposits received and other payables	15	46,359	40,461
Gold loan		-	44,045
Lease liabilities	13	28,589	50,797
		<u>74,948</u>	<u>135,303</u>
<b>Net current assets</b>		<u>742,247</u>	<u>647,387</u>
<b>Total assets less current liabilities</b>		<u>779,236</u>	<u>727,985</u>
<b>Non-current liabilities</b>			
Provision for long service payments		66	55
Lease liabilities	13	12,193	20,244
		<u>12,259</u>	<u>20,299</u>
<b>Net assets</b>		<u>766,977</u>	<u>707,686</u>
<b>CAPITAL AND RESERVES</b>			
Share capital		393,354	393,354
Other reserves		34,628	35,645
Retained profits		338,917	278,595
<b>Equity attributable to owners of the Company</b>		<u>766,899</u>	<u>707,594</u>
<b>Non-controlling interests</b>		<u>78</u>	<u>92</u>
<b>Total equity</b>		<u>766,977</u>	<u>707,686</u>

Notes:

## 1. GENERAL INFORMATION AND BASIS OF PREPARATION

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

The principal activities of the Group are gold ornament, jewellery, watch and gift retailing, bullion trading and diamond wholesaling.

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

## 2. ADOPTION OF REVISED HKFRSs

In the current year, the Group has applied for the first time the following revised HKFRSs issued by the HKICPA, which are relevant to and effective for the Group's consolidated financial statements for the annual period beginning on 1 April 2022:

Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to HKFRSs 2018 - 2020	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards, HKFRS 9 Financial Instruments, HKAS 41 Agriculture and Illustrative Examples accompanying HKFRS 16 Leases
Amendments to HKFRS 3	Reference to the Conceptual Framework

The adoption of these revised HKFRSs has no significant impact on the Group's accounting policies.

## 3. NEW OR REVISED HKFRSs THAT HAVE BEEN ISSUED BUT ARE NOT YET EFFECTIVE

The Group has not early applied the following new or revised HKFRSs that have been issued but are not yet effective:

HKFRS 17 and amendments to HKFRS 17	Insurance Contracts (including Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information) <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and HK Interpretation 5 (Revised), Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants (the 2022 Amendments) <sup>2</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined

### 3. NEW OR REVISED HKFRSs THAT HAVE BEEN ISSUED BUT ARE NOT YET EFFECTIVE

(Continued)

The Directors do not anticipate that the application of the amendments and revision in the future will have an impact on the Group's consolidated financial statements.

The Directors anticipate that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement.

### 4. USE OF JUDGEMENTS AND ESTIMATES

In preparing the consolidated financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Group's annual consolidated financial statements for the year ended 31 March 2022.

### 5. SEGMENT INFORMATION

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

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

No geographical information was presented for the years ended 31 March 2022 and 2023 respectively as more than 90% of the Group's revenue was derived from activities in Hong Kong (place of domicile). Also, most of the Group's non-current assets are located in Hong Kong.

For the years ended 31 March 2022 and 2023 respectively, no revenue from a single customer accounted for 10% or more of the total revenue of the Group.

### 6. REVENUE

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

	Year ended 31 March	
	2023 HK\$'000	2022 HK\$'000
Revenue from contracts with customers:		
Gold ornament, jewellery, watch and gift retailing	834,659	773,351
Bullion trading	58,220	44,091
Diamond wholesaling	1,823	1,708
	<u>894,702</u>	<u>819,150</u>
Total revenue	<u>894,702</u>	<u>819,150</u>
Timing of revenue recognition:		
At a point in time	<u>894,702</u>	<u>819,150</u>

## 7. OTHER OPERATING INCOME

	Year ended 31 March	
	2023	2022
	HK\$'000	HK\$'000
Dividend income	57	41
Fair value change of investments at fair value through profit or loss	22	-
Foreign exchange differences, net	-	167
Government grant (note)	3,110	-
Interest income from financial assets at amortised cost	8,378	1,627
Interest income from rental deposits	293	159
Rental income on investment properties	1,045	1,130
Others	57	244
	<u>12,962</u>	<u>3,368</u>

*Note:* During the year, the Group applied for funding support from Employment Support Scheme under the Anti-Epidemic Fund set up by the Hong Kong Government. The purpose of the Employment Support Scheme is to provide financial support to enterprises to retain their employees who would otherwise be made redundant. Under the terms of the grant, the Group is required not to make redundancies during the subsidy period and to spend all of the funding on paying wages to their employees. There were no unfulfilled conditions or contingencies relating to this government grant in which it was recognised during the year.

## 8. OTHER OPERATING EXPENSES

	Year ended 31 March	
	2023	2022
	HK\$'000	HK\$'000
Fair value change of investments at fair value through profit or loss	-	8
Foreign exchange differences, net	276	-
Loss on write off/disposal of property, plant and equipment	73	144
Fair value loss on realisation of bullion contracts	5,944	-
Provision for impairment loss on property, plant and equipment	7,774	-
Provision for impairment loss on right-of-use assets	7,317	4,500
	<u>21,384</u>	<u>4,652</u>

## 9. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging and (crediting):

	Year ended 31 March	
	2023	2022
	HK\$'000	HK\$'000
Auditors' remuneration	813	815
Cost of inventories sold, including	623,824	584,276
– provision for and write down of inventories to net realisable value	14,869	16,675
Depreciation of investment properties	72	71
Depreciation of property, plant and equipment	6,221	3,034
Depreciation of right-of-use assets	45,103	43,975
Outgoings in respect of investment properties	258	195
Provision for long service payments		
– provided against the account	33	22
– reversal of provision	(13)	(5)
Rental expenses for variable lease payments	2,523	1,831
Rental expenses on short term lease in respect of furniture and fixtures	1	1
Rental expenses on short term lease in respect of properties	-	94
	<u>-</u>	<u>94</u>



### 13. LEASES

#### Nature of leasing activities

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

#### Right-of-use assets

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

	As at 31 March	
	2023 HK\$'000	2022 HK\$'000
Properties	22,298	51,619
Furniture and equipment	1,702	1,438
	<u>24,000</u>	<u>53,057</u>

During the year, additions of right-of-use assets of HK\$10,703,000 (2022: HK\$8,712,000) represented the capitalised lease payments payable under new lease agreements.

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

	Properties HK\$'000	Furniture and equipment HK\$'000	Total HK\$'000
As at 1 April 2021	73,390	782	74,172
Additions	7,509	1,203	8,712
Depreciation	(43,313)	(662)	(43,975)
Impairment loss	(4,500)	-	(4,500)
Lease modifications	18,533	115	18,648
	<u>51,619</u>	<u>1,438</u>	<u>53,057</u>
As at 31 March 2022 and 1 April 2022	51,619	1,438	53,057
Additions	10,703	-	10,703
Depreciation	(44,264)	(839)	(45,103)
Impairment loss	(7,295)	(22)	(7,317)
Lease modifications	11,535	1,125	12,660
	<u>11,535</u>	<u>1,125</u>	<u>12,660</u>
<b>As at 31 March 2023</b>	<b><u>22,298</u></b>	<b><u>1,702</u></b>	<b><u>24,000</u></b>

### 13. LEASES (Continued)

#### Lease liabilities

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

	As at 31 March			
	2023		2022	
	Present value of the minimum lease payments HK\$'000	Total minimum lease payments HK\$'000	Present value of the minimum lease payments HK\$'000	Total minimum lease payments HK\$'000
Within 1 year	28,589	30,151	50,797	53,176
After 1 year but within 2 years	9,692	10,023	18,611	19,035
After 2 years but within 5 years	2,501	2,557	1,633	1,645
	<u>40,782</u>	<u>42,731</u>	<u>71,041</u>	<u>73,856</u>
Less: Total future interest charges		(1,949)		(2,815)
Present value of lease liabilities		<u>40,782</u>		<u>71,041</u>

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

	As at 31 March	
	2023 HK\$'000	2022 HK\$'000
Current liabilities	28,589	50,797
Non-current liabilities	12,193	20,244
	<u>40,782</u>	<u>71,041</u>

### 14. DEBTORS, DEPOSITS AND PREPAYMENTS

	As at 31 March	
	2023 HK\$'000	2022 HK\$'000
<b>Current</b>		
Trade debtors	1,070	3,042
Other receivables	5,569	3,486
Other receivables from a bank	35,969	-
Rental deposits	11,689	1,036
Other deposits	1,585	1,866
Prepayments	1,550	4,768
	<u>57,432</u>	<u>14,198</u>
<b>Non-current</b>		
Rental deposits	<u>6,751</u>	<u>15,898</u>
	<u>64,183</u>	<u>30,096</u>

#### 14. DEBTORS, DEPOSITS AND PREPAYMENTS (Continued)

The ageing analysis of trade debtors, based on invoice date, was as follows:

	As at 31 March	
	2023 HK\$'000	2022 HK\$'000
Within 30 days	918	2,440
31 – 90 days	152	265
More than 90 days	-	337
	<u>1,070</u>	<u>3,042</u>

#### 15. TRADE PAYABLES, DEPOSITS RECEIVED AND OTHER PAYABLES

	As at 31 March	
	2023 HK\$'000	2022 HK\$'000
Trade payables	9,690	5,911
Other payables	2,214	3,252
Accruals and provision	16,540	12,202
Contract liabilities	2,823	2,742
Deposits received	15,092	16,354
	<u>46,359</u>	<u>40,461</u>

The ageing analysis of trade payables, based on invoice date, was as follows:

	As at 31 March	
	2023 HK\$'000	2022 HK\$'000
Within 30 days	9,629	5,869
31 – 90 days	60	42
More than 90 days	1	-
	<u>9,690</u>	<u>5,911</u>

#### 16. EVENT AFTER THE REPORTING PERIOD

Subsequent to the reporting period, the Group entered into a lease agreement for the use of a new retail store at Central Building for a term of 3 years and a lease agreement for the existing retail store at Central Building for a term of 2 years at the total lease payment of HK\$39,300,000. Further details of this transaction are set out in the Company's announcement dated 11 May 2023.

#### DIVIDENDS

The Board has resolved the payment of a final dividend of HK2.0 cents (2022: HK1.6 cents) per ordinary share and a special dividend of HK8.0 cents (2022: Nil) per ordinary share for the year ended 31 March 2023 to shareholders whose names appear on the register of members of the Company on Wednesday, 13 September 2023 subject to the approval of shareholders at the forthcoming annual general meeting to be held on Thursday, 7 September 2023 (the "Meeting"). The dividend warrants for the proposed final dividend and special dividend are expected to be despatched to shareholders on or about Friday, 6 October 2023.

## **CLOSURE OF REGISTER OF MEMBERS**

In order to determine the rights to attend and vote at the Meeting, the register of members of the Company will be closed from Monday, 4 September 2023 to Thursday, 7 September 2023, both days inclusive, during which period no transfer of shares will be effected. All transfers, accompanied by the relevant share certificates, must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (the "Share Registrar"), not later than 4:30 p.m. on Friday, 1 September 2023.

In order to determine entitlement to the final dividend and special dividend to be approved at the Meeting, the register of members of the Company will be closed on Wednesday, 13 September 2023 during which day no transfer of shares will be effected. All transfers, accompanied by the relevant share certificates, must be lodged with the Share Registrar not later than 4:30 p.m. on Tuesday, 12 September 2023.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Group Results Overview**

For the year ended 31 March 2023, the Group recorded total revenue of HK\$894.7 million, representing an increase of HK\$75.5 million or 9.2% from HK\$819.2 million of last year. The Group achieved a consolidated profit attributable to owners of the Company for the year ended 31 March 2023 of HK\$79.5 million, which represents an increase of 32.3% as compared to HK\$60.0 million last year. The increase in profit was primarily due to the increase in revenue, improved gross profit margin of products and increase in interest income.

The Group's distribution and selling costs for the year ended 31 March 2023 increased by 4.8% to HK\$128.2 million as compared to HK\$122.3 million for the previous year. Among the costs, there was significant increase in depreciation of property, plant and equipment and right-of-use assets as a result of store network expansion and store renovation. The Group's administrative expenses for the year ended 31 March 2023 increased by 13.1% to HK\$50.5 million as compared to HK\$44.7 million for the previous year mainly due to increase in incentive payment to staff and directors.

### **Business Review**

Although the fifth wave of COVID-19 had a negative impact on our business during the first quarter of the year ended 31 March 2023, our operations gradually returned to normal in the second half of the year with the easing of epidemic preventive measures. For the year ended 31 March 2023, our retailing business showed a 9.2% growth on the year. Retailing revenue increased to HK\$892.9 million from HK\$817.4 million for the previous year. Such increase was due to the steady growth of our watch business and recovery of demand for gold products during the year.

Our watch business continues to face challenging conditions, with many watch brands reviewing their selling and distribution policies. In order to optimize their stock distribution, many brands are streamlining their distribution networks. In order to grow our watch business, we must continue seeking out potential new watch brands to enhance our offerings. In June 2022, we successfully signed a partnership contract with a new watch brand, H. Moser & Cie, and opened their first stand-alone concept store in Central Building in December 2022, which enabled us to attract new watch customers. The original H. Moser & Cie. was founded by independent watchmaker Heinrich Moser in St. Petersburg, Russia in 1828. In 1953, H. Moser & Cie. continued its business in Le Locle, Switzerland where it shifted its focus from pocket watches to wrist watches. Since 2012, Moser Schaffhausen AG has been a subsidiary of the MELB Holding Group of the Meylan family in Switzerland.

In order to continually enhance our image and service standards, we have focused on modernising our store network. Our latest renovation project was completed in our store located in King Fook Building in Central. The store was re-opened in September 2022 with a modern interior design and a VIP room for private shopping. The renovated store is a strong statement for gold products and has been well received by both existing and new customers.

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Future Outlook

Starting in early 2023, Hong Kong lifted all epidemic preventive measures and business has gradually returned to normal. However, the impact of interest rate hikes and the deteriorating relationship between China and US have created a vulnerable global economic environment. Although the number of tourists visiting Hong Kong increased significantly in the first quarter of 2023, their spending is lower than before 2019. As a result, we anticipate 2023 will still be a year full of challenges.

Despite losing our dealership contract for Audemars Piguet on 1 May 2023 due to its new distribution policy strategy, our Group remains committed to seeking out high potential watch brand partners to enrich our offerings. The successful addition of H. Moser & Cie as a new watch brand partner last year is evidence of this commitment. Moving forward, we will continue to maintain our competitiveness and profitability by expanding our high-end customer base, investing in our people, enhancing our customers' shopping experiences, enriching our watch brand portfolio and exercising strict expense control.

### PURCHASE, SALE OR REDEMPTION OF SHARES

During the year, the Company repurchased a total of 2,300,000 ordinary shares on the Stock Exchange at the total price of HK\$903,000. Save as aforesaid, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the year.

### CORPORATE GOVERNANCE PRACTICES

The Company had complied with all the code provisions set out in Part 2 of the Corporate Governance Code (the "Code") in Appendix 14 to the Listing Rules throughout the year ended 31 March 2023 except the deviations as explained below:

#### *Code provision C.3.3*

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

#### *Code provision F.1.1*

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

### REVIEW OF ANNUAL RESULTS

The audit committee of the Company has reviewed with the management of the Group the accounting policies and practices adopted by the Group, its system of risk management and internal control and financial reporting matters including review of the results for the year ended 31 March 2023.

### SCOPE OF WORK OF BDO LIMITED

The figures in this preliminary announcement in respect of the Group's results for the year ended 31 March 2023 have been reviewed and agreed by the Group's auditor, BDO Limited ("BDO"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by BDO on this preliminary announcement.

## **DISCLOSURE UNDER SECTION 436 OF THE HONG KONG COMPANIES ORDINANCE**

The financial information of the Group relating to the two years ended 31 March 2022 and 2023 respectively included in this preliminary announcement of the annual results for the year ended 31 March 2023 does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 March 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the financial statements for the year ended 31 March 2023 in due course.

The Company's auditor has reported on the financial statements of the Group for both years. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

By order of the Board  
**Tang Yat Sun, Richard**  
Chairman

Hong Kong, 23 June 2023

As at the date of this announcement, the executive directors of the Company are Mr. Tang Yat Sun, Richard, Dr. Fung Yuk Bun, Patrick and Mr. Wong Wei Ping, Martin; the non-executive directors are Mr. Ho Hau Hay, Hamilton, Mr. Ng Ming Wah, Charles and Ms. Veronica Ho; and the independent non-executive directors are Mr. Cheng Kar Shing, Peter, Mr. Sin Nga Yan, Benedict, Mr. Cheng Kwok Shing, Anthony and Ms. Hou Tan Tan Danielle.