



GOLDEN RESOURCES
DEVELOPMENT INTERNATIONAL LIMITED

(Stock Code: 677)

Incorporated in Bermuda with Limited Liability



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Laurent LAM Kwing Chee (*Chairman and Group Executive Chairman*)

Anthony LAM Sai Ho (*Vice Chairman and Group Chief Executive Officer*)

LAM Sai Mann

Morna YUEN Mai-tong

TSANG Chun Yiu

Non-executive Director

Dennis LAM Saihong

Independent Non-executive Directors

Joseph LAM Yuen To

Michael YU Tat Chi

Jeffrey LAM Kin Fung

COMPANY SECRETARY

CHEUK Yuk Lung

AUDITOR

KPMG

Certified Public Accountants

Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

PRINCIPAL BANKER

The Hongkong & Shanghai Banking Corporation Limited

Bank of China (Hong Kong) Limited

REGISTERED OFFICE

Clarendon House, 2 Church Street
Hamilton HM11, Bermuda

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN BERMUDA

Ocorian Management (Bermuda) Limited
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM10, Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Standard Limited
17/F, Far East Finance Centre
16 Harcourt Road, Admiralty
Hong Kong

HEAD OFFICE

29th Floor, Golden Resources Tower
No. 218 Jaffe Road, Wan Chai
Hong Kong

PRINCIPAL PLACE OF BUSINESS

Golden Resources Foods Centre
2-12 Cheung Tat Road
Tsing Yi Island, New Territories
Hong Kong

COMPANY WEBSITE

<http://www.grdil.com>

STOCK CODE

The Stock Exchange of
Hong Kong Limited: 677

Purpose

Bring Quality Brands to Every Family.

Vision

Be the leader of quality brands and innovator of effective platforms to deliver triple-bottom-line in the markets it operates.

Strategic Mission

Leverage the Group's infrastructure, team power and local expertise to expand its portfolio of quality brands and innovative platforms across territories, either through organic or inorganic growth, to create sustainable Shareholders' value, foster quality lifestyle and greener communities.

**MAKE TODAY GOLDEN
FOR TOMORROW**

Chairman's Statement

Dear Shareholders,



On behalf of Golden Resources Development International Limited, I am pleased to share our annual report for the year ended 31st March, 2024.

Notwithstanding economic uncertainties shrouding the world economy, the Group maintained sound business momentum across sectors in Hong Kong, Macau, Southeast and North Asia while extending its export activities to Europe and the United States.

As we offered quality brands and services to meet the daily needs of every family and individual, demand for our core products and convenience retailing remained solid, together with our new project in Niseko and our packaging solution business, the Group has resulted in positive performance in 2023-2024 financial year.

As the Group approaches its 80th anniversary in 2026, having diversified beyond rice with convenience retailing and retailtainment proposition across territories in Asia, I am confident our distinct businesses will embark on a new and exciting phase of growth spurred by economic recovery in the markets in which we operate.

Circle K Resilience

As one of the major Asia manufacturing hubs for export markets, global economic softening impacted Vietnam's economy, particularly during the first half of the financial year 2023-2024.

While spending on consumer durables and entertainment expenses was constrained, demand held up for Circle K on the back of continuous innovations to its proprietary food and beverage products and promotions, such as corporate lucky draws through its membership app CK Club.

Revenues for the year came in at par versus the same period a year earlier, whilst higher operating costs impacted the bottom line. Relative softness in the Dong spurred an exchange rate variance when reporting in Hong Kong dollar terms year-on-year.

With its purpose to bring quality convenience lifestyle to every family in Vietnam, Circle K expanded this July into its 18th city, Nha Trang. This move now brings Circle K closer to 25 million people in Vietnam. Based on this expansion roadmap, we expect to grow beyond 500 stores in the coming financial year.

Healthy Foods Demand

Despite headwinds facing the city's retail and food & beverage sectors, appetite for our wide variety of rice types proved healthy in our core market of Hong Kong, though increased material and operating costs put pressure on operating profit during 2023-2024 financial year.



I believe we have retained our position as Hong Kong's leading packaged rice manufacturer, wholesaler and distributor, as we have for over 75 years, thanks to the stellar strength of our brand in Hong Kong plus selected international markets.

We will leverage our leading position to deepen innovation and explore potential new food product portfolios for Hong Kong, mainland China's Greater Bay Area and beyond.

Packaging Solutions Recovery

During the year under review, the Group's packaging materials business profited from rising export demand fuelled by a revival in overseas customers from Japan and South Korea, as well as from new business potential in Australia.

We expect the demand for our packaging goods and services in the private sector to remain strong, and our packaging unit was also honoured to be awarded as one of the suppliers to participate in Hong Kong's Municipal Solid Waste Charging Scheme.

Niseko Japan New Venture

Amid efforts to obtain assets for our new business platform in Hirafu, Niseko, last June, we have progressively re-engineered existing services to build a robust foundation for our future development.

The Group has engaged Oval Partnership as our lead consultant and began crafting a conceptual master plan for our "retailtainment" destination in Hirafu, officially named Hirafu Grand Centro.

In the initial pilot stage, five holiday cottages will be refurbished to be used for food and beverage purposes and two unique outdoor dining spaces will be curated. The project will introduce several established Japanese restaurant brands offering a new food hub experience for local residents and visitors this coming winter.

The fertile harvest reaped across our business segments is a testament to the Group's persistent progress, continuous innovations and prudent investment into our future, as reflected by our motto, "Make Today Golden for Tomorrow".

I want to thank all our employees whose dedication underpinned the performance of the Group, as well as my fellow members of the Board for their steadfast support.

Laurent LAM Kwing Chee
Group Executive Chairman

Hong Kong, 29th July, 2024

Report of the Directors

The Directors present their annual report and the audited consolidated financial statements for the year ended 31st March, 2024.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and its subsidiaries are engaged in the business of sourcing, importing, wholesaling, processing, packaging, marketing and distribution of rice and food products, convenience store operation, packaging materials operation, securities investment, property investment, retailtainment and investment holding.

Analyses of the Group's revenue and segment results by operating segment and geographical segment are set out in note 6 to the financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group revenues performed steadily for the financial year of 2023/2024, with group total revenue of HK\$2,072,294,000 (2022/23: HK\$2,059,774,000) and recorded positive results in the profit attributable to shareholders with amount of HK\$106,848,000 (2022/23: HK\$128,679,000).

Convenience Store Operation

Our convenience store business achieved revenue of HK\$1,172,906,000 (2022/23: HK\$1,201,811,000) and recorded segment results of HK\$10,862,000 (2022/23: HK\$68,178,000) for the year ended 31st March, 2024, despite the relative weak economic, softness in the Dong and depressed market sentiment in the Vietnamese market throughout the year. The segment profit was decreased by HK\$57,316,000 compared to the last year, including a net change of HK\$17,769,000 in impairment of right-of-use assets and equipment, increase in overall operation costs and the opening of more new stores in the year.

Food Operation

During the year under review, our food business recorded revenue of HK\$717,478,000, represented slightly increase of 1.2% as compared to revenue of HK\$709,018,000 for last year. The segment profit narrowed to HK\$66,324,000 from last year HK\$105,607,000, due to the high materials and operating costs, marketing initiatives and the expansion of distribution channels.

Packaging Materials Operation

For the year ended 31st March, 2024, the revenue of our packaging materials operation increased by 15% and achieved HK\$166,754,000 (2022/23: HK\$144,969,000) and the segment profit was HK\$13,214,000 (2022/23: loss of HK\$9,323,000). The overall performance of this segment has shown significant improvement. It was benefited from the resumption of commercial activities by overseas clients after the pandemic and the strengthening of the cost control.

Retailtainment

On 31st May, 2023, Honorwood Limited ("Honorwood"), an indirect wholly-owned subsidiary of the Company, entered into agreement with the shareholders of NI Corporation to acquire the entire issued share capital of NI Corporation at the Consideration of JPY3,404,000,000. After the completion of the acquisition in June 2023, NI Corporation, a joint-stock company with limited liability established under the laws of Japan, and its wholly-owned subsidiary Izumikyo Co., Ltd., a joint-stock company with limited liability established under the laws of Japan, have officially become a new business segment of our group, the Retailtainment.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Retailtainment *(Continued)*

We aim to expand our footprint through this strategic acquisition of NI Corporation and its subsidiary Izumikyo Co., Ltd. This acquisition included 326,292.25 square metres of land, 80% of which is near the heart of Hirafu (one of the four skiing hubs of Niseko United). We intend to transform the land into a new “Retailtainment” destination.

During the year under review, our Retailtainment recorded a segment profit of HK\$72,437,000. It was mainly due to the surplus on revaluation of investment properties.

Liquidity and Financial Resources

The Group’s financial position remains sound and healthy with cash balance of HK\$351,227,000 as at 31st March, 2024.

As at 31st March, 2024, the Group’s total current assets and total current liabilities amounted to HK\$747,634,000 (2023: HK\$898,207,000) and HK\$401,026,000 (2023: HK\$369,837,000) respectively.

The Group maintains sound liquidity ratio. The current ratio (defined as total current assets over total current liabilities) as at 31st March, 2024 was 1.9 times (2023: 2.4 times). If excluding the current portion of lease liabilities of HK\$131,664,000 (2023: HK\$117,232,000) recognized under HKFRS 16 “Leases”, the current ratio was 2.8 times (2023: 3.5 times). At the end of the financial year, the Group has no outstanding bank loan (2023: HK\$7,611,000) and the shareholders’ equity was HK\$1,319,781,000 (2023: HK\$1,229,235,000).

With cash and other current assets of HK\$747,634,000 as at 31st March, 2024 as well as available banking facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

Looking forward, the Group believes that the global economy will recover at accelerated pace. We have laid solid foundation in our core businesses and will continue to preserve sound and healthy financial position to meet future opportunities and challenges ahead.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Directors are of the view that employees, customers and business partners are the keys to the sustainable development of the Group. Our Directors believe that we maintain good working relations with our employees and business partners and we endeavor to improve the quality of services to the customers.

The Group offers competitive wages, bonuses and other benefits to full time employees. The Group ensures all staff are reasonably remunerated and regularly reviews the employment policies on remuneration and other benefits. The Group was awarded for “Good MPF Employer 5 Years+” and “MPF Support Award” by the Mandatory Provident Fund Schemes Authority. The Group was also awarded “Caring Company” Logo from 2017 to 2024 by The Hong Kong Council of Social Service.

The Group maintains good relationship with its customers and suppliers. The Group maintains close contacts with the customers and regularly reviews the customers’ requirements and suggestions.

Report of the Directors

COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and risks of non-compliance with such requirements. The Group has conducted on-going review of the new enacted laws and regulations affecting the operations of the Group. For the year ended 31st March, 2024, the Group was not aware of any material non-compliance with the laws and regulations that have significant impact on the business of the Group.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-Laws of the Company, the Directors and other officers for the time being of the Company acting in relation to the affairs of the Company, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duties or supposed duties in their respective offices or trusts, except such (if any) as they shall incur or sustain through their own wilful neglect or default, fraud and dishonesty respectively.

The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group to protect the Directors and officers of the Group against any potential liability arising from the Group's activities which such Directors and officers may be held liable.

CORPORATE SOCIAL RESPONSIBILITY

Environmental Policies and Performance

The Group recognises its responsibility to protect the environment from its business activities. The Group aims to maximize energy conservation in its offices by promoting efficient use of resources and adopting green technologies. For instance, the Group seeks to upgrade equipment such as lighting by installing LED lighting at the whole building; optimally controlling the thermostat settings of air conditioning systems and switching off unnecessary electric power in order to reduce costs and increase overall operating efficiency. To identify energy efficiency opportunities, the Group measures and records the energy consumption intensity from time to time. To minimize the noise pollution during production, the Group seeks to upgrade its production machines and install noise absorption material to prevent noise leaked to the nearby environment. The Group strives to reduce plastic waste by launching Hong Kong's first environmentally friendly rice bag which is comprised of substance that complied with European Union's packaging standard, enabling the plastic rice package to become degradable after discarding. We continually seek to identify and manage environmental impacts attributable to our operational activities in order to minimize these impacts if possible.

Social Contribution Activities

The Group is committed to make a positive contribution to the communities by supporting a wide range of activities, social programs and charity initiatives. During the year, the Group had worked with charity organisations such as Zonta Club of The New Territories, Hong Kong Parkinson's Disease Foundation, New Life Psychiatric Rehabilitation Association, Hong Kong Blood Cancer Foundation, United Christian Nethersole Community Health Service and other social services establishments to support our community. From time to time, the Group also supports different religious institutions, schools and community initiatives such as The Road Safety Campaign Committee. The Group will continue to support new partners to serve the local communities and beyond.

DIRECTORS

The Directors of the Company during the year and up to the date of this report were:

Executive Directors

Mr. Laurent LAM Kwing Chee (*Chairman and Group Executive Chairman*)
 Mr. Anthony LAM Sai Ho (*Vice Chairman and Group Chief Executive Officer*)
 Madam LAM Sai Mann
 Ms. Morna YUEN Mai-tong
 Mr. TSANG Chun Yiu (*Note 1*)
 Mr. TSANG Siu Hung (*Note 2*)

Non-executive Director

Mr. Dennis LAM Saihong

Independent Non-executive Directors

Mr. Joseph LAM Yuen To
 Mr. Michael YU Tat Chi
 Mr. Jeffrey LAM Kin Fung (*Note 3*)
 Mr. Ronald YAN Mou Keung (*Note 4*)

Notes:

1. Mr. TSANG Chun Yiu was appointed as the Executive Director of the Company on 2nd April, 2024.
2. Mr. TSANG Siu Hung resigned as the Executive Director of the Company on 2nd April, 2024.
3. Mr. Jeffrey LAM Kin Fung was appointed as the Independent Non-executive Director of the Company on 2nd April, 2024.
4. Mr. Ronald YAN Mou Keung resigned as the Independent Non-executive Director of the Company on 2nd April, 2024.

Mr. TSANG Siu Hung resigned as the Executive Director of the Company on 2nd April, 2024 due to retirement. Mr. TSANG Chun Yiu was appointed as the Executive Director of the Company on 2nd April, 2024. Mr. Ronald YAN Mou Keung resigned as the Independent Non-executive Director of the Company on 2nd April, 2024 due to his other engagements. Mr. Jeffrey LAM Kin Fung was appointed as the Independent Non-executive Director of the Company on 2nd April, 2024.

Mr. Jeffrey LAM Kin Fung and Mr. TSANG Chun Yiu have obtained legal advice respectively on 18th March, 2024 and 20th March, 2024 from a firm of solicitors qualified to advise on Hong Kong law as regards the requirements under the Rules Governing the Listing of Securities (the "Listing Rules") that are applicable to them as a director of the Company and the possible consequences of making a false declaration or giving false information to the Stock Exchange. Mr. Jeffrey LAM Kin Fung and Mr. TSANG Chun Yiu have also confirmed they understood their obligations as a director of the Company.

In accordance with bye-law 84 of the Company's Bye-Laws, Mr. Anthony LAM Sai Ho, Madam LAM Sai Mann and Mr. Dennis LAM Saihong, will retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Report of the Directors

DIRECTORS *(Continued)*

In accordance with bye-law 83(2) of the Company's Bye-Laws, Mr. TSANG Chun Yiu and Mr. Jeffrey LAM Kin Fung, who were respectively appointed as an Executive Director and an Independent Non-executive Directors on 2nd April, 2024, shall hold office until the forthcoming annual general meeting and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Each of the Independent Non-executive Directors confirmed his independence with the Company pursuant to rule 3.13 of the Listing Rules. The Company considered all the Independent Non-executive Directors are independent.

The term of office of each Executive Director and Non-executive Director is the period up to his retirement by rotation in accordance with the Company's Bye-Laws.

The term of appointment of the Independent Non-executive Directors, Mr. Joseph LAM Yuen To, Mr. Michael YU Tat Chi and Mr. Jeffrey LAM Kin Fung will be renewable automatically for each year commencing from the next day after the expiry of the current term of appointment to the next annual general meeting subsequently held, unless terminated by not less than one month's notice in writing served by either party or the other. All of the Independent Non-executive Directors are subject to retirement by rotation once every three years and are subject to re-election.

SERVICE CONTRACTS OF DIRECTORS

No Director being proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

BIOGRAPHICAL DETAILS OF DIRECTORS, SENIOR MANAGEMENT STAFF AND PANEL OF ADVISORS

1. Directors

The biographical details of the Directors of the Company are as follows:

Laurent LAM Kwing Chee, the Chairman and Group Executive Chairman of the Company, played a leading role in diversifying the Group's business. He implemented measures that institutionalised the Group's management practices ensuring sustainable business growth and adaptability. After university, Mr. Lam started his career in manufacturing fibreglass products in the 1970s. After which, he moved on to property development in Hong Kong, Malaysia, and North America. As a forward-thinking person, his first project when he joined Golden Resources in 1982 was office automation. Mr. Lam subsequently became the co-founder of the Golden Resources Group, which was successfully listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in 1991. When he became Chairman of the Board in 2016, Mr. Lam drew on his vast cross-territory management experience to revitalise the Group's strategic plan for its food operation and convenience store operation. He spearheaded Circle K's expansion in Vietnam, transforming the brand into a top market leader for international convenience stores in terms of store numbers and brand awareness. In his ongoing pursuit of the Group's long-term Pan-Asia development, Mr. Lam led an investment project in 2023 in Hirafu, Niseko, a renowned ski resort area in Japan, to develop a 'retailtainment' destination. Mr. Lam, aged 77, has been an active member of the Rotary Club for over five decades, where he demonstrated his philanthropic ideals by enthusiastically contributing to community welfare while promoting high ethical standards in any job. He has a bachelor's degree in Economics and History from Eastern Illinois University, U.S. Mr. Lam is married with two children. Mr. Lam is the uncle of Mr. Anthony LAM Sai Ho, Madam LAM Sai Mann, Mr. Dennis LAM Saihong and Ms. Morna YUEN Mai-tong.

BIOGRAPHICAL DETAILS OF DIRECTORS, SENIOR MANAGEMENT STAFF AND PANEL OF ADVISORS *(Continued)*

1. Directors *(Continued)*

Anthony LAM Sai Ho, the Vice Chairman and Group Chief Executive Officer of the Company. He graduated from the University of Sydney in Australia, majoring in Economics and Psychology. After graduation, Mr. Lam joined the Merchant Banking Division of the State Bank of New South Wales, and had been extensively involved in the corporate financing and the securitization of assets and mortgages. Mr. Lam returned to Hong Kong and joined the Group in 1991 and has been appointed in several key senior management positions in Hong Kong and other Asian countries including Vietnam and Thailand. Mr. Lam is an Executive Committee Member of the Customer Liaison Group for Rice under the Trade and Industry Department in Hong Kong, and the Executive Committee Member of the Federation of Hong Kong Industries (The Food, Beverages & Tobacco Group). He had been awarded the Ap Bac Medal from the Vietnam Government in recognition of his contribution to the rice industry in Vietnam. Apart from being active members in different business chambers and associations around the world, Mr. Lam is also a regular speaker in major international conferences. Mr. Lam, aged 57, holds an Executive Master of Business Administration degree from the City University of Hong Kong. Mr. Lam is the nephew of Mr. Laurent LAM Kwing Chee, and the cousin of Madam LAM Sai Mann, Mr. Dennis LAM Saihong and Ms. Morna YUEN Mai-tong.

LAM Sai Mann, the Executive Director of the Company. She has extensive professional experience in operation and management of catering business. Madam Lam, aged 49, graduated from Macquarie University in Australia with a Bachelor of Commerce degree and holds a Master of Commerce degree from the University of Sydney in Australia. Madam Lam is the niece of Mr. Laurent LAM Kwing Chee, the sister of Mr. Dennis LAM Saihong, and the cousin of Mr. Anthony LAM Sai Ho and Ms. Morna YUEN Mai-tong.

Morna YUEN Mai-tong, the Executive Director of the Company. She joined the Group since 2010 and currently holds the position of General Manager of Procurement and Shipping Division of the Group. Prior to joining the Group, Ms. Yuen worked at BNP Paribas Wealth Management and Ernst & Young. Ms. Yuen has extensive working experience in finance and assurance advisory. Ms. Yuen, aged 45, graduated from the University of Western Ontario with a Bachelor of Administrative and Commercial Studies and received dual degrees in Master of Science in Accounting and Master of Business Administration from Northeastern University. Ms. Yuen is a member of the Hong Kong Institute of Certified Public Accountants. Ms. Yuen is the niece of Mr. Laurent LAM Kwing Chee, and the cousin of Mr. Anthony LAM Sai Ho, Madam LAM Sai Mann and Mr. Dennis LAM Saihong.

Report of the Directors

BIOGRAPHICAL DETAILS OF DIRECTORS, SENIOR MANAGEMENT STAFF AND PANEL OF ADVISORS *(Continued)*

1. Directors *(Continued)*

TSANG Chun Yiu, the Executive Director of the Company. He has been appointed as the Group Chief Financial Officer of the Company since October 2023. Mr. Tsang was an assistant to chairman of Neway Group Holdings Limited (a listed company in Hong Kong, stock code: 55) from December 2021 to October 2023 and was a chief financial officer of Nimble Holdings Company Limited (a listed company in Hong Kong, stock code: 186) from March 2018 to January 2021. He was also a senior financial controller, chief financial officer, company secretary and authorized representative of Nature Home Holding Company Limited (a listed company in Hong Kong, stock code: 2083 and was delisted from the Stock Exchange on 19 October 2021) from August 2011 to November 2015. Mr. Tsang was appointed as an independent non-executive director of Universal Star (Holdings) Limited (a listed company in Hong Kong, stock code: 2346 and was delisted from the Stock Exchange on 26 January 2024) from 30 December 2020 to 15 June 2021. Mr. Tsang was a board director of Shanghai Zijiang Enterprise Group Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 600210), from March 1999 to December 2006. Mr. Tsang has more than 20 years of extensive experience in accounting, finance and management. Mr. Tsang, aged 54, graduated with a Master of Arts Degree from Macquarie University, Australia and a Master of Science Degree in Project Management from Curtin University of Technology, Australia. He is a member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Institute of Chartered Accountants in England and Wales and a member of the Australian Institute of Project Management.

Dennis LAM Saihong, the Non-executive Director of the Company. He is currently the Managing Director of S1R Capital. Mr. Lam has over 20 years of experience in asset management and corporate finance. He previously held investment research and portfolio management responsibilities at Franklin Templeton Investments, Schroders, PineBridge Investments and UBS Wealth Management. Mr. Lam, aged 44, graduated summa cum laude from Boston University with a B.A. (with Distinction) in Economics and Mathematics and received a Master of Arts degree in Statistics from Harvard University. Mr. Lam is currently a CFA charterholder and a certified Financial Risk Manager (FRM). Mr. Lam is the nephew of Mr. Laurent LAM Kwing Chee, the cousin of Mr. Anthony LAM Sai Ho and Ms. Morna YUEN Mai-tong, and the brother of Madam LAM Sai Mann.

Joseph LAM Yuen To, the Independent Non-executive Director of the Company. He has extensive experience in tax field audits, handling tax dispute cases in Hong Kong and PRC cross-border tax issues. He also provides services in Hong Kong and PRC tax health check on merger and acquisition assignments and initial public offering assignments. Mr. Lam, aged 58, graduated from University of New South Wales, Australia with a Bachelor's degree in Commerce (with Merit) and University of London, United Kingdom with Bachelor's degree in Law (Hons). Mr. Lam is a member of the Australian Society of Certified Public Accountants and member of the Hong Kong Institute of Certified Public Accountants.

BIOGRAPHICAL DETAILS OF DIRECTORS, SENIOR MANAGEMENT STAFF AND PANEL OF ADVISORS *(Continued)*

1. Directors *(Continued)*

Michael YU Tat Chi, the Independent Non-executive Director of the Company. He has many years of experience in accounting, corporate finance and asset management. He had held senior management positions in listed companies in Hong Kong. Mr. Yu is an Independent Non-executive Director of the companies listed in Hong Kong namely Applied Development Holdings Limited (stock code: 519), China Netcom Technology Holdings Limited (stock code: 8071), Lerado Financial Group Company Limited (stock code: 1225), Harbour Digital Asset Capital Limited (stock code: 913) and WT Group Holdings Limited (stock code: 8422). Mr. Yu was an Independent Non-executive Director of EVOC Intelligent Technology Company Limited (a listed company in Hong Kong, stock code: 2308 and was delisted from the Stock Exchange after trading hours on 27th October, 2022) from 30th May, 2016 to 21st May, 2021. Mr. Yu was appointed as an Executive Director of Sino Splendid Holdings Limited (a listed company in Hong Kong, stock code: 8006) on 1st February, 2024. Mr. Yu, aged 59, holds a bachelor of commerce degree from the University of New South Wales, Australia. He is a fellow member of the CPA Australia and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Yu is also a founding member of The Hong Kong Independent Non-Executive Director Association.

Jeffrey LAM Kin Fung, the Independent Non-executive Director of the Company. He is currently the managing director of Forward Winsome Industries Limited, a company engaged in toy manufacturing. He holds several public and community service positions including being a non-official member of the Executive Council and a member of the Legislative Council of the Hong Kong Special Administrative Region, a member of the General Committee of the Hong Kong General Chamber of Commerce and the Federation of Hong Kong Industries. Mr. Lam served as a member of the National Committee of the Chinese People's Political Consultative Conference, chairman of the Assessment Committee of Mega Events Fund and the Independent Commission Against Corruption (ICAC) Complaints Committee and a non-executive director of the Hong Kong Mortgage Corporation Limited. Mr. Lam has over 30 years of experience in the industrial and commercial sectors. Mr. Lam, aged 72, graduated in Mechanical Engineering from Tufts University in the United States. Mr. Lam is an Independent Non-executive Director of the companies listed in Hong Kong namely Chow Tai Fook Jewellery Group Limited (stock code: 1929), China Overseas Grand Oceans Group Limited (stock code: 81), Wynn Macau, Limited (stock code: 1128), CWT International Limited (stock code: 521), i-CABLE Communications Limited (stock code: 1097), Wing Tai Properties Limited (stock code: 369), Analogue Holdings Limited (stock code: 1977), CSC Holdings Limited (stock code: 235) and CC Land Holdings Limited (stock code: 1224). Mr. Lam has resigned as an Executive Director of the company listed in Hong Kong namely USPACE Technology Group Limited (formerly known as Hong Kong Aerospace Technology Group Limited, stock code: 1725) with effect from 28 November 2023.

Report of the Directors

BIOGRAPHICAL DETAILS OF DIRECTORS, SENIOR MANAGEMENT STAFF AND PANEL OF ADVISORS *(Continued)*

2. Senior Management

The five Directors of the Company holding executive offices above are directly responsible for the various businesses of the Group. They are regarded as the members of the senior management of the Group.

3. Panel of Advisors

The biographical details of the Panel of Advisors of the Company are as follows:

Alexander CHOW Yu Chun has over 43 years of experience in corporate finance. Mr. Chow is the former Chief Financial Officer of New World Group of Hong Kong.

David KUK Tai Wai has 33 years of experience in logistics operations in Hong Kong and China. Mr. Kuk is a member of the Hong Kong Logistics Development Council. He is the former Executive Director of Sims Logistics Services Limited and former Managing Director of Dah Chong Hong Logistics Company Limited.

Steven LAU Kui Wing has over 43 years of retail experience in China and Hong Kong. Mr. Lau is the Founder and Chairman of Eternal Optical & Perfumery (Far East) Limited.

Mildred AU YEUNG Wai Lan has 28 years of experience in formulating and execute People Strategies and led the HR integration for the acquired business. Ms. Au Yeung is the former Senior Vice President and Head of People at South China Morning Post Publishers Limited.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 31st March, 2024, the interests and short positions of the Directors and their associates in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules, were as follows:

Long positions

(a) Ordinary shares of the Company

Name of director	Number of ordinary shares beneficially held in the Company			Approximate percentage of the issued share capital of the Company
	Personal interests	Corporate interests	Total interests	
Mr. Laurent LAM Kwing Chee	23,832,000	14,700,000	38,532,000 <i>(Note 1)</i>	2.27%
Mr. Anthony LAM Sai Ho	—	14,700,000	14,700,000 <i>(Note 2)</i>	0.87%
Madam LAM Sai Mann	6,250,000	82,771,000	89,021,000 <i>(Note 3)</i>	5.24%
Mr. Dennis LAM Saihong	25,250,000	50,000,000	75,250,000 <i>(Note 4)</i>	4.43%

Notes:

- These 38,532,000 shares are held by Mr. Laurent LAM Kwing Chee, a Director of the Company as beneficial owner in respect of 23,832,000 shares and as corporate interest in respect of 14,700,000 shares held by Elite Solution Investments Limited, a company which is 50% owned by Mr. Laurent LAM Kwing Chee.
- These 14,700,000 shares are held by Mr. Anthony LAM Sai Ho, a Director of the Company as corporate interest in respect of 14,700,000 shares held by Elite Solution Investments Limited, a company which is 50% owned by Mr. Anthony LAM Sai Ho.
- These 89,021,000 shares are held by Madam LAM Sai Mann, a Director of the Company as beneficial owner in respect of 6,250,000 shares and as corporate interest in respect of 82,771,000 shares held by Joint Success Limited, a company which is wholly-owned by Madam LAM Sai Mann.
- These 75,250,000 shares are held by Mr. Dennis LAM Saihong, a Director of the Company as beneficial owner in respect of 25,250,000 shares and as corporate interest in respect of 50,000,000 shares held by Cheerful Group Holdings Limited, a company which is wholly-owned by Mr. Dennis LAM Saihong.

Report of the Directors

DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES *(Continued)*

Long positions *(Continued)*

(b) Ordinary shares of associate of the Company

Name of director	Name of associate	Capacity	Number of ordinary shares held through corporation
Mr. Laurent LAM Kwing Chee	Starland Century Limited	Interest in controlled corporation	300 <i>(Note)</i>

Note: These shares are held by L.K.C. Company Limited, a company which is wholly-owned by Mr. Laurent LAM Kwing Chee, a Director of the Company.

(c) Non-voting deferred shares of wholly-owned subsidiaries of the Company

Name of director	Name of subsidiary	Capacity	Number of non-voting deferred shares beneficially held
Mr. Anthony LAM Sai Ho	Golden Resources Foods Limited (Formerly known as Golden Resources Development Limited)	Interest in controlled corporation	260,000 <i>(Note)</i>
Mr. Anthony LAM Sai Ho	Yuen Loong & Company Limited	Interest in controlled corporation	13,000 <i>(Note)</i>

Note: These shares are held by Marvel City Holdings Limited, a company which is 40% owned by Mr. Anthony LAM Sai Ho, a Director of the Company.

Save as disclosed above, as at 31st March, 2024, none of the Directors nor their associates of the Company had or was deemed to have any interest or short positions in the shares or underlying shares of the Company or any of its associated corporations as recorded in the register that required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules.

SHARE OPTIONS GRANTED TO DIRECTORS AND EMPLOYEES

Particulars of the Company's share option scheme are set out in note 30 to the financial statements.

During the year ended 31st March, 2024, no share option was granted to the Directors and employees under the Share Option Scheme of the Company. None of the Directors nor their spouses or children under 18 years of age were granted or had exercised any rights to subscribe for any securities of the Company or any of its associated corporations.

DIRECTORS' RIGHTS TO ACQUIRE SHARE

Save as disclosed under the headings "Directors' Interests and Short Positions in the Shares and Underlying Shares" and "Share Options Granted to Directors and Employees" above and particulars of the Company's share option scheme as set out in note 30 to the financial statements, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate and neither the Directors nor the Chief Executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Details of the Company's principal subsidiaries and of the Group's principal associates and joint ventures at 31st March, 2024 are set out in notes 33, 16 and 17 to the financial statements respectively.

RESULTS AND APPROPRIATION

The results of the Group for the year ended 31st March, 2024 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 69 to 160.

An interim dividend of HK1.1 cents per share amounting to approximately HK\$18,671,000 was paid to the shareholders during the year. The Directors now recommend the payment of a final dividend of HK1.2 cents per share to the shareholders on the Register of Members on Tuesday, 3rd September, 2024 amounting to approximately HK\$20,369,000.

SHARE PREMIUM AND RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 32 to the financial statements and the consolidated statement of changes in equity respectively.

GROUP FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 162 of the annual report.

INVESTMENT PROPERTIES

The Group revalued all of its investment properties at 31st March, 2024. The revaluation surplus of HK\$69,363,000 has been recognised in the consolidated statement of profit or loss.

Details of movements during the year in the investment properties of the Group are set out in note 15 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 29 to the financial statements.

Report of the Directors

DISTRIBUTABLE RESERVES

As at 31st March, 2024, the Company's reserves available for distribution to shareholders, calculated in accordance with the provision of the Companies Act 1981 of Bermuda (as amended), amounted to approximately HK\$274,452,000.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws or the law of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

RELATED PARTY TRANSACTIONS

Details of the related party transactions entered into by the Group during the year are set out in note 38 to the financial statements.

DISCLOSEABLE TRANSACTIONS

On 31st May, 2023, Honorwood Limited ("Honorwood"), an indirect wholly-owned subsidiary of the Company, entered into agreement with the shareholders namely Yoshio Nishimura, Sachiko Nishimura, Urara Nishimura and Ayano Nishimura (the "Vendors") of NI Corporation, pursuant to which Honorwood conditionally agreed to acquire, and the Vendors conditionally agreed to sell the entire issued share capital of NI Corporation at the Consideration of JPY3,404,000,000. Upon Completion, the Company will indirectly hold the entire issued share capital of NI Corporation, a joint-stock company with limited liability established under the laws of Japan, which will in turn hold Izumikyo Co., Ltd., a joint-stock company with limited liability established under the laws of Japan, collectively the "NI Group".

Izumikyo Co., Ltd. holds 133 parcels of land with a total site area of 326,292.25 square metres in Niseko and its surrounding areas (the "Land"). Out of the Land, there are more than 80% of the total site area which are located in the Hirafu and nearby areas of Niseko, on which 11 properties with a total gross floor area of 2,311.87 square metres have been erected (the "Properties").

NI Group is principally engaged in the business of real estate transactions, leasing accommodations, operating restaurants, managing sports facilities and parking lots in Niseko and its surrounding areas through its ownership in the Land and the Properties.

Details of the acquisition of the entire issued share capital of NI Corporation are disclosed in the Discloseable Transaction Announcement of the Company dated 31st May, 2023.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transactions, arrangements or contracts in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

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.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As of 31st March, 2024, none of the Directors, the substantial shareholders or their respective close associates (as defined under the Listing Rules) had held any position or had any interest in any businesses or companies that were or might be materially, either directly or indirectly, competing with the business of the Group, or gave rise to any concern regarding conflict of interests during the year ended 31st March, 2024.

MAJOR CUSTOMERS AND SUPPLIERS

For the financial year ended 31st March, 2024, the five largest customers of the Group accounted for approximately 19% by value of the Group's revenue and the five largest suppliers accounted for approximately 34% by value of the Group's total purchases. Approximately 8% of the Group's revenue and approximately 12% of the Group's total purchases were attributable to the Group's largest customer and supplier respectively.

Cousins of the Company's Director (Mr. Laurent LAM Kwing Chee) and uncles of the Company's Directors (Mr. Anthony LAM Sai Ho, Madam LAM Sai Mann, Mr. Dennis LAM Saihong and Ms. Morna YUEN Mai-tong) had beneficial interests in one of the Group's five largest suppliers. The Group held 40% beneficial interest in this supplier.

Save as disclosed above and as far as the Company's Directors are aware, none of the Directors of the Company or any of their other associates, or any shareholders (which, to the best knowledge of the Directors, owned more than 5% of the Company's issued share capital) had a beneficial interest in the Group's five largest customers and five largest suppliers.

Report of the Directors

SUBSTANTIAL SHAREHOLDERS

As at 31st March, 2024, the following persons, other than Directors or Chief Executives of the Company, had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of shareholder	Number of shares held <i>(Note 1)</i>	Approximate percentage of the issued share capital of the Company
Yuen Loong International Limited (“Yuen Loong”)	548,052,026	32.28% <i>(Note 2)</i>
Chelsey Developments Ltd. (“Chelsey”)	252,240,000	14.86% <i>(Note 2)</i>

Notes:

- These shares represent long positions.
- Mr. Laurent LAM Kwing Chee, a Director of the Company, is interested in approximately 18% of the issued share capital of each of Yuen Loong and Chelsey. Mr. Anthony LAM Sai Ho, a Director of the Company, is interested in 40% of the issued share capital of Marvel City Holdings Limited which in turn is interested in approximately 24% of the issued share capital of each of Yuen Loong and Chelsey. Madam LAM Sai Mann, a Director of the Company, is interested in 30% of the issued share capital of Elegant Investments Holdings Limited which in turn is interested in approximately 24% of the issued share capital of each of Yuen Loong and Chelsey. She is also interested in approximately 1% of the issued share capital of each of Yuen Loong and Chelsey. Mr. Dennis LAM Saihong, a Director of the Company, is interested in 30% of the issued share capital of Elegant Investments Holdings Limited which in turn is interested in approximately 24% of the issued share capital of each of Yuen Loong and Chelsey. He is also interested in approximately 1% of the issued share capital of each of Yuen Loong and Chelsey. Ms. Morna YUEN Mai-tong, a Director of the Company, is interested in approximately 9% of the issued share capital of each of Yuen Loong and Chelsey.

Save as disclosed above, as at 31st March, 2024, the Company had not been notified by any other person, other than Directors or Chief Executives of the Company, who had interests or short positions in the shares or underlying shares of the Company as recorded in the register that required to be kept by the Company pursuant to Section 336 of the SFO and/or were directly or indirectly interested in 5% or more of the nominal value of the share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group.

CORPORATE GOVERNANCE

The Company had complied with the code provisions as set out in the Corporate Governance Code (the “Code”) contained in Appendix C1 to the Listing Rules on the Stock Exchange during the year ended 31st March, 2024.

Details of the Company’s corporate governance practices are set out in the Corporate Governance Report on pages 23 to 37 of this annual report.

NET ASSET VALUE

The net asset value of the Group as at 31st March, 2024 was HK\$0.78 per share based on 1,697,406,458 shares in issue as at that date.

CHARITABLE DONATIONS

During the year, the Group made charitable donations amounting to approximately HK\$548,000.

EMPLOYEES AND REMUNERATION POLICY

The total number of employees for the Group is about 4,352.

Remuneration packages are reviewed by the Group from time to time. In addition to salary payments, other fringe benefits for the staff include retirement benefits schemes and medical insurance scheme, as well as quarters and housing allowances for certain staff. The Group has taken out personal accident insurance for senior staff and the staff who frequently travel overseas on business trips.

The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure for the remuneration of all Directors and senior management, having regard to their relevant experience, duties and responsibilities, performance and achievement, and market rate. None of the Directors will determine their own remuneration. Details of the remuneration of the Directors and the five highest paid employees of the Group are set out in notes 36 and 37 to the financial statements.

FINAL DIVIDEND

The Directors have resolved to recommend the payment of a final dividend of HK1.2 cents per share (2023: HK1.45 cents per share) for the year ended 31st March, 2024 to the shareholders on the Register of Members of the Company at the close of business on Tuesday, 3rd September, 2024. Together with the interim dividend of HK1.1 cents per share paid on Monday, 15th January, 2024, the total dividends for the year ended 31st March, 2024 will be HK2.3 cents per share (2023: HK2.65 cents per share).

Subject to the approval of shareholders at the forthcoming annual general meeting to be held on Wednesday, 28th August, 2024, the final dividend will be paid to the shareholders on or about Friday, 20th September, 2024.

CLOSURE OF REGISTER OF MEMBERS FOR THE ENTITLEMENT TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING

For the purpose of determining the entitlement of the shareholders to attend and vote at the forthcoming annual general meeting, the Register of Members of the Company will be closed from Thursday, 22nd August, 2024 to Wednesday, 28th August, 2024, both days inclusive, during which period no transfer of shares of the Company will be registered. Shareholders whose names appear on the Register of Members of the Company at the close of business on Wednesday, 21st August, 2024 will be entitled to attend and vote at the forthcoming annual general meeting. All transfers of shares accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company's Branch Share Registrar and Transfer Office in Hong Kong, Tricor Standard Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong for registration not later than 4:30 p.m. (Hong Kong time) on Wednesday, 21st August, 2024.

Report of the Directors

LAST DAY FOR TRADING AND RECORD DATE FOR THE ENTITLEMENT TO FINAL DIVIDEND

The last day for trading in the Company's shares with entitlement to the final dividend will be on Friday, 30th August, 2024. The Company's shares will be traded ex-entitlement on Monday, 2nd September, 2024.

The record date for the entitlement to the final dividend is at 4:30 p.m. (Hong Kong time) on Tuesday, 3rd September, 2024. In order to qualify for the final dividend, if approved, all transfers of shares accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company's Branch Share Registrar and Transfer Office in Hong Kong, Tricor Standard Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong for registration not later than 4:30 p.m. (Hong Kong time) on Tuesday, 3rd September, 2024. The final dividend will be paid on or about Friday, 20th September, 2024.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares for the year ended 31st March, 2024.

PUBLIC FLOAT

As at the date of this report, based on the information publicly available to the Company and within the knowledge of the Directors of the Company, over 25% of the issued share capital of the Company was held by the public as required under the Listing Rules.

AUDITOR

HLM CPA Limited ("HLM") resigned as auditor with effect from 28 December 2023 and KPMG was appointed as the new auditor of the Company with effect from 28 December 2023 upon the resignation of HLM.

The consolidated financial statements for the year ended 31 March 2024 of the Group have been audited by KPMG. At the forthcoming annual general meeting, KPMG will retire and, being eligible, offer themselves for re-appointment. A resolution will be submitted to the forthcoming annual general meeting to re-appoint KPMG as auditor of the Company.

On behalf of the Board

Anthony LAM Sai Ho

Vice Chairman and Group Chief Executive Officer

Hong Kong, 28th June, 2024

Corporate Governance Report

The Company is committed to maintaining good corporate governance standard and procedures to safeguard the interests of all shareholders and to enhance accountability and transparency.

CORPORATE GOVERNANCE PRACTICES

The Company adopted all the applicable code provisions in the Code as set out in Appendix C1 to the Listing Rules as its own code on corporate governance. The Company has complied with the Code throughout the year ended 31st March, 2024.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by Directors. All Directors have confirmed, following specific enquiry by the Company, that they fully complied with the required standard as set out in the Model Code throughout the year ended 31st March, 2024.

THE BOARD

Composition

The Board currently comprises nine Directors including five Executive Directors, one Non-executive Director and three Independent Non-executive Directors. The Independent Non-executive Directors possess appropriate academic and professional qualifications or related financial management expertise and have brought a wide range of business and financial experience and independent judgment to the Board.

The composition of the Board of the Company for the year ended 31st March, 2024 and up to the date of this report were:

Executive Directors

Mr. Laurent LAM Kwing Chee (*Chairman and Group Executive Chairman*)
Mr. Anthony LAM Sai Ho (*Vice Chairman and Group Chief Executive Officer*)
Madam LAM Sai Mann
Ms. Morna YUEN Mai-tong
Mr. TSANG Chun Yiu (*Note 1*)
Mr. TSANG Siu Hung (*Note 2*)

Non-executive Director

Mr. Dennis LAM Saihong

Independent Non-executive Directors

Mr. Joseph LAM Yuen To
Mr. Michael YU Tat Chi
Mr. Jeffrey LAM Kin Fung (*Note 3*)
Mr. Ronald YAN Mou Keung (*Note 4*)

Notes:

1. Mr. TSANG Chun Yiu was appointed as the Executive Director of the Company on 2nd April, 2024.
2. Mr. TSANG Siu Hung resigned as the Executive Director of the Company on 2nd April, 2024.
3. Mr. Jeffrey LAM Kin Fung was appointed as the Independent Non-executive Director of the Company on 2nd April, 2024.
4. Mr. Ronald YAN Mou Keung resigned as the Independent Non-executive Director of the Company on 2nd April, 2024.

Corporate Governance Report

THE BOARD *(Continued)*

Mr. Laurent LAM Kwing Chee, Chairman and Group Executive Chairman of the Company, is the uncle of Mr. Anthony LAM Sai Ho, Vice Chairman and Group Chief Executive Officer, Madam LAM Sai Mann and Ms. Morna YUEN Mai-tong, the Executive Directors of the Company, and Mr. Dennis LAM Saihong, the Non-executive Director of the Company. The biographical details and relationships among members of the Board are set out on pages 10 to 14 of this annual report. Save as disclosed above and in the “Biographical Details of Directors, Senior Management Staff and Panel of Advisors” section of this annual report, none of the Directors of the Company has any financial, business, family or other material/relevant relationships with one another.

During the year ended 31st March, 2024, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three Independent Non-executive Directors, representing one-third of the Board and with at least one Independent Non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received written annual confirmation in respect of independence from all its Independent Non-executive Directors pursuant to the requirements of the Listing Rules. The Company confirms that it still considers all Independent Non-executive Directors to be independent in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company has formal letter of appointment for all Directors setting out the key terms and conditions relative to their appointment.

Directors of the Company are continually updated with legal and regulatory developments, and the business environment to facilitate the discharge of their responsibilities. During the year, all Directors have participated in appropriate continuous professional training either by attending seminars, viewing the director training program video webcasting launched by the Stock Exchange and reading materials relevant to the Company’s business or to the Directors’ duties and responsibilities and kept a record of training they received.

During the year, the Company has arranged for appropriate liability insurance to indemnify its directors for their liabilities arising out of corporate activities. The insurance coverage is reviewed on an annual basis.

Function

The Board sets the Group’s overall objectives and strategies, monitors and evaluates its operating and financial performance and reviews the corporate governance standard of the Company. It also decides on matters such as annual and interim results, major transactions, director appointments or re-appointments, and dividend and accounting policies. The Board has delegated the authority and responsibility for implementing its business strategies and managing the daily operations of the Group’s businesses to the Group Chief Executive Officer and the senior management.

The Board held four regular board meetings at approximately quarterly interval during the year ended 31st March, 2024. Additional board meetings were held when necessary. Notices of at least 14 days accompanying with agenda for regular board meetings were given to all of the Directors. The Directors have been provided in a timely manner with appropriate information in order to enable them to discharge their duties and responsibilities. The regular board meetings have been participated by the Directors either in person or by way of telephone conference from time to time when necessary. Minutes of full board meetings and meetings of board committee are properly kept and all Directors are entitled to have access to board papers and the related materials.

The Board has established following mechanisms to ensure independent views and input are available to the Board and the implementation and effectiveness of such mechanisms will be reviewed annually by the Board.

THE BOARD *(Continued)*

- Three out of the nine Directors are Independent Non-executive Directors, which fulfill the requirement of the Listing Rules that at least one-third of the Board are independent non-executive directors.
- The majority of the members of each board committee are Independent Non-executive Directors.
- The Nomination Committee will assess the independence of a candidate for a new independent non-executive director's appointment and also the continued independence of existing Independent Non-executive Directors on an annual basis.
- All Independent Non-executive Directors have access to information from the company secretary and employees of the Company, as well as access to external independent professionals.
- The chairman of the Board meets at least once a year with the Independent Non-executive Directors without the presence of other Directors.

During the year ended 31st March, 2024, none of the Directors of the Company has appointed any alternate to attend any board, committee and general meetings.

Details of individual attendance of Directors at the board meeting and general meeting during the year are set out in the table below:

Name of Director	Board Meeting	General Meeting
	Number of Attendance/ Number of Meeting Held	Number of Attendance/ Number of Meeting Held
Executive Directors		
Mr. Laurent LAM Kwing Chee <i>(Chairman and Group Executive Chairman)</i>	4/4	1/1
Mr. Anthony LAM Sai Ho <i>(Vice Chairman and Group Chief Executive Officer)</i>	4/4	1/1
Madam LAM Sai Mann	4/4	1/1
Ms. Morna YUEN Mai-tong	4/4	1/1
Mr. TSANG Chun Yiu <i>(Note 1)</i>	0/4	0/1
Mr. TSANG Siu Hung <i>(Note 2)</i>	4/4	1/1
Non-executive Director		
Mr. Dennis LAM Saihong	4/4	1/1
Independent Non-executive Directors		
Mr. Joseph LAM Yuen To	4/4	1/1
Mr. Michael YU Tat Chi	4/4	1/1
Mr. Jeffrey LAM Kin Fung <i>(Note 3)</i>	0/4	0/1
Mr. Ronald YAN Mou Keung <i>(Note 4)</i>	4/4	1/1

Corporate Governance Report

THE BOARD *(Continued)*

Notes:

1. Mr. TSANG Chun Yiu was appointed as the Executive Director of the Company on 2nd April, 2024.
2. Mr. TSANG Siu Hung resigned as the Executive Director of the Company on 2nd April, 2024.
3. Mr. Jeffrey LAM Kin Fung was appointed as the Independent Non-executive Director of the Company on 2nd April, 2024.
4. Mr. Ronald YAN Mou Keung resigned as the Independent Non-executive Director of the Company on 2nd April, 2024.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

During the year, the Chairman of the Company is Mr. Laurent LAM Kwing Chee and the Chief Executive Officer of the Company is Mr. Anthony LAM Sai Ho.

NON-EXECUTIVE DIRECTORS

The Independent Non-executive Directors of the Company were appointed with specific written term. The term of appointment of all of the Independent Non-executive Directors will be automatically renewable for each year commencing from the next day after the expiry of the current term of appointment to the next annual general meeting subsequently held, unless terminated by not less than one month's notice in writing served by either party or the other. All of the Independent Non-executive Directors are subject to retirement by rotation once every three years and are subject to re-election.

BOARD COMMITTEES

During the year ended 31st March, 2024, the Board has three board committees, namely, the Remuneration Committee, the Audit Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs.

The three board committees of the Company are established with defined written terms of reference, approved by the Board, which set out the Committees' major duties. These are now posted on the websites of Hong Kong Exchanges and Clearing Limited and the Company and are available to shareholders.

The majority of the members of each board committee are Independent Non-executive Directors. The list of the Chairman and members of each board committee is set out in each of the following board committee section.

The board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

Remuneration Committee

The Company established the Remuneration Committee on 12th April, 2005 with specific written terms of reference in accordance with the requirement of the Stock Exchange which deal clearly with its authority and duties.

The Remuneration Committee has adopted the approach under code provision E.1.2(c)(ii) of the Code and advises and makes recommendations to the Board on the Group's overall policy and structure for the remuneration of directors and senior management.

The members of the Remuneration Committee for the year ended 31st March, 2024 comprise four members, of which three are Independent Non-executive Directors, Mr. Michael YU Tat Chi (Chairman of Remuneration Committee), Mr. Joseph LAM Yuen To, Mr. Ronald YAN Mou Keung and one is Executive Director, Mr. Laurent LAM Kwing Chee.

BOARD COMMITTEES *(Continued)*

Remuneration Committee *(Continued)*

The principal duties of the Remuneration Committee include:

- to make recommendations to the Board on the Company's policy and structure for all directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- to make recommendations to the Board on the remuneration packages of individual executive directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- to review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and
- To review and/or approve matters relating to share schemes under chapter 17 of the Listing Rules.

The Remuneration Committee held one meeting during the year ended 31st March, 2024. The attendance of each member was as follows:

Name of Director	Number of Attendance/ Number of Meeting Held
Mr. Michael YU Tat Chi <i>(Chairman of the Remuneration Committee)</i>	1/1
Mr. Laurent LAM Kwing Chee	1/1
Mr. Joseph LAM Yuen To	1/1
Mr. Jeffrey LAM Kin Fung <i>(Note 1)</i>	0/1
Mr. Ronald YAN Mou Keung <i>(Note 2)</i>	1/1

Notes:

1. Mr. Jeffrey LAM Kin Fung was appointed as member of the Remuneration Committee of the Company on 2nd April, 2024.
2. Mr. Ronald YAN Mou Keung resigned as member of the Remuneration Committee of the Company on 2nd April, 2024.

Corporate Governance Report

BOARD COMMITTEES *(Continued)*

Remuneration Committee *(Continued)*

During the year ended 31st March, 2024, the summary of work performed by the Remuneration Committee was as follows:

- reviewed the remuneration policy for 2023/2024;
- reviewed and updated the existing Directors' fee; and
- reviewed the remuneration of the Executive Directors, Non-executive Director and the Independent Non-executive Directors.

Nomination Committee

The Company established the Nomination Committee on 30th March, 2012 with specific written terms of reference in accordance with the requirement of the Stock Exchange which deal clearly with its authority and duties.

The members of the Nomination Committee for the year ended 31st March, 2024 comprise four members, of which three are Independent Non-executive Directors, Mr. Joseph LAM Yuen To, Mr. Michael YU Tat Chi, Mr. Ronald YAN Mou Keung and one is Executive Director, Mr. Laurent LAM Kwing Chee (Chairman of Nomination Committee).

Board Diversity Policy

The Board has adopted a board diversity policy (the "Policy") in June 2014 which sets out the approach to achieve diversity on the Board of the Company. The Company recognises and embraces the benefits of diversity in Board members. All Board appointments will be based on merit while taking into account diversity including gender diversity. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Gender diversity has been achieved with directors of a different gender being appointed as the Board members. The Nomination Committee has conducted an annual review of the Policy to ensure that it is implemented and is effective to the Company. For details of the gender ratio in the Company's workforce as at 31st March, 2024 are set out in the Environmental, Social and Governance Report on pages 38 to 61 of this annual report.

Nomination Policy

The Board has adopted a Nomination Policy in December 2018 which sets out the principles guiding the Nomination Committee to identify and evaluate a candidate for nomination to the Board for appointment or to the shareholders of the Company for election as a Director of the Company. The policy contains a number of factors to which the Nomination Committee has to adhere when considering nominations. These factors include the candidate's skills and experience, diversity perspectives set out in the Board Diversity Policy, the candidate's time commitment and integrity, and the independence criteria under Rule 3.13 of the Listing Rules if the candidate is proposed to be appointed as an Independent Non-executive Director. The policy also lays down the following nomination procedures: the Nomination Committee (a) will take appropriate measures to identify and evaluate a candidate; (b) may consider a candidate recommended or offered for nomination by a shareholder of the Company; and (c) will, on making the recommendation, submit the candidate's personal profile to the Board for consideration.

BOARD COMMITTEES *(Continued)*

Nomination Committee *(Continued)*

The principal duties of the Nomination Committee include:

- to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- to keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace, and in this connection, to keep up-to-date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- to assess the independence of Independent Non-executive Directors, having regard to the requirements under the Listing Rules;
- to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman of the Board and the chief executive; and
- to monitor the implementation of the Board Diversity Policy and to review the Policy, as appropriate, to ensure the effectiveness of the Policy.

The Nomination Committee held one meeting during the year ended 31st March, 2024. The attendance of each member was as follows:

Name of Director	Number of Attendance/ Number of Meeting Held
Mr. Laurent LAM Kwing Chee <i>(Chairman of the Nomination Committee)</i>	1/1
Mr. Joseph LAM Yuen To	1/1
Mr. Michael YU Tat Chi	1/1
Mr. Jeffrey LAM Kin Fung <i>(Note 1)</i>	0/1
Mr. Ronald YAN Mou Keung <i>(Note 2)</i>	1/1

Notes:

1. Mr. Jeffrey LAM Kin Fung was appointed as member of the Nomination Committee of the Company on 2nd April, 2024.
2. Mr. Ronald YAN Mou Keung resigned as member of the Nomination Committee of the Company on 2nd April, 2024.

Corporate Governance Report

BOARD COMMITTEES *(Continued)*

Nomination Committee *(Continued)*

During the year ended 31st March, 2024, the summary of work performed by the Nomination Committee was as follows:

- reviewed the appointment of Executive Director and recommended to the Board for approval;
- reviewed the appointment of Independent Non-executive Director;
- reviewed the structure, size and composition of the Board; and
- reviewed and assessed the independence of Independent Non-executive Directors in accordance with the requirements under the Listing Rules.

Audit Committee

The Company established the Audit Committee on 10th August, 1999 with specific written terms of reference in accordance with the requirement of the Stock Exchange which deal clearly with its authority and duties.

The members of the Audit Committee for the year ended 31st March, 2024 comprise three Independent Non-executive Directors, Mr. Joseph LAM Yuen To (Chairman of Audit Committee), Mr. Michael YU Tat Chi and Mr. Ronald YAN Mou Keung.

The principal duties of the Audit Committee include:

- to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;
- to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;
- to develop and implement policy on engaging an external auditor to supply non-audit services;
- to review the Company's financial controls, and expressly addressed by a separate board risk committee, or the Board itself, to review the Company's risk management and internal control systems;
- to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective internal control systems;
- to review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response; and
- to review the Group's financial and accounting policies and practices.

BOARD COMMITTEES (Continued)

Audit Committee (Continued)

The Audit Committee held two meetings during the year ended 31st March, 2024. The attendance of each member is set out as follows:

Name of Director	Number of Attendance/ Number of Meeting Held
Mr. Joseph LAM Yuen To (<i>Chairman of the Audit Committee</i>)	2/2
Mr. Michael YU Tat Chi	2/2
Mr. Dennis LAM Saihong (<i>Note 1</i>)	0/2
Mr. Ronald YAN Mou Keung (<i>Note 2</i>)	2/2

Notes:

1. Mr. Dennis LAM Saihong was appointed as member of the Audit Committee of the Company on 2nd April, 2024.
2. Mr. Ronald YAN Mou Keung resigned as member of the Audit Committee of the Company on 2nd April, 2024.

During the year ended 31st March, 2024, the summary of work performed by the Audit Committee was as follows:

- review of the financial statement for the year ended 31st March, 2023 and for the six months ended 30th September, 2023;
- review and discussion of the audit findings with the auditor and review of the annual results announcement;
- review and consideration of various accounting issues and new standards and their financial impact;
- review the effectiveness of the internal control system of the Group; and
- consideration of the audit fee and audit work for the year.

Corporate Governance Report

BOARD COMMITTEES *(Continued)*

Corporate Governance Functions

The Company is committed to enhancing its corporate governance practices appropriately to the conduct and growth of its business. To achieve a right balance between conformance and governance, the Board is responsible for introducing and proposing relevant principles concerning corporate governance so as to enhance the standard of corporate governance of the Company. The Terms of Reference of Corporate Governance Function of the Board of Directors was established to serve this purpose.

The Board is responsible for performing the corporate governance duties as follows:

- to develop and review the Company's policies and practices on corporate governance;
- to review and monitor the training and continuous professional development of directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; and
- to review the Company's compliance with the Code and disclosure in the Corporate Governance Report.

The Board held one meeting in respect of corporate governance functions during the year ended 31st March, 2024. The attendance of each member was as follows:

Name of Director	Number of Attendance/ Number of Meeting Held
Mr. Laurent LAM Kwing Chee <i>(Chairman and Group Executive Chairman)</i>	1/1
Mr. Anthony LAM Sai Ho <i>(Vice Chairman and Group Chief Executive Officer)</i>	1/1
Madam LAM Sai Mann	1/1
Ms. Morna YUEN Mai-tong	1/1
Mr. TSANG Chun Yiu <i>(Note 1)</i>	0/1
Mr. TSANG Siu Hung <i>(Note 2)</i>	1/1
Mr. Dennis LAM Saihong	1/1
Mr. Joseph LAM Yuen To	1/1
Mr. Michael YU Tat Chi	1/1
Mr. Jeffrey LAM Kin Fung <i>(Note 3)</i>	0/1
Mr. Ronald YAN Mou Keung <i>(Note 4)</i>	1/1

Notes:

1. Mr. TSANG Chun Yiu was appointed as the Executive Director of the Company on 2nd April, 2024.
2. Mr. TSANG Siu Hung resigned as the Executive Director of the Company on 2nd April, 2024.
3. Mr. Jeffrey LAM Kin Fung was appointed as the Independent Non-executive Director of the Company on 2nd April, 2024.
4. Mr. Ronald YAN Mou Keung resigned as the Independent Non-executive Director of the Company on 2nd April, 2024.

BOARD COMMITTEES (Continued)

Corporate Governance Functions (Continued)

During the year ended 31st March, 2024, the summary of work performed by the Board in respect of corporate governance functions was as follows:

- reviewed the Company's policies and practices on corporate governance for 2023/2024;
- reviewed the training and continuous professional development of directors; and
- reviewed the Company's compliance with the Code and disclosure in the Corporate Governance Report for 2023/2024.

COMPANY SECRETARY

The Company Secretary is a full time employee of the Company and has day-to-day knowledge of the Company's affairs. For the year ended 31st March, 2024, the Company Secretary undertook over 15 hours' professional training to update his skill and knowledge in compliance with the Code.

AUDITOR'S REMUNERATION

During the year under review, the remuneration paid and payable to the Company's auditor, KPMG, is set out as follows:

	Fee paid/payables
	<i>HK\$'000</i>
Audit Services	1,980
Non-assurance services	196
	<hr/>
Carrying amounts	2,176

In addition, audit services were provided by other auditors to certain subsidiaries for the year ended and the related fees amounted to HK\$75,000.

DIRECTORS' RESPONSIBILITIES FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are responsible for overseeing the preparation of accounts for each financial period with a view to ensuring such accounts give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. The Company's accounts are prepared in accordance with all relevant statutory requirements and applicable accounting standards. The Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; and that judgment and estimates made are prudent and reasonable.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

The statement of the external auditor of the Company about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report on pages 62 to 68 of this annual report.

Corporate Governance Report

DIVIDEND POLICY

The Board has adopted a Dividend Policy in December 2018 which sets out the guidelines for the Board to determine whether to pay a dividend and the level of such dividend to be paid. The Board may also declare special dividends in addition to the interim dividend and final dividend as it considers appropriate. In deciding whether to propose a dividend and in determining the dividend amount, the Board will take into consideration the Group's distributable profits generated during the year, economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group, the investment needs and the retained profits that should be set aside for future development purposes, the current and future liquidity position and capital requirements of the Group. The payment of dividend is also subject to any restrictions under the laws of Bermuda and the Company's Bye-laws.

WHISTLEBLOWING POLICY

In compliance with code provision D.2.6 of the Code, the Board established a Whistleblowing Policy and it provides employees and the relevant third parties who deal with the Group (e.g. customers, suppliers, creditors and debtors) with guidance and reporting channels on reporting any suspected improprieties in any matters related to the Group directly addressed to the designated person as well as Head of People Management Department. All reported matters will be investigated independently and, in the meantime, all information received from a whistleblower and its identity will be kept confidential. The Board and the Audit Committee will regularly review the Whistleblowing Policy and mechanism to improve its effectiveness.

ANTI-CORRUPTION POLICY

In compliance with code provision D.2.7 of the Code, the Board established an Anti-Corruption Policy and it outlines guidelines and the minimum standards of conducts, all applicable laws and regulations in relation to the anti-corruption and anti-bribery, the responsibilities of employees to resist fraud, to help the Group defend against corrupt practices and to report any reasonably suspected case of fraud and corruption or any attempts thereof, to the management or through an appropriate reporting channel. The Group would not tolerate all forms of fraud and corruption among all employees and those acting in an agency or fiduciary capacity on behalf of the Group, and in its business dealing with third parties. The Board will review the Anti-Corruption Policy and mechanism periodically to ensure its effectiveness and enforce the commitment of the Group to the prevention, deterrence, detection and investigation of all forms of fraud and corruption.

INTERNAL CONTROL

The Board has overall responsibility for maintaining sound and effective risk management and internal control systems of the Group. The Group's risk management and internal control systems include a well-defined management structure with limits of authority which is designed for the achievement of business objectives, so as to safeguard assets against unauthorized use or disposition, to ensure proper maintenance of books and records for the provision of reliable financial information for internal use or publication, to ensure proper control of any material risks relating to environmental, social and governance, and to ensure compliance with relevant legislation and regulations.

During the year under review, the Board, through the Audit Committee, has conducted a review of the effectiveness of the risk management and internal control systems of the Group including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget. The Board is of the view that the existing risk management and internal control systems are effective and adequate to the Group.

SHAREHOLDERS' RIGHTS

The Company treats all shareholders equally and ensures that shareholders' rights are protected and every convenience is provided to exercise their rights in the many ways that they should receive. The Memorandum of Association and Bye-Laws of the Company sets out the rights of our shareholders.

(a) Rights and procedures for shareholders to convene special general meeting ("SGM")

The Directors of the Company, notwithstanding anything in its bye-laws shall, on the requisition of shareholders of the Company holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company, forthwith proceed duly to convene a SGM of the Company.

The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the Company Secretary at the Company's Head Office at 29/F., Golden Resources Tower, No. 218 Jaffe Road, Wan Chai, Hong Kong, and may consist of several documents in like form each signed by one or more requisitionists.

The request will be verified with the Company's Share Registrars in Bermuda or Hong Kong and upon their confirmation that the request is proper and in order, the Company Secretary will ask the Board to include the resolution in the agenda for the SGM.

If the Directors do not within 21 days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

(b) Rights and procedures for shareholders to make proposals at general meetings

(i) *Rights and procedures for proposing a person for election as a director at a general meeting are as follows:*

No person, other than a retiring Director, shall, unless recommended by the board of directors for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected including that person's biographical details as required by rule 13.51(2) of the Listing Rules on the Stock Exchange shall have been lodged at the Head Office of the Company at 29/F., Golden Resources Tower, No. 218 Jaffe Road, Wan Chai, Hong Kong or at the Registration Office provided that the minimum length of the period, during which such notice is given, shall be at least 7 days before the date of the general meeting.

If the notice is submitted after the dispatch of the notice of the general meeting appointed for such election, the period for lodgment of such notice shall commence on the day after the dispatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting.

If the notice is received less than 10 business days prior to the date of such general meeting, the Company will need to consider the adjournment of such general meeting in order to allow Shareholders 14 days' notice (the notice period must include 10 business days) of the proposal.

Corporate Governance Report

SHAREHOLDERS' RIGHTS *(Continued)*

(b) Rights and procedures for shareholders to make proposals at general meetings *(Continued)*

(ii) *Rights and procedures for proposing resolution to be put forward at a general meeting are as follows:*

To put forward proposals at an Annual General Meeting (“AGM”), or SGM, the shareholders should submit a written notice of those proposals with the detailed contact information to the Company Secretary at the Company’s Head Office at 29/F., Golden Resources Tower, No. 218 Jaffe Road, Wan Chai, Hong Kong. The request will be verified with the Company’s Share Registrars in Bermuda or Hong Kong and upon their confirmation that the request is proper and in order, the Company Secretary will ask the Board to include the resolution in the agenda for the general meeting.

The notice period to be given to all the shareholders for consideration of the proposal raised by the shareholders concerned at AGM or SGM varies according to the nature of the proposal, as follows:

- At least 14 days’ notice (the notice period must include 10 business days) in writing if the proposal constitutes an ordinary resolution of the Company in SGM.
- At least 21 days’ notice (the notice period must include 20 business days) in writing if the proposal constitutes an ordinary resolution of the Company in AGM or a special resolution of the Company in AGM or SGM.

(c) Procedures to send enquiries to the Board

The enquiries must be in writing with contact information of the requisitionists and deposited at the Company Secretary at the Company’s Head Office at 29/F., Golden Resources Tower, No. 218 Jaffe Road, Wan Chai, Hong Kong.

SHAREHOLDERS' COMMUNICATION POLICY

The Company believes in maintaining full, open and timely communication with its shareholders, and observing high standards in corporate governance and shareholder communications.

The Company uses a range of communication tools to ensure its shareholders are kept well informed of key business imperatives. These include AGM, annual report, interim report, various notices, announcements and circulars.

To promote effective communication with shareholders, the Company provides them with access to the latest information about the Company. The Company’s website, www.grdil.com, serves as the primary tool to communicate rapidly with shareholders, and is a source of useful and current information about the Company. Financial and other information relating to the Group and its business activities is made available on the Company’s website, which is regularly updated.

Extensive information on the Company’s activities is provided in the annual and interim reports and circulars, which are sent to shareholders and are also available on the websites of Hong Kong Exchanges and Clearing Limited and the Company.

The Company values feedback from shareholders. Comments and suggestions are welcomed and can be addressed to the Company by mail to the Company’s head office at 29/F., Golden Resources Tower, No. 218 Jaffe Road, Wan Chai, Hong Kong.

SHAREHOLDERS' COMMUNICATION POLICY *(Continued)*

The AGM of the Company provides a useful forum for shareholders to exchange views with the Board. The Directors, Chairmen of the Audit, Remuneration and Nomination Committees and the external auditor are also available at the AGM to address shareholders' queries. Shareholders are encouraged to attend the general meetings of the Company. Sufficient notice is sent to shareholders before the AGM.

To safeguard shareholders' interests and rights, separate resolutions are proposed at general meetings on each substantial separate issue, including the election of individual Directors.

Details of the poll voting procedures are included in the Company's circulars convening a general meeting. Where necessary, the detailed procedures for conducting a poll will be explained at the meeting. The results of the poll will be posted on the websites of Hong Kong Exchanges and Clearing Limited and the Company after each general meeting.

The above Shareholders' Communication Policy is well established to ensure that shareholders are provided a true and fair view of the Company. The Board is of the view that the Shareholders' Communication Policy is implemented and is effective to the Company during the year.

Environmental, Social and Governance Report

INTRODUCTION

The Board is pleased to present this report pursuant to the disclosure requirements of the “Environmental, Social and Governance Reporting Guide” set out in Appendix C2 to the Listing Rules (the “Guide”) for the purpose of disclosing the Group’s performance in these aspects for the reporting period from 1st April, 2023 to 31st March, 2024. The business segments of the Group entitled for reporting include its food operation (import and distribution of rice and food products) and convenience store operation (Circle K stores in Vietnam)¹, which contributed to more than 90% of the Group’s revenues and represented the principal operations of the Group. Policies, statements and information set forth in this report cover the relevant operations of the two business segments under our effective control. The Board considers that a sound environment, a harmonious society and good governance are of utmost importance to the sustainable development of both the Group’s business and the community in which we operate. Therefore, the Group is committed not only to enhancing our financial performance but also to implementing various policies and measures to increase our efforts in environmental protection, fulfil our social responsibilities and enhance our governance.

REPORTING STANDARD AND PRINCIPLES

This Environmental, Social and Governance (“ESG”) Report (the “Report”) is prepared in accordance with the Guide. The Report is prepared following the principles of “materiality”, “quantitative”, “consistency” and “balance” of the Guide:

- Materiality:** Stakeholders are provided with relevant and important information. A materiality assessment was conducted to assess the materiality and relative importance of the ESG topics to the Group.
- Quantitative:** To assist our stakeholders in objectively assessing the Group’s environmental, social, and governance performance, quantitative information is provided along with comparative data and narrative.
- Consistency:** ESG data is prepared using consistent methodologies with previous years, unless specified otherwise (either in text or in footnotes).
- Balance:** We are focused on providing an unbiased picture of the Group’s ESG performance by avoiding biased narratives, selective omissions and presentation methods that may mislead our stakeholders.

VISION AND STRATEGIC MISSION

The Group’s vision is to be the leader of quality brands and innovator of effective platforms to deliver triple-bottom-line in the markets it operates.

The Group’s strategic mission is to leverage the Group’s infrastructure, team power and local expertise to expand its portfolio of quality brands and innovative platforms across territories, either through organic or inorganic growth, to create sustainable Shareholders’ value, foster quality lifestyle and greener communities.

¹ Convenience store operation has been added to the reporting scope for the period ended 31st March, 2022.

ESG COMMITTEE STRUCTURE

By implementing adequate and appropriate policies and initiatives across our operations, we strive to fulfil stakeholder’s expectations regarding ESG performance. The chart below outlines our corporate governance structure and ESG workflow.



The Board is responsible for the ESG strategy and reporting. This includes identifying material ESG issues, targets setting, reviewing progress made towards targets, risk evaluation and management, and strengthening internal control systems.

The ESG Working Group consists of head of different key operating departments. It implements targets and goals determined by the Board, monitors ESG-related risks and internal controls, and provide guidance to integrate ESG considerations into business operations. It presents periodic reports to the Board which provides feedbacks on effectiveness of the Group’s ESG policies, risk management and internal controls.

The Group’s accounting department facilitates additional supervision and assessment on the effectiveness of risk management and internal controls. It facilitates the ESG reporting process and takes part of the annual ESG reporting process. The annual ESG Report is reviewed by the ESG Working Group and approved by the Board. The annual ESG Report also reflects our works and progress towards the Group’s ESG targets and goals, as well as our efforts to address interests of our stakeholders.

STAKEHOLDER ENGAGEMENT

To achieve our ESG goals, we recognize the importance of understanding the concerns and expectations of our stakeholders in the ongoing improvement of overall ESG management. The table below describes our primary stakeholder groups, as well as means of engagement, that the ESG Working Group believes may contribute insights to our overall ESG management:

Stakeholder Groups	Engagement Channels
Employee	Internal Emails and Publications Training Meetings and Briefings Performance Appraisal Employee Activities
Customer/Consumer	Customer Satisfaction Survey Client Meetings Corporate Website

Environmental, Social and Governance Report

Stakeholder Groups

Investor/Shareholder/Analyst

Supplier/Contractor/Service provider

Government

Industry association

Engagement Channels

Annual General Meeting
Investor Relation Website
Press Release and Announcements
Annual and Interim Report

Business Meetings
Email and Phone Correspondence

Email and Phone Communications
Corporate Annual Return

Association Meeting
Complaints Filing
Voting

MATERIALITY ASSESSMENT

The Group conducts materiality assessment exercises to identify the relative impact of ESG issues related to the Group's operations for reporting and strategy development purposes. The procedure of such assessment is as below.

- 1 Identification of issues**
 We use the United Nations Sustainable Development Goals ("SDGs") as a basic framework to build a sustainable organization. We identify issues using the SDGs as a guideline together with insights gathered from daily operations and stakeholders
- 2 Stakeholders Questionnaire**
 Understand and evaluate the significant matters to stakeholders through questionnaires and interviews
- 3 Materiality Ranking**
 Prepare an ESG materiality ranking based on the findings
- 4 Verification**
 Confirm the material issues after review and evaluation by the ESG Working Group with the support of external consultant(s) when needed

18 material issues were identified, which were ranked based on materiality. The data collected is mapped into a materiality matrix, as seen below. 7 issues were classified as highly important, 9 issues were classified as important, and the remaining 2 were classified as partially important.

Materiality Matrix



MATERIAL ISSUES

Caring for the Employees	Caring for the Community	Caring for the Environment
1 Employee care	6 Product quality and services responsibility	13 General waste
2 Talent development and training	7 Product recall procedures	14 Water consumption
3 Diversity and equal opportunities	8 Customer service and complaint handling	15 Energy consumption and CO2 emissions
4 Employee health and safety	9 Customer data protection and privacy	16 Packaging material used for products
5 Employment practices and labour standards	10 Contributions to local communities	17 Use of other natural resources
	11 Anti-Corruption/bribery	18 Other impacts to the environment
	12 Supplier management	

Environmental, Social and Governance Report

A. ENVIRONMENTAL

There is no significant impact to the environment made by the Group's operations. The Group has various sustainable and waste recycling policies and has set environmental targets to be achieved by 2030.

The Group's operations do not generate any hazardous waste. Our main source of non-hazardous waste is general waste from offices and production operations. The Group's main source of emission is generated indirectly through electricity use.

We strive to improve the utilization rate of energy and resources, undertake energy saving and consumption reduction activities to save water and electricity and reduce paper consumption. As part of our commitment to environmental protection, we have set the following environmental targets for our rice and convenience store operations:

Aspect	Base year	Target year	Target
Total non-hazardous waste	2022	2030	Explore technology to reduce intensity
Electricity consumption	2022	2030	Reduce intensity by 5%
Greenhouse gas emissions	2022	2030	Reduce intensity by 5%
Water consumption	2022	2030	Reduce intensity by 10%

A1 General waste

The Group is committed to the practice of responsibly handling all types of waste generated from its operations. The sewage and solid waste discharged by the Group's principal place of business arise from domestic activities of our employees, and no industrial wastewater or industrial waste was produced. The domestic sewage produced by the Group is discharged via municipal pipelines and treated at sewage treatment plants.

We strictly comply with local laws and regulations including the Waste Disposal Ordinance (Cap.354) in Hong Kong, Law on Environmental Protection, Law on Water Resources, Decree No. 155/2016/ND-CP on Sanctioning Administrative Violations in Environment Protection, Decree No. 38/2015/ND-CP on Management of Waste and Discarded Materials, and Decree No. 80/2014/ND-CP on the Drainage and Treatment of Wastewater.

A1.1 Non-hazardous wastes

Type of waste (in tonne)	2024	2023
<i>Food operation</i>		
Copy paper	3.37	3.87
Woven bags	93.82	188.36
<hr/>		
Total	97.19	192.23
Total non-hazardous waste intensity (kg/tonne of production)	1.37	2.84
<hr/>		
<i>Convenience store operation</i>		
Copy paper	13.93	12.86
Paper for packaging	0.00	35.90
<hr/>		
Total	13.93	48.76
Total non-hazardous waste intensity (kg/square meters of gross floor area)	0.18	0.72
<hr/>		

For the Group's overall operation, we continue to contribute to the reduction of general waste pollution of the environment by implementing a variety of waste reduction measures:

Degradable plastic packaging material

The Group proactively explores new alternatives and upgrades to consumer end packaging. We launched Hong Kong's first environmentally friendly rice bag which is made of degradable plastic, allowing us to contribute more towards the reduction of plastic pollution to the environment.

Recyclable waste

We collect the woven bags used by our suppliers for recycling and actively explore ways for the bags to be reused. Other recyclable wastes such as lubricant oil are handled and stored with due care and collected by third parties for recycling in accordance with the relevant laws and regulations.

Environmental, Social and Governance Report

Employee carbon footprint reduction initiatives

We encourage our employees to reduce paper consumption and recycle all paper waste. We also promote communication by electronic means. We provide green cleaning products and glasses for employees to use.

We also encourage our employees to avoid the use of single-use plastic tableware and plastic bags when possible and use sustainable alternatives such as reusable utensils and eco-friendly shopping bags. Employees are also encouraged to take public transportation or practise carpooling.

A2 Water consumption

Water is another important resource used by the Group in daily operation. It is used mainly in production lines for cleaning and machinery cooling, convenience store operation, offices and canteens. Our water conservation measures include water leakage prevention and identification of abnormal water usage to minimize wastage. We advocate water conservation and reduce water waste with the installation of sensor faucets. Given the Group consumes limited amount of water, the Group does not have issues in sourcing water for its operations.

Water (in cubic meter)	2024	2023
<i>Food operation</i>		
Consumption	2,333.00	2,465.00
Consumption Intensity (m ³ /tonne of production)	0.0329	0.0365
<i>Convenience store operation</i>		
Consumption	151,862	155,385
Consumption Intensity (kg/square meter of gross floor area)	1,949.90	2,233.35

A3 Energy consumption and carbon emission

The Group's operations do not generate significant amount of emissions and have no significant impact to the environment. The main emissions include: air emissions produced through gasoline-powered vehicles, liquefied petroleum gas forklift trucks, greenhouse gases ("GHG") indirectly produced from electricity consumption.

A3.1 Energy consumption

The Group's main sources of energy consumption resulted from electricity used by convenience store operation, rice production lines as well as fuel consumption by vehicles and machinery.

Energy Consumption

Energy Usage	2024 Consumption Volume	2023 Consumption Volume
<i>Food operation</i>		
Liquefied petroleum gas (in liter)	17,670	17,846
Intensity (liter/tonne of production)	0.25	0.26
Lead-free gasoline (in liter)	29,326	33,249
Intensity (liter/tonne of production)	0.41	0.49
Diesel (in liter)	2,177	3,056
Intensity (liter/tonne of production)	0.031	0.045
Purchased electricity (in kilowatt-hour)	4,785,597	4,470,669
Intensity (kilowatt-hour/tonne of production)	67.49	66.11
<i>Convenience store operation</i>		
Lead-free gasoline (in liter)	7,356	7,665
Intensity (liter/square meter of gross floor area)	0.094	0.110
Purchased electricity (in kilowatt-hour)	41,896,850	39,969,380
Intensity (kilowatt-hour/square meter of gross floor area)	537.95	574.48

In order to reduce energy consumption, the Group has kept the use of resources to a minimum through various green practices as follows:

1. Use energy-efficient lighting and electrical appliances in the office and workplace
2. Thermostat-controlled air conditioning systems with optimal and suitable warehouse and office temperature
3. Motion sensitive and timer-controlled electric appliances and office lighting
4. Minimize travelling when possible and conduct online meetings and trainings
5. Promote employee carbon footprint reduction initiatives

Environmental, Social and Governance Report

A3.2 Greenhouse gas emission

The Group's main sources of greenhouse gas resulted from electricity used by convenience store operation and rice production lines, as well as fuel consumption by vehicles and machinery.

Scopes of GHG emission (in tonnes of CO ₂)	Sources	2024 Emissions*	2023 Emissions*
<i>Food operation</i>			
Scope 1 direct emission	Lead-free gasoline, diesel and liquefied petroleum gas consumed by self-owned vehicles and forklift trucks and air-conditioning equipment	113.08	126.14
Scope 2 indirect emission	Electricity	1,882.93	1,750.75
Total		1,996.01	1,876.89
Total GHG Intensity (tonnes of CO ₂ e/tonne of production)		0.0281	0.0278
<i>Convenience store operation</i>			
Scope 1 direct emission	Lead-free gasoline, diesel and liquefied petroleum gas consumed by self-owned vehicles and forklift trucks and air-conditioning equipment	19.57	20.39
Scope 2 indirect emission	Electricity	33,689.26	32,139.38
Total		33,708.83	32,159.77
Total GHG Intensity (tonnes of CO ₂ e/square meters of gross floor area)		0.433	0.462

* The GHG is calculated according to the "Reporting Guidance on Environmental KPIs" issued by the Hong Kong Stock Exchange, the emission factor published by the electricity provider as well as the "UK Government GHG Conversion Factors for Company Reporting" issued by the Department for Business, Energy & Industrial Strategy of the United Kingdom and Final Report on the Study and Development of Emission Factor (EF) for Vietnamese Electrical Grid in 2020 by Ministry of Natural Resources and Environment of Vietnam.

Direct carbon emission of the Group result from lead-free gasoline, diesel and liquefied petroleum gas consumed when driving self-owned vehicles, forklift trucks and air-conditioning equipment. The Group is focused on minimizing carbon emission produced from liquefied petroleum gas forklift trucks by using battery electric forklift trucks and installing filtering devices to purify the waste gas.

Indirect carbon emission of the Group result from electricity consumption during production activities and management offices of the Group. The Group prioritizes the use of efficient energy-saving products, such as energy-saving motors, energy-saving lamps, energy-saving air conditioners when purchasing new electrical appliance.

A4 Packaging material used for products

For the Group's food operation, majority of packaging materials used are rice bags and paper. The Group has proactively explored new alternatives and upgrades to consumer end packaging. We have launched Hong Kong's first environmentally friendly rice bag which is made of degradable plastic for reducing plastic pollution to the environment.

For the Group's convenience store operation, majority of packaging materials used are plastic bags and paper. The Group encourages consumers to use eco-friendly methods under our BYOB consumer single plastic use initiative. The Group is also launching reusable foldable bags and bio-degradable straws programs.

Packaging Materials (in tonne)	2024	2023
<i>Food operation</i>		
Papers	7.28	46.70
Plastic bags	530.99	486.11
Packaging materials	38.27	38.67
<i>Convenience store operation</i>		
Papers	0.00	9.70
Plastic bags	303.19	359.60

A5 The environment and natural resources

The Group has a long standing environmentally conscious operation philosophy and our employees are encouraged to maintain a green office and live sustainably. Awareness of our employees enables the Group to accelerate our goals toward energy conservation, consumption reduction, green and healthy development.

The Group continuously improve our production process and maintain our production equipment to avoid unintended abuses and wastage of natural resources.

The Group is also devoted to reduce the use of natural resources through environmentally friendly procurement such as earth-friendly tools, furniture and green stationary.

Pursuant to rule 2.07A of the Listing Rules with effect from 31st December, 2023 and the Company's Bye-Laws, the Company will disseminate the future corporate communications of the Company (the "Corporate Communications") to its shareholders electronically and only send Corporate Communications in printed form to the shareholders upon request.

A6 Other impacts to the environment

For the Group's food operation, we have carried out upgrades to become more environmentally friendly. Acoustic treatment such as the addition of silencer has been applied to the exhaust air system to minimize noise levels from our production machines during daily operation.

For the Group's convenience store operation, we are cooperating with suppliers on our eco-friendly policies, and encouraging them to participate in sustainability measures such as using environmentally friendly materials and packaging.

Environmental, Social and Governance Report

The Group strictly complies in material respects with local laws and regulations regarding to environmental protection, including the Air Pollution Control Ordinance (Cap. 311), Waste Disposal Ordinance (Cap.354), Water Pollution Control Ordinance (Cap.358), Noise Control Ordinance (Cap. 400), Environmental Impact Assessment Ordinance (Cap. 499), Hazardous Chemicals Control Ordinance (Cap. 595), Product Eco-responsibility Ordinance (Cap.603) and Motor Vehicle Idling (Fixed Penalty) Ordinance (Cap. 611) in Hong Kong and the Law on Protection of the Environment in Vietnam.

There was no material non-compliance case noted in relation to environmental laws and regulations during the reporting period.

A7 Climate change risks

For the Group's operations, we actively evaluate risks that climate change poses to our businesses. For instance, extreme weather conditions may impact crop yield, potentially affecting the sourcing of raw materials for our products. Supply chain logistics may also be affected by global weather conditions. Extreme weather may bring damages to warehouse, offices, convenience stores and consumer behaviour may also be influenced by weather conditions.

To better manage climate change risks, we actively source from multiple regions in intervals over the year, and we engage supplementary supply chain logistics providers. Furthermore, we conduct periodic checks on structural soundness of our buildings and warehouses so as to strengthen preventive measures to ensure continuous operation in case of extreme weathers. We implement emergency measures such as employee emergency call list and data backup at multiple storage locations to prevent data information loss.

B. SOCIAL

B1 Employee care

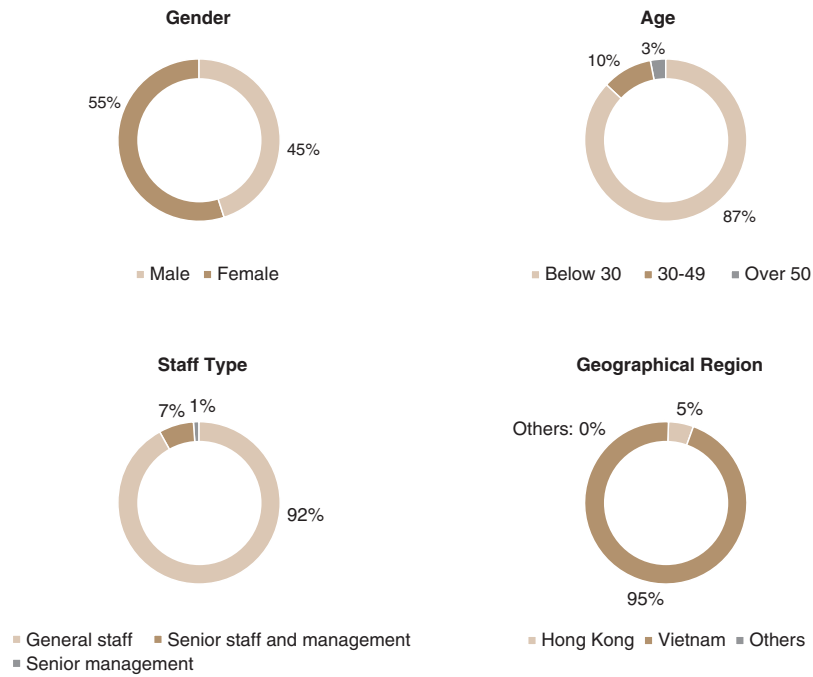
The Group appreciates its employees for their hard work and contribution, and therefore demonstrates ongoing care for its employees, advocates work-life balance, and organizes various activities, aiming to improve their sense of belonging and well-being.

The Group's remuneration package consists of standard remuneration, medical insurance, allowances and bonuses. All employees are entitled to paid holidays such as statutory holidays, annual leave, marriage leave, maternity leave, paternity leave and sick leave. The Group has also adopted incentive and bonus schemes to recognise and reward the employees who have contributed to the growth and development of the Group.

The Group provides an equal opportunity working environment. Discrimination against our staff in respect of recruitment, dismissal, training, remuneration and promotion is strictly prohibited. The Group strictly complies in material respects with all labour laws and regulations where its businesses are located. We aim at creating an inclusive workplace by adopting non-discriminatory hiring and employment practices that are fair to people of different race, gender, sexual orientation, ethnicity, religion, pregnancy, marital status, disability, family status and personal characteristics.

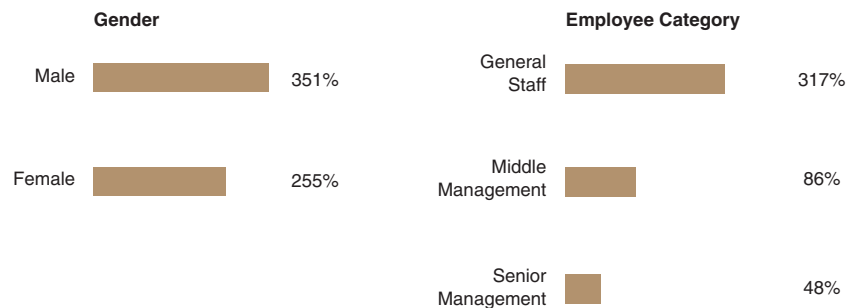
The Group has been awarded the “Good MPF Employer 5 Years+” and is presented with a “MPF Support Award” by the Mandatory Provident Fund Schemes Authority.

Total Workforce



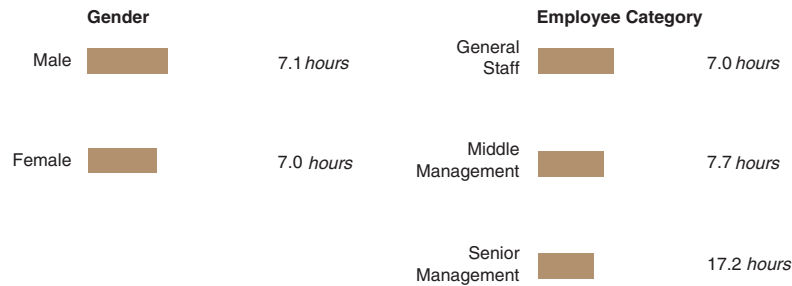
B2 Talent development and training

For the Group’s operations, employees are seen as crucial resources and a critical component in driving business success. We have comprehensive training systems to provide on-the-job training with an aim to enhance individual skillset and management capabilities. The Group’s People Management Department is responsible for employee development and training. We will continue to develop employee focused programs to create a sustainable working environment.



Environmental, Social and Governance Report

Details of average training hours² are shown below. During the reporting period, a total of 14,522 employees were trained.^{3,4}



The Group adopts a strict zero tolerance approach towards corruption and strictly abides by the business ethics of honesty, trustworthiness and self-discipline. Non-compliant employees will be subject to disciplinary actions, and their managers will be held accountable. Upon employment, all employees are issued Employee Code of Conduct, and guidance on rules such as gift handling, securities trading, and data security.

Majority of the workforce for convenience store operation are high school students, whose availability and work schedules are often dictated by demand of school work. Total employee turnover was 10,163, amongst which 5,765 were male and 4,398 were female. 9,963 were below 30 years old, 173 were within the age range of 30-49 years old, whilst 27 were over 50 years old. Among the resigned staff, 48 were from Hong Kong whilst 10,115 were from Vietnam, with the remaining in other regions.

B3 Employee health and safety

The health of employees is of utmost importance to us. We strive to create a healthy and safe workplace, strengthen safety awareness of employees, and exert persistent effort to pandemic prevention and control, all with a view to safeguarding the mental and physical wellbeing of employees.

The Group is committed to improve working environment for employees and taking all appropriate measures to safeguard their health and safety. We have formulated operational safety rules and practices for all production staff, detailing safety precautions for different production processes, and arranged induction trainings of the said safety rules and practices for all new employees. To further improve our employees' safety awareness in case of fire emergencies, the Group regularly arranges fire drill exercises. To prevent fire accidents, smoking is strictly prohibited within the Group's premises. Furthermore, we have set up a first aid team to provide immediate first-aid support for our employees. Automated External Defibrillators (the "AED") are installed within the building to respond to cardiac arrests and a team of employees are trained in using the AED before the arrival of ambulances. The Group complies in material respects with relevant occupational safety and health legislations in Hong Kong.

² Average training hours is calculated by dividing the training hours in a gender or employee category by the number of employees trained in the same category during the reporting period.

³ Number of employees trained during the reporting period was higher than the number of employees existing at the end of the reporting period, consistent with the high turnover nature of the retail industry.

⁴ Percentage of employees trained is calculated as the number of employees who is trained in a specific category during the reporting period divided by the number of existing employees in the category by the end of the reporting period.

We strictly comply with the relevant occupational health and safety-related laws and regulations, including The Vietnamese Labour Code (Chapter IX), Law on Occupational Safety and Hygiene and Company regulations on Occupational Safety and Hygiene (Chapter IV) in all material respects.

During the reporting period, the Group recorded a total of 42 lost days due to work injury. There has been one case of work-related fatality in the past 3 years. There was no material non-compliance case relating to health and safety laws and regulations during the reporting period.

B4 Compliance employment

The Group has always regarded its employees as its most valuable assets. Being a people-oriented company, the Group respects the legitimate rights and interests of all employees, supports their career development, enriches their leisure lives, and is committed to creating a healthy, safe yet inclusive workplace for employees.

For the Group's operations, we are committed to building mutual respect amongst our employees. The Group strictly complies in material respects with all labour legislation in regions where its businesses are located. We adopt a prudent and comprehensive recruitment review process and our People Management Department ensures that personal information provided by the candidates is true and accurate. Candidates are also required to provide proof of identity at the time of interview. Background investigations and verifications on candidates are also conducted.

We prohibit the use of child or forced labour in any of our operations or services. Forced labour, whether by physical punishment, maltreatment, involuntary servitude, peonage, or trafficking, is strictly forbidden. Children under the legal working age as defined by local labour laws will not be employed. Thorough investigations will be conducted upon identifying cases of child or forced labour, or from relevant complaints within our operations and our suppliers. Confirmed cases will be treated with utmost importance and matters shall be reported to regulatory authorities within corresponding regions.

For the Group's convenience store operation, the Group strictly complies in material respects with the following laws and regulations: The Vietnamese Labour Code (Chapter XI), Decree 152/2020/ND-CP on foreign workers working in Vietnam and recruitment and management of Vietnamese workers working for foreign employers in Vietnam, Decree 145/2020/ND-CP regarding elaboration of some articles of the labour code on working conditions and labour relations; Circular 10/2020/TT-BLDTBXH concerning the guidance of certain articles of the Labour Code with respect to employment contracts; Circular No. 09/2020/TT-BLDTBXH relating to implementation of some articles of the Labour Code on minor workers collective bargaining council and jobs with hazards to reproductive function and children raising; Decree 135/2020/ND-CP concerning retirement age, Law on Employment; Law on Social Insurance; Law on Health Insurance; Law on Trade Union as well as the Group's regulations. By strictly complying with the labour law, we do not recruit candidates under 18 years old.

All employees of the Group must observe the standard working hours. Overtime work is not encouraged unless in special circumstances and employees are entitled to additional overtime compensation in such cases. The employment policies of the Group also protect the right of free choice of employment by any person and ensure that all the employment relationship is formed on a voluntary basis.

Environmental, Social and Governance Report

We have also taken effective actions to ensure compliance with the relevant employment-related laws and regulations. For instance, the Group monitors and revises employment-related documentation such as contracts and internal labour regulations taking into account new and changing laws and industry practices. We also communicate with our staff to ensure that they have a comprehensive understanding of workplace policies and procedures.

As at 31st March, 2024, there were a total of 4,863 permanent and part-time employees working in the Group's food operation in Hong Kong and convenience store operation in Vietnam. There was no material non-compliance case relating to employment and labour related laws and regulations during the reporting period. There was no case of child labour or forced labour, and we did not record any incidents of discrimination.

B5 Quality Assurance

The Group is to consistently offer the broadest selection of premium rice products to global customers and provide the best convenience store consumer experience in Vietnam. The Group continues to establish and improve product quality management system, providing our customers with reliable, convenient and safe products plus services.

B5.1 Product quality and product recall procedures

The Group has strict protocols to avoid unsafe and substandard products. Our quality control system covers the processes of quality control, product verification, product tracking and product recall.

For the Group's food operation, daily procedures are carried out by Quality Control Department to inspect raw materials, packaging and finished products, thereby prohibiting products of inferior quality to be delivered to any customers. We conduct sampling tests on products and verify quality result regularly. There is a tracking system and accountability can be pursued. Products with defects can be recalled through the product tracking system in a timely manner.

For the Group's food operation, through continued improvement of its rice processing and packaging technologies, the Group strives to offer better products and services to its patrons. The Group has passed requirements for the certification of ISO 9001, HACCP and ISO 22000 Qualification since 2003, symbolizing international recognition of the Group's stringent production procedures and exceptional product quality. The quality assurance and brand success of Golden Elephant are evident through numerous awards won in recent years, including "Top Mark" of Hong Kong Top Brand Awards, Q-Mark Award, Wellcome's Top 10 Favorite Brands and PARKnSHOP Super Brands Award.

For the Group's convenience store operation, we have an inventory management and tracking system whereby in case of manufacturer recalls we can conduct the recall in a timely manner. The store operation must strictly comply with all local regulation and policies, including the Vietnamese Civil Code, Law on Commerce, Law on Quality of Products and Goods and Law on Protection of Consumer's Right. In addition, product label information also complies with Vietnamese Regulations. Merchandise details such as ingredients, storing, usage and food safety notice are found on all product labels.

We conduct investigation for products recall based on quality issues, product inspections or customer complaints. Each case filed must be confirmed and reviewed by our Quality Control Department. For serious or repeated issues, the Quality Control Department will request for the recall of the products until our Quality Control Department is satisfied that corrective and improvement actions have been taken.

During the reporting period, there was no product recalled due to health and safety reasons.

B5.2 Customer service and complaint handling

The Group strives to provide our customers with satisfactory services. We have developed a comprehensive customer complaint handling and goods return procedure. Each complaint will be investigated by responsible employees who will collect sufficient and objective evidence to support the findings of the investigation. All requests and suggestions from customers will be carefully considered.

Specific to the Group's convenience store operation, the process of handling customer complaints begins with our Customer Service team receiving complaints via telephone or email. The complaint will then be classified and based on its nature be transferred to related teams such as Operations, Food Service or IT for handling. The respective departments will investigate the issue prudently and provide feedback to our customers directly. Alternatively, the Customer Service team members will continue to follow the case with further actions until the customer is satisfied.

During the reporting period, our response rate to customer complaints was 100%.

B5.3 Customer data protection and privacy

The Group attaches great importance to cybersecurity and the protection of users' private data. The Group has established structure and system for security management to provide data security and protect customer privacy.

In the ordinary course of business, our Information Technology team meets regularly to recap data security matters and promptly communicate on emergency responses, to ensure the security of our employee, supplier, customer data, as well as of information across our upstream and downstream activities.

For the Group's food operation, we strictly comply with relevant data privacy laws and regulations, such as the Personal Data (Privacy) Ordinance (Cap. 486) in all material respects. For the Group's convenience store operation, we strictly adhere to related laws and regulations, such as the Vietnamese Civil Code, Law on Network Information Security, Law on Electronic Transactions, Law on Protection of Consumer's Right and Law on Cybersecurity.

There was no case of non-compliance noted in relation to data privacy laws and regulations during the reporting period.

Environmental, Social and Governance Report

B5.4 Supplier management

We have adopted a strict selection process of suppliers for the Group by only choosing suppliers from an approved list. The Group closely monitors and performs regular reviews on the performance of suppliers to ensure product quality. The assessment mainly includes but is not limited to product quality, business reputation, past performance, financial status, operating in good integrity and price advantages. If the assessment results do not satisfy our requirements, the respective supplier(s) will be removed from our approved list.

As at 31st March, 2024, the Group had approximately 500 major suppliers, including legal advisors, professional service providers and utility companies. Approximately 95% represent suppliers for our convenience store operation and are based in Asia.

B5.5 Intellectual Property

The Group respects intellectual property rights and complies with relevant laws and regulations regarding the usage of licensed products and copyrighted materials as stated in our policy. Our employees are required to abide by all policies regarding the protection of intellectual properties and disciplinary actions will be taken against violations of the aforesaid mentioned policies.

There was no material non-compliance case noted regarding intellectual property related laws and regulations during the reporting period.

B5.6 Anti-Corruption/bribery

The management of the Group promotes a corporate culture of honesty and integrity and creates a corporate environment of anti-corruption and anti-fraud. To enhance the sense of integrity of the employees, the Group educates employees on corruption prevention practices and bribery and warns employees against fraud, extortion and money laundering activities.

In addition, the Group has set up anti-corruption whistleblowing channel. Having assigned responsible officer to conduct investigations and categorize information immediately after the reporting. The Group ensures that there will not be retaliation against whistle-blowers with our information security protection system.

Annual anti-corruption training is provided to directors and staff as part of our integrity training and as a reminder of the implication of corruption instances to the Group. The Group strictly complies in material respects with relevant laws and regulations on anti-corruption, including the Prevention of Bribery Ordinance (Cap. 201) in Hong Kong and the Vietnamese Penal Code, Law on Anti-Corruption and Decree No. 59/2019/ND-CP.

There was no material non-compliance case noted in relation to corruption-related laws and regulations, and no concluded legal cases during the reporting period.

B6 Contributions to local communities

The Group is committed to make positive contributions to communities by supporting social programs and charity initiatives. During the reporting period, the Group worked with charity organizations to implement activities such as the sponsor of the “Promote Environmentally Friendly Cooking, Low-Carbon Life for the Future” fundraising event organized by Zonta Club of The New Territories and the “Love Tai Chi” fundraising event organized by Hong Kong Parkinson’s Disease Foundation in 2024, New Life Psychiatric Rehabilitation Association, Hong Kong Blood Cancer Foundation, United Christian Nethersole Community Health Service and other social services organizations to support our community. The Group also supports different religious institutions, schools and community initiatives such as The Road Safety Campaign Committee. The Group will continue to support local communities in Hong Kong on an ongoing basis. The Group also makes contributions regarding community investment in Vietnam that include children charity and environment protection. The Group also promotes charity activities through our advertising platforms at the convenience stores.

An amount of over HK\$100,000 worth of value of goods has been contributed by the Group to a number of charity and social services organizations during the reporting period.

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Independent Auditor's Report



**Independent auditor's report to the members of
Golden Resources Development International Limited**
(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Golden Resources Development International Limited ("the Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 69 to 160, which comprise the consolidated statement of financial position as at 31st March, 2024, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31st March, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in Bermuda, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS *(Continued)*

Assessing Potential Impairment of Property, Plant and Equipment and Right-of-use Assets in Convenience Store Operation in Vietnam	
<i>Refer to notes 13 and 14 to the consolidated financial statements and the accounting policies in note 3(n)(ii).</i>	
The Key Audit Matter	How the matter was addressed in our audit
<p>The Group recorded significant balances of property, plant and equipment and right-of-use assets relating to convenience store operation in Vietnam (“Convenience Store Related Assets”) on the consolidated statement of financial position.</p> <p>Convenience Store Related Assets are allocated to each individual convenience store which is considered as a cash-generating unit (“CGU”). Management reviews the performance of individual convenience store to identify if any convenience store displays negative performance which could indicate impairment.</p>	<p>Our audit procedures to assess the potential impairment of Convenience Store Related Assets included the following:</p> <ul style="list-style-type: none"> • understanding and evaluating the design and implementation of key internal controls over the impairment assessment; • assessing and challenging the management’s impairment assessment, including identifying the CGUs, evaluating the allocation of assets to CGUs and assessing the indicators of impairment, with reference to the requirements of the prevailing accounting standards; • with the assistance of our internal valuation specialists, on a sample basis, evaluating the methodology applied by management in the preparation of discounted cash flow forecasts with reference to the requirements of the prevailing accounting standards and assessing the discount rates adopted in the discounted cash flow forecasts by benchmarking against the companies in the same industry and external market data;

Independent Auditor's Report

KEY AUDIT MATTERS *(Continued)*

Assessing Potential Impairment of Property, Plant and Equipment and Right-of-use Assets in Convenience Store Operation in Vietnam <i>(Continued)</i>	
<i>Refer to notes 13 and 14 to the consolidated financial statements and the accounting policies in note 3(n)(ii). (Continued)</i>	
The Key Audit Matter	How the matter was addressed in our audit
<p>Where impairment indicators of a convenience store are identified, management performs an impairment assessment of each convenience store by comparing its carrying value with its recoverable amount, which is higher of fair value less costs of disposal and value in use. The value in use is determined by management on a store-by-store basis based on a discounted cash flow forecast.</p> <p>There is a risk that the value of Convenience Store Related Assets in certain convenience stores may not be recoverable in full through the future cash flows to be generated from operations of those convenience stores or from disposal of related assets.</p> <p>We identified assessing potential impairment of Convenience Store Related Assets as a key audit matter because the discounted cash flow forecast used to assess the value in use is based on a number of assumptions, including future revenue growth rates, profit margin ratios and discount rate, which are subject to a significant degree of judgement and could be subject to management bias.</p>	<ul style="list-style-type: none"> • challenging the key assumptions adopted by management in the discounted cash flow forecasts and comparing the key assumptions used, including future revenue growth rates and profit margin ratios by referring to the historical financial performance of each CGU and management's budgets and forecasts; • obtaining a sensitivity analysis of the key assumptions adopted in the discounted cash flow forecasts prepared by management and assessing the impact of changes in the key assumptions to the conclusion reached in the impairment assessment and whether there were any indicators of management bias; • comparing the actual results of the identified CGUs for the current year with the key assumptions adopted by management in the discounted cash flow forecast for prior year to assess the effectiveness of the management's forecasting process and consider if there was any indication of management bias; and • assessing the disclosures in the consolidated financial statements in respect of the impairment assessment of Convenience Store Related Assets with reference to the requirements of the prevailing accounting standards.

KEY AUDIT MATTERS *(Continued)*

Valuation of Investment Properties	
<i>Refer to note 15 to the consolidated financial statements and the accounting policies in note 3(k).</i>	
The Key Audit Matter	How the matter was addressed in our audit
<p>The Group holds a significant balance of investment properties located mainly in Japan and Hong Kong, comprising land, office premises and residential properties.</p> <p>The fair values of the investment properties as at year end were assessed by the board of directors based on independent valuations prepared by qualified external property valuers. The net changes in fair value of investment properties recorded in the consolidated statement of profit or loss were a gain of HK\$69 million for the year ended 31st March, 2024.</p> <p>We identified valuation of investment properties as a key audit matter because of the significance of investment properties to the Group's consolidated financial statements and the significant degree of judgement and estimation involved in assessing the fair values, particularly in determining appropriate market selling prices.</p>	<p>Our audit procedures to assess the valuation of investment properties included the following:</p> <ul style="list-style-type: none"> • assessing the external property valuers' qualifications, experience and expertise in the properties being valued and considering their objectivity; • obtaining and inspecting the valuation report prepared by the external property valuer engaged by the Group on which the management's assessment of the fair value of investment properties located in Hong Kong was based and reviewing the reasonableness of key assumptions adopted in these valuations, including market selling prices; and • with the assistance of our internal property valuation specialists, on a sample basis, evaluating and discussing with the external property valuers whether the valuation methodology adopted for investment properties located in Japan is appropriate with reference to the prevailing accounting standards and assessing the key assumptions adopted in these valuations, including market selling prices, by comparing with market available data and/or government statistics.

Independent Auditor's Report

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sylvene Fong.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

28th June, 2024

Consolidated Statement of Profit or Loss

For the year ended 31st March, 2024
(Expressed in Hong Kong Dollar)

	Notes	2024 HK\$'000	2023 HK\$'000
Revenue	5	2,072,294	2,059,774
Cost of sales		(1,267,767)	(1,271,869)
Gross profit		804,527	787,905
Net realized and unrealized gain/(loss) on			
financial assets at fair value through profit or loss	18	1,209	(16,065)
Surplus/(deficit) on revaluation of investment properties	15	69,363	(2,670)
Net other income	7	11,533	33,593
Selling and distribution costs		(454,739)	(403,189)
Administrative expenses		(249,204)	(223,578)
Interest on lease liabilities		(33,792)	(31,150)
Profit from operations		148,897	144,846
Finance costs	8	(390)	(858)
Share of results of associates		(1,205)	(222)
Share of results of joint ventures		670	(522)
Profit before taxation	9	147,972	143,244
Taxation	10	(37,235)	(18,199)
Profit for the year		110,737	125,045
Profit for the year attributable to:			
Shareholders of the Company		106,848	128,679
Non-controlling interests		3,889	(3,634)
		110,737	125,045
Earnings per share	12		
– Basic		HK6.3 cents	HK7.6 cents
– Diluted		HK6.3 cents	HK7.6 cents

The notes on pages 77 to 160 form part of these financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31st March, 2024
(Expressed in Hong Kong Dollar)

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit for the year	110,737	125,045
Other comprehensive income		
Items to be reclassified to profit or loss in subsequent periods:		
Surplus on property revaluation	44,127	—
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong	(23,346)	(2,173)
Share of other comprehensive income of associates	(491)	(311)
Other comprehensive income for the year, net of HK\$Nil tax	20,290	(2,484)
Total comprehensive income for the year	131,027	122,561
Total comprehensive income attributable to:		
Shareholders of the Company	127,850	126,556
Non-controlling interests	3,177	(3,995)
	131,027	122,561

The notes on pages 77 to 160 form part of these financial statements.

Consolidated Statement of Financial Position

At 31st March, 2024

(Expressed in Hong Kong Dollar)

	Notes	2024 HK\$'000	2023 HK\$'000
Non-current assets			
Property, plant and equipment	13	432,349	385,122
Right-of-use assets	14	392,760	337,026
Investment properties	15	374,473	166,070
Interests in associates	16	33,103	34,990
Interests in joint ventures	17	26,326	11,497
Financial assets at fair value through profit or loss	18	14,604	7,504
Intangible assets	19	26,749	26,749
Rental and related deposits paid		29,040	26,513
Deferred tax assets	28(b)	4,182	—
		1,333,586	995,471
Current assets			
Inventories	20	208,132	196,656
Trade debtors	21	72,626	65,436
Other debtors, deposits and prepayments	22	97,263	85,483
Financial assets at fair value through profit or loss	18	17,897	9,382
Tax recoverable	28(a)	489	1,023
Cash and deposits	23	351,227	540,227
		747,634	898,207
Current liabilities			
Trade creditors	24	125,974	119,257
Other creditors and accruals	25	132,188	130,052
Lease liabilities	26	131,664	117,232
Bank loan	27	—	3,296
Tax payable	28(a)	11,200	—
		401,026	369,837
Net current assets		346,608	528,370
Total assets less current liabilities		1,680,194	1,523,841
Non-current liabilities			
Lease liabilities	26	294,209	252,436
Bank loan	27	—	4,315
Deferred tax liabilities	28(b)	26,313	1,365
		320,522	258,116
		1,359,672	1,265,725

Consolidated Statement of Financial Position

At 31st March, 2024
(Expressed in Hong Kong Dollar)

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
CAPITAL AND RESERVES			
Share capital	29	169,741	169,741
Reserves	32	1,150,040	1,059,494
<hr/>			
Shareholders' equity		1,319,781	1,229,235
Non-controlling interests		39,891	36,490
<hr/>			
		1,359,672	1,265,725
<hr/>			

Approved and authorised for issue by the Board of Directors on 28th June, 2024 and were signed on its behalf by:

Laurent LAM Kwing Chee

Chairman and Group Executive Chairman

Anthony LAM Sai Ho

Vice Chairman and Group Chief Executive Officer

The notes on pages 77 to 160 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31st March, 2024
(Expressed in Hong Kong Dollar)

	Shareholders' equity								Total shareholders' equity HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Capital redemption reserve HK\$'000	Property revaluation reserve HK\$'000	Exchange reserve HK\$'000	Dividend reserve HK\$'000	Retained earnings HK\$'000			
At 31st March, 2022	169,741	453,192	346	515	5,128	22,562	20,369	471,564	1,143,417	40,485	1,183,902
Profit/(loss) for the year	—	—	—	—	—	—	—	128,679	128,679	(3,634)	125,045
Other comprehensive income for the year:											
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong	—	—	—	—	—	(1,812)	—	—	(1,812)	(361)	(2,173)
Share of other comprehensive income of associates	—	—	—	—	—	(311)	—	—	(311)	—	(311)
	—	—	—	—	—	(2,123)	—	—	(2,123)	(361)	(2,484)
Total comprehensive income for the year	—	—	—	—	—	(2,123)	—	128,679	126,556	(3,995)	122,561
Prior year final dividend paid (Note 11)	—	—	—	—	—	—	(20,369)	—	(20,369)	—	(20,369)
Interim dividend paid (Note 11)	—	—	—	—	—	—	—	(20,369)	(20,369)	—	(20,369)
Final dividend proposed for the year ended 31st March, 2023 (Note 11)	—	—	—	—	—	—	24,612	(24,612)	—	—	—
At 31st March, 2023	169,741	453,192	346	515	5,128	20,439	24,612	555,262	1,229,235	36,490	1,265,725

The notes on pages 77 to 160 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31st March, 2024
(Expressed in Hong Kong Dollar)

	Shareholders' equity							Non-controlling interests HK\$'000	Total HK\$'000		
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Capital redemption reserve HK\$'000	Property revaluation reserve HK\$'000	Exchange reserve HK\$'000	Dividend reserve HK\$'000			Retained earnings HK\$'000	Total shareholders' equity HK\$'000
At 31st March, 2023	169,741	453,192	346	515	5,128	20,439	24,612	555,262	1,229,235	36,490	1,265,725
Profit for the year	-	-	-	-	-	-	-	106,848	106,848	3,889	110,737
Other comprehensive income for the year:											
Surplus on property revaluation	-	-	-	-	44,127	-	-	-	44,127	-	44,127
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong	-	-	-	-	-	(22,634)	-	-	(22,634)	(712)	(23,346)
Share of other comprehensive income of associates	-	-	-	-	-	(491)	-	-	(491)	-	(491)
	-	-	-	-	44,127	(23,125)	-	-	21,002	(712)	20,290
Total comprehensive income for the year	-	-	-	-	44,127	(23,125)	-	106,848	127,850	3,177	131,027
Transactions with non-controlling interest	-	-	5,979	-	-	-	-	-	5,979	224	6,203
Prior year final dividend paid (Note 11)	-	-	-	-	-	-	(24,612)	-	(24,612)	-	(24,612)
Interim dividend paid (Note 11)	-	-	-	-	-	-	(18,671)	(18,671)	(18,671)	-	(18,671)
Final dividend proposed for the year ended 31st March, 2024 (Note 11)	-	-	-	-	-	-	20,369	(20,369)	-	-	-
At 31st March, 2024	169,741	453,192	6,325	515	49,255	(2,686)	20,369	623,070	1,319,781	39,891	1,359,672

Shareholders' equity of the Group represents share capital amounting to approximately HK\$169,741,000 (2023: HK\$169,741,000) and reserves amounting to approximately HK\$1,150,040,000 (2023: HK\$1,059,494,000).

The notes on pages 77 to 160 form part of these financial statements.

Consolidated Statement of Cash Flows

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For the year ended 31st March, 2024
(Expressed in Hong Kong Dollar)

	Notes	2024 HK\$'000	2023 HK\$'000
Operating activities			
Profit before taxation		147,972	143,244
Adjustments for:			
Interest revenue on financial assets measured at amortised costs	7	(9,605)	(9,344)
Interest income on financial assets at fair value through profit or loss	7	(2,345)	(929)
Finance costs	8	390	858
Interest on lease liabilities	9	33,792	31,150
Effective interest revenue from rental deposits	7	(2,325)	(2,090)
Net (gain)/loss on termination of leases		(630)	407
Dividend income from listed financial assets at fair value through profit or loss	7	(23)	(26)
Depreciation and amortisation of property, plant and equipment	9	52,846	46,673
Depreciation of right-of-use assets	9	113,364	93,582
Net loss on disposal of plant and equipment	9	1,508	2,531
Share of results of associates		1,205	222
Share of results of joint ventures		(670)	522
Impairment loss/(reversal of impairment loss) on right-of-use assets and equipment	7	8,580	(9,189)
(Surplus)/deficit on revaluation of investment properties	15	(69,363)	2,670
Gain on partial disposal of associate		(4)	—
Allowance for expected credit losses	9	1,204	5,709
Net (gain)/loss on financial assets at fair value through profit or loss (non-current)	18	(3,302)	323
Operating cash flows before movements in working capital		272,594	306,313
(Increase)/decrease in financial assets at fair value through profit or loss		(5,649)	167,779
Increase in inventories		(14,290)	(13,985)
(Increase)/decrease in trade debtors		(8,256)	20,898
Increase in other debtors, deposits and prepayments		(20,980)	(37,762)
Increase/(decrease) in trade creditors		9,247	(4,275)
(Decrease)/increase in other creditors and accruals		(8,705)	12,144
Cash generated from operations		223,961	451,112
Hong Kong Profits Tax paid		(12,714)	(21,837)
Hong Kong Profits Tax refunded		180	—
Income tax in other jurisdiction paid		(191)	(31)
Income tax in other jurisdiction refunded		68	—
Net cash generated from operating activities		211,304	429,244

Consolidated Statement of Cash Flows

For the year ended 31st March, 2024
(Expressed in Hong Kong Dollar)

	Notes	2024 HK\$'000	2023 HK\$'000
Investing activities			
Interest received		13,007	8,358
Dividend income received from listed financial assets at fair value through profit or loss	7	23	26
Purchases of property, plant and equipment		(68,675)	(202,775)
Purchase of intangible assets	19	—	(4,244)
Proceeds from disposal of plant and equipment		2,031	1,027
Proceeds from disposal of investment property		—	41,500
Purchases of financial assets at fair value through profit or loss		(272)	(7,858)
Proceeds from disposal of financial assets at fair value through profit or loss		9,931	—
Proceeds from partial disposal of associate		195	—
Decrease/(increase) in pledged bank deposits		115,029	(69,786)
Decrease/(increase) in time deposits with original maturities more than 3 months		84,283	(123,403)
Net cash outflow on acquisition of subsidiaries	34	(139,446)	—
Investment in an associate		—	(4,501)
Investment in a joint venture		(5)	(7)
Advances to joint ventures		(14,677)	(100)
Net cash generated from/(used in) investing activities		1,424	(361,763)
Financing activities			
Dividends paid	11	(43,283)	(40,738)
Capital element of lease rentals paid	42	(114,672)	(105,170)
Interest element of lease rentals paid	42	(33,792)	(31,150)
Proceed from bank loans	42	—	100,000
Repayment of bank loans	42	(7,611)	(92,389)
Payment for acquisition of additional interest in subsidiaries		(1,482)	—
Proceed from issuance of shares by the subsidiary to non-controlling minority shareholders		7,685	—
Interest paid		(390)	(858)
Net cash used in financing activities		(193,545)	(170,305)
Net increase/(decrease) in cash and cash equivalents		19,183	(102,824)
Cash and cash equivalents at beginning of the year		300,360	408,520
Effect of foreign exchange rate changes		(8,871)	(5,336)
Cash and cash equivalents at end of the year	23	310,672	300,360

The notes on pages 77 to 160 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31st March, 2024

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Stock Exchange. The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section of the annual report.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollar ("HK\$"), which is the Company's functional and presentation currency.

The Company acts as an investment holding company and its subsidiaries are engaged in the business of sourcing, importing, wholesaling, processing, packaging, marketing and distribution of rice and food products, convenience store operation, packaging materials operation, securities investment, property investment, retailtainment and investment holding.

2. CHANGES IN ACCOUNTING POLICIES

(i) New and amendments to HKFRSs

The Group has applied the following new and amendment to HKFRSs issued by the HKICPA to the financial statements for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements and HKFRS Practice Statement 2, Making materiality judgements: Disclosure of accounting policies*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to HKAS 12, *Income taxes: International tax reform — Pillar Two model rules*
- HKFRS 17, *Insurance contracts*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(ii) New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism

In June 2022, the Hong Kong SAR Government (the "Government") gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance"), which will come into effect from 1st May, 2025 (the "Transition Date"). Once the Amendment Ordinance takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory contributions to mandatory provident fund ("MPF") scheme to reduce the long service payment ("LSP") in respect of an employee's service from the Transition Date (the abolition of the "offsetting mechanism"). In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date.

Notes to the Financial Statements

For the year ended 31st March, 2024

2. CHANGES IN ACCOUNTING POLICIES *(Continued)*

(ii) **New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism** *(Continued)*

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism. In particular, the guidance indicates that entities may account for the accrued benefits derived from mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP.

However, applying this approach, upon the enactment of the Amendment Ordinance in June 2022, it is no longer permissible to apply the practical expedient in paragraph 93(b) of HKAS 19 that previously allowed such deemed contributions to be recognised as reduction of service cost (negative service cost) in the period the contributions were made; instead these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit.

To better reflect the substance of the abolition of the offsetting mechanism, the Group has changed its accounting policy in connection with its LSP liability and has applied the above HKICPA guidance. This change in accounting policy did not have material impact on the opening balance of equity at 1st April, 2023, and the cash flows and earnings per share for the year ended 31st March, 2024. With reference to the assessment by external specialist engaged by the Group, there is no material financial statement impact for the years ended 31st March, 2023 and 31st March, 2024.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) **Statement of compliance**

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the group are disclosed below.

The HKICPA has issued certain new and amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the group. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the group for the current accounting period reflected in these financial statements.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31st March, 2024 comprise the company and its subsidiaries (together referred to as the “group”) and the group’s interest in associates and a joint venture.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- investment property, including interests in leasehold land and buildings held as investment property where the group is the registered owner of the property interest
- financial assets at fair value through profit or loss

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 4.

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealized profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net identifiable assets.

Notes to the Financial Statements

For the year ended 31st March, 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(c) **Subsidiaries and non-controlling interests** *(Continued)*

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value at the date when control is lost.

In the Company's statement of financial position, an interest in a subsidiary is stated at cost less any impairment losses.

(d) **Business combinations**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair values, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(d) Business combinations *(Continued)*

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed as at the acquisition date. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair values or, when applicable, on the basis specified in another HKFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured to fair value at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKFRS 9, or HKAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if those interests were disposed of.

Notes to the Financial Statements

For the year ended 31st March, 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(d) **Business combinations** *(Continued)*

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill arising on acquisition represents the excess of the cost of acquisition over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities recognised. Such goodwill is carried at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill arising from acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or whenever there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the statement of profit or loss. An impairment loss for goodwill is not reversed in subsequent periods.

(e) **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest revenue is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(e) Revenue recognition *(Continued)*

- (i) Sales of goods including sales from operation of convenience stores, rice and food products sales and sales of packaging materials are recognised as revenue when goods are delivered and control over a product is transferred to the customer at the amount of promised consideration to which the group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.
- (ii) Revenue from provision of services income from retailtainment is recognised when the relevant services have been rendered.
- (iii) Rental income under operating leases is recognised on a straight-line basis over the relevant lease terms.
- (iv) Revenue arising on the sale of financial instruments is recognised on a trade-date basis.
- (v) Dividend income from investments is recognised when the Group's rights to receive payment have been established.
- (vi) Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

(f) Government grants

Government grants, including non-monetary grants at fair value, are recognised when there is reasonable assurance that (1) the Group will comply with the conditions attaching to them; and (2) the grants will be received.

(g) Interests in associates and joint ventures

Associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Notes to the Financial Statements

For the year ended 31st March, 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(g) **Interests in associates and joint ventures** *(Continued)*

The results and assets and liabilities of associates and joint ventures are incorporated in the Group's financial statements using the equity method of accounting except when the investment, or a portion thereof, is classified as held for sale, in which case it is or the portion so classified is accounted for in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale shall be accounted for using the equity method. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture equals or exceeds its interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal obligations or made payments on behalf of that associate or joint venture.

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

Where a group entity transacts with an associate or a joint venture of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate or joint venture.

(h) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially 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.

All other borrowing costs are recognised as expenses in the year in which they are incurred.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(i) Property, plant and equipment

Property, plant and equipment (other than construction in progress as described below) are stated at historical cost less accumulated depreciation and amortisation and accumulated impairment loss.

Construction in progress is stated at cost less impairment losses (see note 3(n)(ii)). Cost comprises direct costs of construction, capitalised borrowing costs and exchange differences to the extent that it is an adjustment to borrowing costs during the periods of construction and installation. Capitalisation of these costs ceases and the construction in progress is transferred to property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

Freehold land is not depreciated.

Depreciation and amortization, other than construction in progress and freehold land, are provided to write off the cost of items of property, plant and equipment, over their estimated useful lives, using the straight-line method, at the following rates per annum:

Land and buildings	Over the shorter of the remaining land lease term and 4%
Factory premises	2% – 5%
Furniture, fixtures and equipment	5% – 33%
Plant and machinery	5% – 33%
Motor vehicles and motor vessel	12% – 33%

If ownership interests in land and buildings held for own use becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item at that date of transfer is recognised in other comprehensive income and accumulated in property revaluation reserve. On subsequent sale or retirement of the asset, the relevant revaluation reserve will be transferred directly to retained profits.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sale proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss.

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

Notes to the Financial Statements

For the year ended 31st March, 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(j) Intangible asset (other than goodwill)

Separately acquired intangible asset other than goodwill is measured initially at historical cost or, if acquired in a business combination, at fair value at the acquisition date. An intangible asset with a finite useful life is amortised on a straight-line basis over its useful life, or its remaining useful life upon business combination, and is carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is charged to the consolidated statement of profit or loss.

An intangible asset with an indefinite useful life is tested for impairment at least annually or whenever there is an indication that it may be impaired and is carried at cost less accumulated impairment losses, if any.

(k) Investment properties

Investment properties are completed properties which are held for their investment potential, any rental income being negotiated at arm's length. On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, determined on direct comparison approach, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Unrealized gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the year in which they arise.

(l) Asset classified as held for sale

Assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of interests, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment (or a portion of the investment) is classified as held for sale.

Assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(m) **Financial instruments**

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade debtors and other debtors arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss (“FVTPL”)), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets and financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest revenue and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Interest revenue and interest expense are recognised on an effective interest basis for financial asset and financial liability.

Interest revenue which are derived from the Group’s ordinary course of business are presented as net other income.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets (including amounts due from associates and advances to joint ventures) that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the Financial Statements

For the year ended 31st March, 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(m) Financial instruments *(Continued)*

Trade and other debtors

A receivable recognised when the group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade debtors that do not contain a significant financing component are initially measured at their transaction price. All receivables are subsequently stated at amortised cost (see note 3(n)(i)).

All other financial assets are subsequently measured at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that is required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) *Amortised cost and interest revenue*

Interest revenue is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest revenue is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest revenue is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) *Financial assets at FVTPL*

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any interest earned on the financial asset.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(m) **Financial instruments** *(Continued)*

Financial liability

Trade and other creditors

Trade and other creditors are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(n) **Credit losses and impairment of assets**

(i) **Credit losses from financial instruments**

The Group recognises a loss allowance for expected credit losses (“ECLs”) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, including those amount due from associates and advances to joint ventures that are held for the collection of contractual cash flows which represent solely payments of principal and interest).

Financial assets measured at fair value are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

For undrawn loan commitments, expected cash shortfalls are measured as the difference between (i) the contractual cash flows that would be due to the Group if the holder of the loan commitment draws down on the loan and (ii) the cash flows that the Group expects to receive if the loan is drawn down.

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

Notes to the Financial Statements

For the year ended 31st March, 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(n) Credit losses and impairment of assets *(Continued)*

(i) Credit losses from financial instruments *(Continued)*

Measurement of ECLs (Continued)

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments (including loans to an associate), the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition and when measuring ECLs, the group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the group's historical experience and informed credit assessment, that includes forward-looking information.

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

The group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the group in full, without recourse by the group to actions such as realising security (if any is held); or
- the financial asset is 90 days past due.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(n) **Credit losses and impairment of assets** *(Continued)*

(i) **Credit losses from financial instruments** *(Continued)*

Significant increases in credit risk (Continued)

The group considers a financial instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position.

Credit-impaired financial assets

At each reporting date, the group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the group on terms that the group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Notes to the Financial Statements

For the year ended 31st March, 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(n) Credit losses and impairment of assets *(Continued)*

(ii) *Impairment of other assets*

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment, including right-of-use assets (other than investment property carried at revalued amounts);
- intangible assets;
- interest in joint ventures;
- interest in associates; and
- interest in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

— *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a CGU). A portion of the carrying amount of a corporate asset (for example, head office building) is allocated to an individual CGU if the allocation can be done on a reasonable and consistent basis, or to the smallest group of CGUs if otherwise.

— *Recognition of impairment losses*

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the CGU to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(n) **Credit losses and impairment of assets** *(Continued)*

(ii) **Impairment of other assets** *(Continued)*

– *Reversals of impairment losses*

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(iii) **Interim financial reporting and impairment**

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 3(n)(i) & (ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

(o) **Related parties**

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family if that person:

- (i) has control or joint control of the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity related to the Group where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

Notes to the Financial Statements

For the year ended 31st March, 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(o) Related parties *(Continued)*

- (b) the party is an entity related to the Group where any of the following conditions applies: *(Continued)*
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the Group.

(p) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is calculated using the weighted average cost method. The cost comprises costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less applicable selling expenses.

(q) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair values that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair values were determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see the accounting policies below); and

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(q) Foreign currencies *(Continued)*

- exchange differences on monetary items receivable from or payable to foreign operations for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributed to non-controlling interests as appropriate).

Goodwill and fair value adjustments on identifiable assets acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

(r) Taxation

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and

Notes to the Financial Statements

For the year ended 31st March, 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(r) **Taxation** *(Continued)*

- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Where investment properties are carried at their fair value in accordance with note 3(k), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date, unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(s) **Employee benefits**

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Termination benefits

Termination benefits are expensed at the earlier of when the group can no longer withdraw the offer of those benefits and when the group recognises costs for a restructuring.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(t) Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is, or contains, a lease based on the definition under HKFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

As a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of equipment and offices that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Notes to the Financial Statements

For the year ended 31st March, 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(t) **Leases** *(Continued)*

As a lessee *(Continued)*

Right-of-use assets (Continued)

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

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

Refundable rental deposits

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost (see notes 3(m) and 3(n)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

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

Variable lease payments that reflect changes in market rental rates are initially measured using the market rental rates as at the commencement date. Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period on which the event or condition that triggers the payment occurs.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(t) **Leases** *(Continued)*

As a lessee *(Continued)*

Lease liabilities (Continued)

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

Lease modifications

Except for COVID-19-related rent concessions in which the Group applied the practical expedient, 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.

Taxation

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

As a lessor

When an asset is leased out under an operating lease, the asset is included in the consolidated statement of financial position based on the nature of the asset. Rental income on operating leases is recognised over the term of the lease on a straight-line basis.

Notes to the Financial Statements

For the year ended 31st March, 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

(u) **Cash and deposits**

Cash and deposits as presented in the consolidated statement of financial position represent cash on hand, cash and time deposits with banks and other financial institutions, and short-term liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents which have short-term maturity of generally within three months upon acquisition, together with bank overdrafts and bank loans, if any, which are repayable on demand and form an integral part of the Group's cash management, are included as components of cash and cash equivalents as presented in the consolidated statement of cash flows.

(v) **Segment reporting**

Segment reporting Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the group's various lines of business and geographical locations. Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(w) **Provisions and contingent liabilities**

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the group recognises any impairment loss on the assets associated with that contract.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the consolidated financial statements requires the Management to make significant estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses as well as the related disclosures. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Fair values of investment properties

At the end of the reporting period, the Group's investment properties were stated at fair value based on the valuation performed by independent external valuer as disclosed in the note on investment properties. In determining the fair values, the valuer have based on method of valuation which involves certain estimates. In relying on the valuation, Management has exercised their judgements and is satisfied that the method of valuation is reflective of the current market conditions.

Estimated impairment loss of right-of-use assets and property, plant and equipment

The Management of the Group performs impairment test on right-of-use assets and property, plant and equipment annually or where an indication of impairment exists. An impairment exists when the carrying value of an asset or a cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value-in-use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value-in-use calculations are undertaken, management estimates the expected future cash flows from the asset or the cash generated units and chooses suitable discount rate in order to calculate the present value of those cash flows. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. Changing the assumptions and estimates could materially affect the recoverable amounts. Furthermore, the cash flows projections, growth rate and discount rate are subject to greater uncertainties in the current year due to volatility in financial markets.

Details of impairment assessment are disclosed in note 13 to the consolidated financial statements.

Notes to the Financial Statements

For the year ended 31st March, 2024

5. REVENUE

Revenue represents the net amounts received and receivable for the year (less returns and allowances) for sales from operation of convenience stores, service income from retailtainment operation, rice and food products and packaging materials sold to external customers and rental income from investment properties. Sales from operation of convenience stores, rice and food products sales and sales of packaging materials are recognised upon the transfer of goods at a point in time while services income from retailtainment is recognised when the relevant services have been rendered.

Disaggregation of revenue from contracts with customers by major products or service is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
– Sales from operation of convenience stores	1,172,906	1,201,811
– Rice and food products sales	717,478	709,018
– Sales of packaging materials	166,754	144,969
– Services income from retailtainment	11,223	—
Revenue from other sources		
– Rental income from investment properties	3,747	3,794
– Others	186	182
	2,072,294	2,059,774

6. SEGMENT INFORMATION

For management purposes, the Group is currently organised into seven operating divisions, namely convenience store operation, food operation, packaging materials operation, securities investment, property investment, retailtainment and corporate and others. These divisions are the basis on which the Group reports its operating segment information.

Principal activities are as follows:

Convenience store operation	—	operation of convenience stores in Vietnam
Food operation (Formerly known as “Rice operation”)	—	sourcing, importing, wholesaling, processing, packaging, marketing and distribution of rice and food products
Packaging materials operation	—	manufacturing and sale of packaging materials
Securities investment	—	investments in equity and debt securities
Property investment	—	property investment and development
Retailtainment	—	retail and entertainment development and management
Corporate and others	—	corporate income and expenses and other investments

6. SEGMENT INFORMATION (Continued)

Segment results represent the profit or loss generated from each segment without allocation of finance costs, share of results of associates, share of results of joint ventures and taxation. This is the measure reported to the chief operating decision maker for the purpose of resources allocation and performance assessment.

An analysis of the Group's segment information by operating segments is as follows:

Operating segments

Statement of profit or loss for the year ended 31st March, 2024

	Convenience store operation HK\$'000	Food operation HK\$'000	Packaging materials operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Retailtainment HK\$'000	Corporate and others HK\$'000	Elimination HK\$'000	Consolidated HK\$'000
Revenue									
External sales	1,172,906	717,478	166,754	–	3,455	11,515	186	–	2,072,294
Inter-segment sales	150	–	10,017	–	–	–	–	(10,167)	–
Total sales	1,173,056	717,478	176,771	–	3,455	11,515	186	(10,167)	2,072,294
Results									
Segment results	10,862	66,324	13,214	2,616	(22,064)	72,437	5,508		148,897
Finance costs	–	–	–	–	–	–	(390)		(390)
Share of results of associates	–	68	–	–	(951)	–	(322)		(1,205)
Share of results of joint ventures	–	–	670	–	–	–	–		670
Profit before taxation									147,972
Taxation									(37,235)
Profit for the year									110,737
Profit for the year attributable to:									
Shareholders of the Company									106,848
Non-controlling interests									3,889
									110,737

Notes to the Financial Statements

For the year ended 31st March, 2024

6. SEGMENT INFORMATION (Continued)

Operating segments (Continued)

Segment assets and liabilities as at 31st March, 2024

	Convenience store operation HK\$'000	Food operation HK\$'000	Packaging materials operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Retailtainment HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
Assets								
Segment assets	656,224	230,419	125,943	18,417	393,890	227,505	364,722	2,017,120
Interests in associates	–	10,314	–	–	18,976	–	3,813	33,103
Interests in joint ventures	–	–	15,257	–	11,069	–	–	26,326
Unallocated corporate assets								4,671
Consolidated total assets								<u>2,081,220</u>
Liabilities								
Segment liabilities	511,457	69,342	90,937	–	2,150	10,070	79	684,035
Unallocated corporate liabilities								<u>37,513</u>
Consolidated total liabilities								<u>721,548</u>

Other information for the year ended 31st March, 2024

	Convenience store operation HK\$'000	Food operation HK\$'000	Packaging materials operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Retailtainment HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
Additions to property, plant and equipment	48,926	5,771	894	–	12,783	236	65	68,675
Additions to right-of-use assets	188,900	–	–	–	–	834	–	189,734
Depreciation and amortisation of property, plant and equipment	(36,340)	(6,090)	(3,860)	–	(5,943)	(253)	(360)	(52,846)
Depreciation of right-of-use assets	(107,384)	(64)	(5,732)	–	–	(184)	–	(113,364)
Impairment loss of equipment	(1,943)	–	–	–	–	–	–	(1,943)
Impairment loss of right-of-use assets	(6,637)	–	–	–	–	–	–	(6,637)
(Deficit)/surplus on revaluation of investment properties	–	–	–	–	(16,970)	86,333	–	69,363
Net realized and unrealized gain/(loss) on financial assets at fair value through profit or loss	–	–	–	624	–	(1,275)	1,860	1,209
Government grants from Anti-Epidemic Fund	–	–	–	–	–	–	–	–
Allowance for expected credit losses on trade debtors and advances on joint ventures	–	(542)	(75)	–	(523)	(64)	–	(1,204)
Interest on lease liabilities	(31,572)	(82)	(2,135)	–	–	(3)	–	<u>(33,792)</u>

6. SEGMENT INFORMATION (Continued)

Operating segments (Continued)

Statement of profit or loss for the year ended 31st March, 2023

	Convenience store operation HK\$'000	Food operation HK\$'000	Packaging materials operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Corporate and others HK\$'000	Elimination HK\$'000	Consolidated HK\$'000
Revenue								
External sales	1,201,811	709,018	144,969	—	3,794	182	—	2,059,774
Inter-segment sales	163	—	9,537	—	—	—	(9,700)	—
Total sales	1,201,974	709,018	154,506	—	3,794	182	(9,700)	2,059,774
Results								
Segment results	68,178	105,607	(9,323)	(16,836)	(2,613)	(167)		144,846
Finance costs	—	—	—	—	—	(858)		(858)
Share of results of associates	—	271	—	—	(318)	(175)		(222)
Share of results of joint ventures	—	—	(3)	—	(519)	—		(522)
Profit before taxation								143,244
Taxation								(18,199)
Profit for the year								<u>125,045</u>
Profit for the year attributable to:								
Shareholders of the Company								128,679
Non-controlling interests								<u>(3,634)</u>
								<u>125,045</u>

Notes to the Financial Statements

For the year ended 31st March, 2024

6. SEGMENT INFORMATION (Continued)

Operating segments (Continued)

Segment assets and liabilities as at 31st March, 2023

	Convenience store operation HK\$'000	Food operation HK\$'000	Packaging materials operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
Assets							
Segment assets	584,300	193,623	144,662	10,570	360,142	552,871	1,846,168
Interests in associates	—	10,257	—	—	20,407	4,326	34,990
Interests in joint ventures	—	—	4	—	11,493	—	11,497
Unallocated corporate assets							1,023
Consolidated total assets							<u>1,893,678</u>
Liabilities							
Segment liabilities	460,664	53,141	103,828	—	985	7,970	626,588
Unallocated corporate liabilities							1,365
Consolidated total liabilities							<u>627,953</u>

Other information for the year ended 31st March, 2023

	Convenience store operation HK\$'000	Food operation HK\$'000	Packaging materials operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
Additions to property, plant and equipment	41,384	5,442	3,857	—	162,721	2,054	215,458
Additions to right-of-use assets	123,160	—	—	—	—	—	123,160
Depreciation and amortisation of property, plant and equipment	(33,519)	(6,110)	(4,475)	—	(2,318)	(251)	(46,673)
Depreciation of right-of-use assets	(87,506)	(67)	(6,009)	—	—	—	(93,582)
Reversal of impairment loss of equipment	3,707	—	—	—	—	—	3,707
Reversal of impairment loss of right-of-use assets	5,482	—	—	—	—	—	5,482
Deficit on revaluation of investment properties	—	—	—	—	(2,670)	—	(2,670)
Net realized and unrealized loss on financial assets at fair value through profit or loss	—	—	—	(15,742)	—	(323)	(16,065)
Government grants from Anti-Epidemic Fund	—	5,376	480	—	—	—	5,856
Allowance for expected credit losses on trade and other debtors	—	(879)	(2)	—	—	(4,828)	(5,709)
Interest on lease liabilities	(28,588)	(88)	(2,474)	—	—	—	(31,150)

6. SEGMENT INFORMATION *(Continued)*

Geographical segments

The Group's operations are located in Vietnam, Hong Kong, Mainland China and other regions.

The following table provides an analysis of the Group's sales by location of markets, irrespective of the origin of the goods/services:

	Revenue by geographical markets	
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Vietnam	1,173,092	1,201,993
Hong Kong	732,696	712,002
Mainland China and others	166,506	145,779
	2,072,294	2,059,774

The following table sets out information about the geographical location of the Group's investment property, property, plant and equipment, right-of-use assets, rental and related deposits paid, intangible assets and interests in associates and joint ventures ("specified non-current assets"). The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of investment property, property, plant and equipment, right-of-use assets and rental and related deposits paid, the location of the operation to which they are allocated in the case of intangible assets, and the location of operations in the case of interests in associates and joint ventures:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Vietnam	528,924	457,589
Hong Kong	453,910	406,817
Japan	237,760	15,841
Mainland China	62,569	74,622
Others	31,637	33,098
	1,314,800	987,967

Information about major customers

No single customer contributed 10% or more to the Group's total revenue for both years.

Notes to the Financial Statements

For the year ended 31st March, 2024

7. NET OTHER INCOME

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest revenue on financial assets measured at amortised costs	9,605	9,344
Interest income on financial assets at fair value through profit or loss	2,345	929
Dividend income from listed financial assets at fair value through profit or loss	23	26
Other income from convenience store operation	13,277	15,774
(Impairment loss)/reversal of impairment loss of right-of-use assets and equipment	(8,580)	9,189
Net foreign exchange loss	(10,275)	(6,078)
Effective interest revenue from rental deposits	2,325	2,090
Net loss on disposal of plant and equipment	(1,508)	(2,531)
Allowance for expected credit losses on other debtors	—	(4,828)
Gain on partial disposal of associate	4	—
Government grants from Anti-Epidemic Fund	—	5,856
Sundry income	4,317	3,822
	11,533	33,593

The “Net realized loss on disposal of financial assets at fair value through profit or loss” under “Net other income” for the year ended 31st March, 2023 has been grouped together with the related net unrealized loss and shown as “Net realized and unrealized gain/(loss) on financial assets at fair value through profit or loss” in the consolidated profit or loss to conform to the current year’s presentation.

8. FINANCE COSTS

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on bank loans	390	858

9. PROFIT BEFORE TAXATION

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Auditor's remuneration		
Current year	2,145	1,627
Under-provision/(over-provision) in prior years	106	(18)
	2,251	1,609
Depreciation and amortisation of property, plant and equipment	52,846	46,673
Depreciation of right-of-use assets	113,364	93,582
Impairment loss/(reversal of impairment loss) of equipment	1,943	(3,707)
Impairment loss/(reversal of impairment loss) of right-of-use assets	6,637	(5,482)
Allowance for expected credit losses on trade and other debtors and advances on joint ventures	1,204	5,709
Cost of inventories recognised as expense	1,185,808	1,193,224
Staff costs, including directors' remuneration	336,905	312,888
Interest on lease liabilities	33,792	31,150
Interest on bank loans	390	858
Rental income from investment properties	(3,747)	(3,794)
<i>Less: Outgoings associated with rental income</i>	432	199
	(3,315)	(3,595)
Net loss on disposal of plant and equipment	1,508	2,531

Notes to the Financial Statements

For the year ended 31st March, 2024

10. TAXATION

	2024	2023
	HK\$'000	HK\$'000
Current tax:		
Hong Kong	12,418	18,421
Others	996	28
	13,414	18,449
Under-provision in prior years:		
Hong Kong	363	14
Others	1,242	3
	1,605	17
Deferred tax (<i>Note 28(b)(i)</i>):		
Current year's charge/(credit)	22,216	(267)
Taxation attributable to the Company and its subsidiaries	37,235	18,199

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years, except for the first HK\$2,000,000 of a qualified entity's assessable profit which is calculated at 8.25%, in accordance with the two-tiered profits tax rate regime.

Under the Law of the People's Republic of China ("PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

10. TAXATION (Continued)

The tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss as follows:

	2024 HK\$'000	2023 HK\$'000
Profit before taxation	147,972	143,244
Tax at the domestic income tax rate of 16.5% (2023: 16.5%) (Note)	24,415	23,635
Tax effect of expenses not deductible for tax purpose	14,013	7,086
Tax effect of income not taxable for tax purpose	(10,374)	(6,730)
Under-provision in respect of prior years	1,605	17
Tax effect of tax losses not recognised	2,522	6,201
Tax effect of utilisation of tax losses not previously recognised	(5,258)	(15,475)
Tax effect of other temporary difference not recognised	(117)	(148)
Effect of different tax rates of subsidiaries operating in other jurisdictions	10,835	2,787
Tax effect of share of results of associates and joint ventures	283	122
Others	(689)	704
Tax charge for the year	37,235	18,199

Note:

The domestic tax rate in the jurisdiction where the operation of the Group is substantially based is used.

11. DIVIDENDS

(a) Dividends attributable to the year:

	2024 HK\$'000	2023 HK\$'000
Interim dividend paid of HK1.1 cents per share on 1,697,406,458 shares (2023: HK1.2 cents per share on 1,697,406,458 shares)	18,671	20,369
Final dividend proposed of HK1.2 cents per share on 1,697,406,458 shares (2023: HK1.45 cents per share on 1,697,406,458 shares)	20,369	24,612
	39,040	44,981

The final dividend of HK1.2 cents per share for the year ended 31st March, 2024 has been proposed by the Directors and is subject to approval by the shareholders at the forthcoming annual general meeting. This final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

Notes to the Financial Statements

For the year ended 31st March, 2024

11. DIVIDENDS (Continued)

(b) Dividends approved and paid during the year:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year, of HK1.45 cents per share on 1,697,406,458 shares (2023: HK1.2 cents per share on 1,697,406,458 shares)	24,612	20,369
Interim dividend in respect of the current financial year, approved and paid during the year, of HK1.1 cents per share on 1,697,406,458 shares (2023: HK1.2 cents per share on 1,697,406,458 shares)	18,671	20,369
	43,283	40,738

12. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit for the year attributable to shareholders of the Company of HK\$106,848,000 (2023: HK\$128,679,000) and on 1,697,406,458 (2023: 1,697,406,458) ordinary shares in issue.

There were no dilutive potential ordinary shares for both years.

13. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings <i>HK\$'000</i>	Factory premises <i>HK\$'000</i>	Furniture, fixtures and equipment <i>HK\$'000</i>	Plant and machinery <i>HK\$'000</i>	Motor vehicles and motor vessel <i>HK\$'000</i>	Construction in progress <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1st April, 2022							
Cost	158,598	16,016	303,528	123,812	17,304	—	619,258
Accumulated depreciation, amortisation and impairment losses	(88,695)	(16,016)	(185,490)	(94,043)	(15,452)	—	(399,696)
Closing carrying amount	69,903	—	118,038	29,769	1,852	—	219,562
Year ended 31st March, 2023							
Opening carrying amount	69,903	—	118,038	29,769	1,852	—	219,562
Additions	162,392	—	47,491	4,562	1,013	—	215,458
Disposals/written off	—	—	(2,833)	(537)	(188)	—	(3,558)
Depreciation	(4,010)	—	(36,298)	(5,509)	(856)	—	(46,673)
Reversal of impairment loss	—	—	3,707	—	—	—	3,707
Exchange rate adjustments	(218)	—	(2,207)	(936)	(13)	—	(3,374)
Closing carrying amount	228,067	—	127,898	27,349	1,808	—	385,122
At 31st March, 2023							
Cost	320,520	14,846	321,370	123,462	17,888	—	798,086
Accumulated depreciation, amortisation and impairment losses	(92,453)	(14,846)	(193,472)	(96,113)	(16,080)	—	(412,964)
Closing carrying amount	228,067	—	127,898	27,349	1,808	—	385,122

Notes to the Financial Statements

For the year ended 31st March, 2024

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Land and buildings HK\$'000	Factory premises HK\$'000	Furniture, fixtures and equipment HK\$'000	Plant and machinery HK\$'000	Motor vehicles and motor vessel HK\$'000	Construction in progress HK\$'000	Total HK\$'000
At 1st April, 2023							
Cost	320,520	14,846	321,370	123,462	17,888	–	798,086
Accumulated depreciation, amortisation and impairment losses	(92,453)	(14,846)	(193,472)	(96,113)	(16,080)	–	(412,964)
Closing carrying amount	228,067	–	127,898	27,349	1,808	–	385,122
Year ended 31st March, 2024							
Opening carrying amount	228,067	–	127,898	27,349	1,808	–	385,122
Acquisition of subsidiaries (Note 34)	60,511	–	520	–	11	4,240	65,282
Additions	16	–	64,044	2,803	1,646	166	68,675
Disposals/written off	–	–	(2,808)	(717)	(14)	–	(3,539)
Depreciation	(6,528)	–	(40,943)	(4,635)	(740)	–	(52,846)
Surplus on revaluation upon transfer to investment properties	44,127	–	–	–	–	–	44,127
Transfer to investment properties (Note 15)	(64,100)	–	–	–	–	–	(64,100)
Impairment loss	–	–	(1,943)	–	–	–	(1,943)
Exchange rate adjustments	(4,541)	–	(2,565)	(993)	(15)	(315)	(8,429)
Closing carrying amount	257,552	–	144,203	23,807	2,696	4,091	432,349
At 31st March, 2024							
Cost	347,261	14,014	360,185	121,195	16,765	4,091	863,511
Accumulated depreciation, amortisation and impairment losses	(89,709)	(14,014)	(215,982)	(97,388)	(14,069)	–	(431,162)
Closing carrying amount	257,552	–	144,203	23,807	2,696	4,091	432,349

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

The carrying amount of properties shown above comprises:

	2024 HK\$'000	2023 HK\$'000
Land and buildings situated in Hong Kong:		
Held under long lease	148,582	171,722
Held under medium-term lease	32,255	34,633
Freehold land and buildings situated outside Hong Kong		
Hong Kong	73,587	18,275
Land and building situated outside Hong Kong:		
Held under medium-term lease	3,128	3,437
	257,552	228,067

- (i) During the year, the Group's management identified certain individual convenience store which had under-performed and estimated the recoverable amounts of the right-of-use assets and other property, plant and equipment of these convenience stores.

Based on management's assessment, impairment losses of HK\$1,943,000 and HK\$6,637,000 (2023: reversal of impairment losses of HK\$3,707,000 and HK\$5,482,000) were recognised on property, plant and equipment and right-of-use assets, respectively, on certain convenience stores for the year ended 31st March, 2024.

The aggregated recoverable amounts of these convenience stores based on their value-in-use amounted to HK\$23,658,000 as at 31st March, 2024. The estimates of recoverable amount were based on the value-in-use of these right-of-use assets and property, plant and equipment, determined using pre-tax discount rates of 19.67% (2023: 23.21%).

- (ii) The land and buildings with an aggregate carrying amount of approximately HK\$21,000,000 (2023: HK\$22,800,000) had been pledged to secure general banking facilities and bank loan granted to the Group's non-wholly owned subsidiary.

Notes to the Financial Statements

For the year ended 31st March, 2024

14. RIGHT-OF-USE ASSETS

The carrying amount of the Group's right-of-use assets and the movements during the years are as follows:

Right-of-use on land and buildings

	HK\$'000	
Carrying amount at 1st April, 2022		318,745
Additions		123,160
Depreciation		(93,582)
Reversal of impairment loss (<i>Note 13(i)</i>)		5,482
Derecognition		(4,630)
Lease modifications		(2,722)
Exchange rate adjustments		(9,427)
		337,026
Carrying amount at 31st March, 2023 and 1st April, 2023		337,026
Acquisition of subsidiaries (<i>Note 34</i>)		82
Additions		189,734
Depreciation		(113,364)
Impairment loss (<i>Note 13(i)</i>)		(6,637)
Derecognition		(5,086)
Lease modifications		(142)
Exchange rate adjustments		(8,853)
		392,760
Carrying amount at 31st March, 2024		392,760
	2024	2023
	HK\$'000	HK\$'000
Expense relating to short-term leases	362	349

15. INVESTMENT PROPERTIES

	2024 HK\$'000	2023 HK\$'000
Balance at beginning of the year	166,070	168,740
Acquisition of subsidiaries (<i>Note 34</i>)	86,354	—
Transfer from property, plant and equipment (<i>Note 13</i>)	64,100	—
Surplus/(deficit) on revaluation	69,363	(2,670)
Exchange rate adjustments	(11,414)	—
	<hr/>	<hr/>
Balance at end of the year	374,473	166,070

All of the Group's investment properties are held for renting out under operating leases. The analysis of the Group's investment properties is as follows:

	2024 HK\$'000	2023 HK\$'000
Situated in Hong Kong:		
Held under long lease	208,500	160,290
Situated outside Hong Kong:		
Freehold land and building	161,273	—
Held under medium-term lease	4,700	5,780
	<hr/>	<hr/>
	374,473	166,070

(a) Fair value measurement of investment properties

(i) Fair value hierarchy

The following presents the fair value of the Group's properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

Notes to the Financial Statements

For the year ended 31st March, 2024

15. INVESTMENT PROPERTIES *(Continued)*

(a) Fair value measurement of investment properties *(Continued)*

(i) Fair value hierarchy *(Continued)*

During the year ended 31st March, 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2023: Nil). The group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's investment properties were revalued at 31st March, 2024.

The valuations of investment properties in Hong Kong and PRC were carried out by an independent firm of surveyors by Dudley Surveyors Limited. Dudley Surveyors Limited is a member of The Hong Kong Institute of Surveyors, and has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation, which conforms to International Valuation Standards, was arrived at by reference to market evidence of recent transaction prices for similar properties.

The valuations of investment properties in Japan were carried out by an independent firm of surveyors, Hokkaido Appraisers Firm (“株式会社北海道アプレイザーズ・ファーム”), who have among their staff Members of Japan Association of Real Estate Appraisers with recent experience in the location and category of property being valued.

The fair value measurements of the investment properties of the Group situated in Hong Kong and PRC as at 31st March, 2024 were categorised into Level 2 amounted to HK\$208,500,000 and HK\$4,700,000 respectively (2023: HK\$160,290,000 and HK\$5,780,000 respectively), while the investment properties of the Group situated in Japan were categorised into Level 3, amounted to HK\$161,273,000 (2023: HK\$Nil).

During the year ended 31st March, 2024, there was a change in use of property from being used by the Group to earning rental from external third parties. In accordance with HKAS 16 Property, plant and equipment and HKAS 40 Investment Property, the property was transferred from land and buildings to investment property at fair value on the date of transfer. The surplus on revaluation of land and building upon change of use to investment properties of HK\$44,127,000 is recognised in other comprehensive income for the year.

(ii) Valuation techniques and inputs used in Level 2 fair value measurements

The fair value was determined based on Direct Comparison Approach assuming sale of the property interest in its existing state with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant market. Price per square foot was based on direct market comparables and has taken into account of factors such as location, time of transaction, floor level, size, layout, orientation, view, age of building, building quality, etc.

15. INVESTMENT PROPERTIES *(Continued)*

(a) Fair value measurement of investment properties *(Continued)*

(iii) Information about Level 3 fair value measurements

Location of properties	Valuation techniques	Unobservable input	Range	Weighted average
— Land — Japan	Direct comparison approach	Discount on size, location, accessibility and neighborhood of environment of the land	0% to 90% (2023: N/A)	17.6% (2023: N/A)

The fair value was determined by using direct comparison approach with reference to the market price of comparable properties and adjusted for size, location, accessibility and neighborhood of environment of the reference transactions. Higher discount for investment properties will result in a lower fair value measurement.

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

	<i>HK\$'000</i>
At 31st March, 2023 and 1st April, 2023	—
Acquisition of subsidiaries <i>(Note 34)</i>	86,354
Fair value adjustment	86,333
Exchange rate adjustments	(11,414)
	<hr/>
At 31st March, 2024	161,273

Fair value adjustment of investment properties is recognised in the line item “surplus/(deficit) on revaluation of investment properties” in the consolidated statement of profit or loss.

All the (losses)/gains recognised in profit and loss for the year arose from the properties held at the end of the reporting period.

Notes to the Financial Statements

For the year ended 31st March, 2024

16. INTERESTS IN ASSOCIATES

	2024 HK\$'000	2023 HK\$'000
Unlisted investments:		
Share of net assets	22,985	24,872
Amount due from an associate (<i>Note a</i>)	10,118	10,118
	33,103	34,990
Carrying amounts	33,103	34,990

Note:

(a) The amount due from an associate was unsecured, interest-free and will not be repayable in the coming twelve months.

Details of impairment assessment of amount due from an associate for the year ended 31st March, 2024 are set out in note 41(d).

Particulars of the Group's principal associates as at 31st March, 2024 are as follows:

Name of associate	Form of business structure	Place of incorporation/ operation	Issued and fully paid up share capital	Proportion of ownership interest held by the Group		Principal activities
				2024	2023	
Doublewood Resources Sdn. Bhd.	Incorporated	Malaysia	2 ordinary shares of RM1 each	37.50%	37.50%	Property development and holding
Sirinumma Company Limited	Incorporated	Thailand	4,600,000 ordinary shares of Baht 10 each	40.00%	40.00%	Sourcing of rice
Starland Century Limited	Incorporated	Hong Kong	HK\$1,000	37.50%	37.50%	Investment holding
Kanada FoodTech Company Limited	Incorporated	Hong Kong	HK\$10,000,000	42.98%	45.01%	Producing and distributing Japanese light meals

The Directors are of the opinion that a complete list of the particulars of all associates would be of excessive length and therefore the above list only contains the particulars of those associates which principally affect the results or assets and liabilities of the Group.

16. INTERESTS IN ASSOCIATES *(Continued)*

The summarised financial information in respect of the Group's associates as at the end of the reporting period is set out below:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
The Group's share of loss	(1,205)	(222)
The Group's share of other comprehensive income	(491)	(311)
The Group's share of total comprehensive income	(1,696)	(533)
Aggregate amount of the Group's share of net assets of these associates	22,985	24,872
Amount due from an associate	10,118	10,118
Carrying amounts	33,103	34,990

17. INTERESTS IN JOINT VENTURES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Unlisted investments:		
Share of net assets/(liabilities)	679	(1,575)
Advances to joint ventures <i>(Note a)</i>	25,647	13,072
Carrying amounts	26,326	11,497

Note:

- (a) The balances of advances to joint ventures were unsecured, interest-free and will not be repayable in the coming twelve months.

Details of impairment assessment of advances to joint ventures for the year ended 31st March, 2024 are set out in note 41(d).

Notes to the Financial Statements

For the year ended 31st March, 2024

17. INTERESTS IN JOINT VENTURES (Continued)

Particulars of the Group's principal joint venture as at 31st March, 2024 are as follows:

Name of joint venture	Form of business structure	Place of incorporation/ operation	Issued and fully paid up share capital	Proportion of ownership interest held by the Group		Principal activities
				2024	2023	
Winhall Holdings Limited	Incorporated	Hong Kong	HK\$2	50%	50%	Investment holding
Enviro-Sense GreenTech Co. Limited	Incorporated	Hong Kong	HK\$15,000	80%	70%	Trading of plastic bags related to the municipal solid waste charging scheme

Note:

Winhall Holdings Limited has a wholly-owned subsidiary, Earth Limited, which is incorporated in Hong Kong and engaged in the business of property holding in Hong Kong.

The summarised consolidated financial information in respect of the Group's joint ventures is set out below, which represents amounts shown in the joint ventures' consolidated financial statements prepared in accordance with HKFRSs. The joint ventures are accounted for using the equity accounting method in the consolidated financial statements.

Details of the Group's material joint ventures as at 31st March, 2024 are as follows:

Winhall Holdings Limited and its subsidiary

	2024 HK\$'000	2023 HK\$'000
Non-current assets	22,086	22,927
Current assets	76	87
Current liabilities	(24)	(29)
Non-current liabilities — advances from shareholders	(26,342)	(26,144)
Revenue	—	—
Loss for the year	(1,046)	(1,039)
Other comprehensive income for the year	—	—
Total comprehensive income for the year	(1,046)	(1,039)

17. INTERESTS IN JOINT VENTURES *(Continued)*

Reconciliation of the above summarised consolidated financial information to the carrying amounts of the interest in Winhall Holdings Limited and its subsidiary recognised in the consolidated financial statements:

	2024	2023
	HK\$'000	HK\$'000
Net liabilities of Winhall Holdings Limited and its subsidiary	(4,204)	(3,159)
Proportion of the Group's ownership interest in Winhall Holdings Limited and its subsidiary	50%	50%
<hr/>		
The Group's share of net liabilities of Winhall Holdings Limited and its subsidiary	—	(1,579)
Advances to joint ventures	11,069	13,072
<hr/>		
Carrying amounts	11,069	11,493

The Group discontinues to recognize further losses on the joint venture when the Group's share of losses exceeds its interest in the joint venture.

Information of joint venture that are not individually material

The Group's share of profit of an individually not material joint venture for the year ended 31st March, 2024 is approximately HK\$670,000 and the aggregate amount of the Group's share of net assets of that joint venture is approximately HK\$679,000.

Notes to the Financial Statements

For the year ended 31st March, 2024

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Equity securities:		
Listed outside Hong Kong	4,808	4,618
Unlisted	368	368
	5,176	4,986
Debt securities:		
Listed outside Hong Kong	6,679	4,764
Other securities:		
Unlisted	20,646	7,136
	32,501	16,886
Analysed as:		
Non-current assets	14,604	7,504
Current assets	17,897	9,382
	32,501	16,886

The net realized and unrealized gain on financial assets at fair value through profit or loss of HK\$1,209,000 (2023: loss of HK\$16,065,000) has been recognised in the consolidated statement of profit or loss, with gain of HK\$3,302,000 (2023: loss of HK\$323,000) attributed to non-current assets and loss of HK\$2,093,000 (2023: HK\$15,742,000) attributed to current assets.

Details of the fair value measurement of the financial assets for the year ended 31st March, 2024 are set out in note 41(f).

19. INTANGIBLE ASSETS

	Licence <i>HK\$'000</i>	Trademark <i>HK\$'000</i>	Total <i>HK\$'000</i>
Cost			
Balance at 1st April, 2022	31,600	—	31,600
Additions	—	4,244	4,244
<hr/>			
Balance at 31st March, 2023 and 31st March, 2024	31,600	4,244	35,844
Amortisation			
Balance at 1st April, 2022, 31st March, 2023 and 31st March, 2024	9,095	—	9,095
<hr/>			
Carrying amount			
Balance at 31st March, 2023	22,505	4,244	26,749
<hr/>			
Balance at 31st March, 2024	22,505	4,244	26,749
<hr/>			

Licence

The licence represents the master and franchise licence (“License”) granted to a wholly-owned subsidiary of the Company the exclusive right to own and operate Circle K convenience stores in The Socialist Republic of Vietnam (“Vietnam”) and is measured initially at fair value upon acquisition of the subsidiaries. The fair value of the License has been arrived at on the basis of a valuation under the income approach carried out on 12th October, 2010 by BMI Appraisals Limited, an independent qualified professional valuer, adopting the Excess Earnings Method.

At the end of the reporting period, the management conducted an impairment assessment on the License. The License was valued by Peak Vision Appraisals Limited, an independent qualified professional valuer, for the years ended 31st March, 2023 and 2024. The recoverable amount of the cash generating units (“CGU”) to which the License was allocated is determined based on value-in-use calculation. The value-in-use calculation of the CGU was based on cash flow projections prepared by management covering a five-year period by using a pre-tax discount rate of 19.67% (2023: 23.21%).

The License acquired upon business combination was initially amortised over its remaining useful life of 22 years and 7 months from the date of acquisition of the subsidiary on 12th October, 2010. However, in April 2017, the License was modified that the term shall no longer be for a period of 25 years and shall instead continue indefinitely for an unlimited duration. With unlimited duration, the License is regarded as having infinite useful life and therefore amortisation would not be necessary with effect from April 2017.

Notes to the Financial Statements

For the year ended 31st March, 2024

19. INTANGIBLE ASSETS (Continued)

Trademark

The cost of trademark represents the acquisition cost of rice trademark (“Trademark”) acquired by the wholly-owned subsidiary of the Company from an independent third party during the years ended 31st March, 2023 and 2024. The Trademark has an infinite useful life and no amortization is necessary.

The Trademark is measured initially at cost. At the end of the reporting period, the management conducted an impairment assessment on the Trademark. The Trademark was valued by Peak Vision Appraisals Limited, an independent qualified professional valuer, for the years ended 31st March, 2023 and 2024.

The Directors have tested the intangible assets for impairment at the end of the reporting period and concluded that impairment loss is not required for both of the reporting periods.

20. INVENTORIES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At cost:		
Raw materials	88,423	88,758
Work-in-progress	2,490	3,570
Finished goods	107,719	94,105
Consumable stores goods	9,500	10,223
	208,132	196,656

There is no write-off of inventory for both of the reporting periods.

21. TRADE DEBTORS

The Group allows an average credit period of 30-60 days to its trade customers. The following is an aging analysis of trade debtors at the end of the reporting period according to the invoice date:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	37,638	27,045
31-60 days	16,629	26,255
61-90 days	8,678	7,772
Over 90 days	9,681	4,364
	72,626	65,436

The Group assesses the credit status and imposes credit limits for potential new customers in accordance with the Group’s credit policy. The credit limits are closely monitored and subject to periodic reviews.

21. TRADE DEBTORS (Continued)

The movements in allowance for expected credit losses during the years are set out below:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Balance at beginning of the year	1,056	346
Increase in allowance recognised in consolidated statement of profit or loss	681	881
Amount written off as uncollectible	(117)	(166)
Exchange rate adjustments	—	(5)
	<hr/>	<hr/>
Balance at end of the year	1,620	1,056

The Group measures loss allowances for trade debtors at an amount equal to lifetime expected credit losses, which is calculated using a provision matrix. The Group determines the allowance for expected credit losses by grouping together trade debtors with similar credit risk characteristics and collectively assessing them for likelihood of recovery, taking into account prevailing economic environment.

During the year ended 31st March, 2024, the gross carrying amounts of HK\$73,401,000 (2023: HK\$66,492,000) and HK\$845,000 (2023: HK\$Nil) were assessed under provision matrix for trade debtors and individually credit-impaired trade debtors respectively.

Allowance for expected credit losses of HK\$681,000 (2023: HK\$881,000) has been provided for the year ended 31st March, 2024 based on the provision matrix and individual assessment on credit-impaired trade debtors. The rate of expected credit losses applied for the calculation ranged from 0.88% to 0.95% (2023: 0.64% to 1.00%).

The balance of allowance for expected credit losses as at 31st March, 2024 amounted to HK\$1,620,000 (2023: HK\$1,056,000), representing credit loss of HK\$775,000 (2023: HK\$1,056,000) assessed under provision matrix for trade debtors and credit loss of HK\$845,000 (2023: HK\$Nil) for individually credit-impaired trade debtors at the end of the reporting period.

Details of impairment assessment of trade debtors for the year ended 31st March, 2024 are set out in note 41(d).

Notes to the Financial Statements

For the year ended 31st March, 2024

22. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Deposits and prepayments	12,838	15,705
Amount due from an associate (<i>Note a</i>)	32,170	6,783
Advances and other receivables (<i>Note b</i>)	52,255	62,995
	97,263	85,483

Notes:

- (a) Amount due from an associate is unsecured, interest-free and repayable on demand.
- (b) Details of credit risk and impairment assessment are set out in note 41(d).

23. CASH AND DEPOSITS

Cash and deposits comprise:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Cash at bank and on hand	178,112	363,348
Bank time deposits	173,115	176,879
Cash and deposits in the consolidated statement of financial position	351,227	540,227
<i>Less:</i> Pledged bank deposits	(1,435)	(116,464)
	349,792	423,763
<i>Less:</i> Time deposits with original maturities more than 3 months	(39,120)	(123,403)
Cash and cash equivalents in the consolidated cash flow statement	310,672	300,360

Remittance of funds out of the Mainland China is subject to the exchange restriction imposed by the PRC government.

24. TRADE CREDITORS

The following is an aging analysis of trade creditors at the end of the reporting period according to the invoice date:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	116,819	113,367
31-60 days	8,667	4,726
61-90 days	162	558
Over 90 days	326	606
	125,974	119,257

25. OTHER CREDITORS AND ACCRUALS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Accruals	99,962	88,101
Other payables	30,341	40,115
Deposits received	1,885	1,836
	132,188	130,052

26. LEASE LIABILITIES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Lease liabilities payable:		
Within one year	139,930	125,531
Over one year but less than two years	123,337	99,842
Over two years but less than five years	215,842	186,472
Over five years	25,150	32,476
Lease liabilities (undiscounted)	504,259	444,321
Discount amount	(78,386)	(74,653)
	425,873	369,668
Less: Amounts due within one year	(131,664)	(117,232)
Amounts due over one year	294,209	252,436

All lease obligations are denominated in functional currencies of the relevant group entities.

The weighted average incremental borrowing rate applied to lease liabilities ranged from 1.0% to 8.6% (2023: 4.7% to 11.0%).

Notes to the Financial Statements

For the year ended 31st March, 2024

27. BANK LOAN

The analysis of the repayment schedule of the secured bank loan is as follows:

	2024	2023
	HK\$'000	HK\$'000
Within one year	—	3,296
Over one year but less than two years	—	3,435
Over two years but less than five years	—	880
	—	4,315
	—	7,611
	2024	2023
	HK\$'000	HK\$'000
Analysed as:		
Current	—	3,296
Non-current	—	4,315
	—	7,611

At 31st March, 2023, the bank loan is secured by pledge of certain land and buildings with an aggregate carrying amount of approximately HK\$22,800,000. The bank loan is fully repaid during the year. The interest rates are principally on a floating rate basis and range from 2.11% to 6.22% per annum during the year ended 31st March, 2023.

28. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong Profits Tax for the year	12,418	18,421
Provisional Profits Tax paid	(17,173)	(22,050)
Balance of Profits Tax provision relating to prior years	4,266	2,893
	(489)	(736)
Taxation outside Hong Kong	11,200	(287)
	10,711	(1,023)
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Representing:		
Current tax recoverable	489	1,023
Current tax payable	(11,200)	—
	(10,711)	1,023

Notes to the Financial Statements

For the year ended 31st March, 2024

28. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

(b) Deferred tax assets and liabilities recognised

(i) *Movement of each component of deferred tax assets and liabilities:*

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Revaluation of investment properties <i>HK\$'000</i>	Depreciation allowances in excess of the related depreciation <i>HK\$'000</i>	Right-of-use assets <i>HK\$'000</i>	Lease liabilities <i>HK\$'000</i>	Tax losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
Deferred tax arising from:						
At 1st April, 2022	–	1,632	66,325	(59,365)	(6,960)	1,632
(Credited)/charged to profit or loss	–	(267)	3,222	(3,429)	207	(267)
Exchange rate adjustments	–	–	(1,239)	1,109	130	–
At 31st March, 2023	–	1,365	68,308	(61,685)	(6,623)	1,365
At 1st April, 2023	–	1,365	68,308	(61,685)	(6,623)	1,365
Charged/(credited) to profit or loss	26,435	(88)	9,515	(13,758)	112	22,216
Exchange rate adjustments	(1,572)	173	(1,332)	1,309	(28)	(1,450)
At 31st March, 2024	24,863	1,450	76,491	(74,134)	(6,539)	22,131

(ii) *Reconciliation to the consolidated statement of financial position*

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Net deferred tax assets recognised in the consolidated statement of financial position	4,182	–
Net deferred tax liabilities recognised in the consolidated statement of financial position	(26,313)	(1,365)
	(22,131)	(1,365)

(c) Deferred tax assets not recognised

At the end of the reporting period, the Group has unused tax losses of approximately HK\$6,100,000 (2023: HK\$6,199,000) in Hong Kong and HK\$141,113,000 (2023: HK\$154,324,000) in overseas available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. There is no expiry period on tax losses in Hong Kong while tax losses from overseas will expire within 2025 to 2029.

29. SHARE CAPITAL

	<i>Number of ordinary shares of HK\$0.10 each</i>	<i>HK\$'000</i>
Authorised		
At 1st April, 2022, 31st March, 2023, 1st April, 2023 and 31st March, 2024	3,000,000,000	300,000
Issued and fully paid		
At 1st April, 2022, 31st March, 2023, 1st April, 2023 and 31st March, 2024	1,697,406,458	169,741

There was no movement in share capital during both years.

30. SHARE OPTIONS

The Company operates a share option scheme (the "Scheme") for the purpose of providing the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the Participants and for such other purposes as the Board may approve from time to time. Participants include the Company's Directors (including the Independent Non-executive Directors), employees of the Company and/or any of its subsidiaries and other persons who, in the sole discretion of the Board of Directors of the Company, have contributed to the Group. The Scheme became effective on 29th August, 2018 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. The Scheme will expire on 28th August, 2028.

The maximum number of shares which may be issued upon exercise of all options granted and to be granted under the Scheme is an amount equivalent to 10% of the shares of the Company in issue at any point in time but excluding shares issued pursuant to the Scheme unless approval for refreshing the 10% limit from the Company's shareholders has been obtained. The maximum number of shares issued and to be issued upon exercise of the share options granted to each eligible participant in the Scheme (including exercised, cancelled and outstanding options) within any 12-month period, is limited to 1% of the shares of the Company in issue. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Notes to the Financial Statements

For the year ended 31st March, 2024

30. SHARE OPTIONS *(Continued)*

Under the Scheme, share options granted to a Director, Chief Executive or Substantial Shareholder of the Company, or to any of their associates are subject to approval in advance by the Independent Non-executive Directors. In addition, any grant of share options to a Substantial Shareholder or an Independent Non-executive Director of the Company, or to any of their associates, which would result in the shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant in excess of 0.1% of the shares of the Company in issue and with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK\$5,000,000 is subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options under the Scheme may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determined by the Directors, save that such period shall not be more than 10 years from the date of adoption of the Scheme subject to the provisions for early termination set out in the Scheme. Unless otherwise determined by the Directors at their sole discretion, there is no vesting period of options granted under the Scheme.

The exercise price of share options granted under the Scheme is determined by the Directors, but shall not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of a share of the Company on the date of offer.

Pursuant to the Scheme, no share option was granted, exercised, lapsed or cancelled during the year or remained outstanding as at 31st March, 2024 and 31st March, 2023.

31. FINANCIAL POSITION OF THE COMPANY

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Non-current asset			
Interests in subsidiaries		897,669	891,869
Current assets			
Other debtors, deposits and prepayments		226	224
Cash and deposits		30	1,030
		256	1,254
Current liability			
Other creditors and accruals		25	102
Net current assets			
		231	1,152
		897,900	893,021
CAPITAL AND RESERVES			
Share capital	<i>29</i>	169,741	169,741
Reserves	<i>32</i>	728,159	723,280
		897,900	893,021

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 28th June, 2024 and was signed on its behalf by:

Laurent LAM Kwing Chee
Chairman and Group Executive Chairman

Anthony LAM Sai Ho
Vice Chairman and Group Chief Executive Officer

Notes to the Financial Statements

For the year ended 31st March, 2024

32. RESERVES

The Group

The amount of the Group's reserves and the movement therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 73 to 74 of the financial statements.

The Company

	Share premium <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Capital redemption reserve <i>HK\$'000</i>	Dividend reserve <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 31st March, 2022	453,192	216,596	515	20,369	32,604	723,276
Profit for the year	—	—	—	—	40,742	40,742
Prior year final dividend paid	—	—	—	(20,369)	—	(20,369)
Interim dividend paid	—	—	—	—	(20,369)	(20,369)
Final dividend proposed for the year ended 31st March, 2023	—	—	—	24,612	(24,612)	—
At 31st March, 2023	453,192	216,596	515	24,612	28,365	723,280
Profit for the year	—	—	—	—	48,162	48,162
Prior year final dividend paid	—	—	—	(24,612)	—	(24,612)
Interim dividend paid	—	—	—	—	(18,671)	(18,671)
Final dividend proposed for the year ended 31st March, 2024	—	—	—	20,369	(20,369)	—
At 31st March, 2024	453,192	216,596	515	20,369	37,487	728,159

In the opinion of the Directors, the Company's reserves available for distribution to shareholders were as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Contributed surplus	216,596	216,596
Dividend reserve	20,369	24,612
Retained earnings	37,487	28,365
	274,452	269,573

32. RESERVES (Continued)

Nature and purpose of reserves

(i) Share premium

The application of the share premium account is governed by section 40 of the Companies Act 1981 of Bermuda (as amended).

(ii) Contributed surplus

The contributed surplus of the Company represented the difference between the nominal value of the Company's share issued in exchange for the value of net assets of the underlying subsidiaries acquired.

Under the Companies Act 1981 of Bermuda (as amended) and Bye-Laws of the Company, the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realizable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

(iii) Capital redemption reserve

The capital redemption reserve arose from repurchase of shares prior to 1998.

(iv) Property revaluation reserve

The property revaluation reserve has been set up and is dealt with in accordance with the accounting policy adopted for land and buildings set out in note 3(i).

(v) Exchange reserve

The exchange reserve has been set up and is dealt with in accordance with the accounting policy adopted set out in note 3(q).

(vi) Dividend reserve

The dividend reserve is the portion of retained earnings that are set aside by the Company to be used specifically for the distribution of dividends.

Notes to the Financial Statements

For the year ended 31st March, 2024

33. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31st March, 2024 are as follows:

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid up share capital	Proportion of ownership interest held by the Group		Principal activities
			2024	2023	
Affluent Woods Limited	British Virgin Islands	1,500,000 ordinary shares of US\$1 each	100%	85%	Investment holding
Aland Limited	Hong Kong/PRC	HK\$2	100%	100%	Property investment
Beef Bowl Limited	Hong Kong	HK\$200,000	100%	100%	Investment holding
Better Choice Investments Limited	British Virgin Islands	1 ordinary share of US\$1	100%	100%	Investment holding
Better Star Limited	British Virgin Islands/ Hong Kong	1 ordinary share of US\$1	100%	100%	Property investment
Billion Alliance Holdings Limited	Hong Kong	HK\$1	100%	100%	Property holding
Billion Trade Development Limited	Hong Kong	HK\$1	100%	100%	Investment
Citydragon Resources Limited	British Virgin Islands	1 ordinary share of US\$1	100%	100%	Investment holding
Crowntech Management Limited	Hong Kong	HK\$1	100%	100%	Provision of information technology services
Doublewood Holdings Co., Limited	Hong Kong	HK\$100	100%	100%	Investment holding
GR8 Logistics Services Ltd	Vietnam	Charter Capital VND22,926,450,000 Paid up Capital VND22,926,450,000	100%	100%	Provision of logistics services
Golden Fidelity Holdings Limited	Hong Kong	HK\$2	100%	100%	Property holding
Golden Resources Foods Limited (Formerly known as "Golden Resources Development Limited")	Hong Kong	Ordinary shares of HK\$2 and non-voting deferred shares* of HK\$2,000,000	100%	100%	Overseas sourcing, processing, packaging, marketing, sales and distribution of rice and food products (Registered rice stockholder)
Golden Resources Holdings Limited	British Virgin Islands	21,268 ordinary shares of US\$1 each	100%	100%	Investment holding

33. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid up share capital	Proportion of ownership interest held by the Group		Principal activities
			2024	2023	
Golden Resources Innoventure International Limited ¹⁰⁰	Hong Kong	HK\$1	100%	—	Investment holding
Golden Resources Rice Industries Limited	British Virgin Islands	1,000 ordinary shares of US\$1 each	100%	100%	Investment holding
Golden Resources Warehouse Limited	Hong Kong	HK\$10,000	100%	100%	Warehouse operation
Golden Splendor Development Limited	Hong Kong	HK\$1	100%	100%	Property holding
Goldsom Development Limited	Hong Kong	HK\$100	100%	100%	Investment holding
GR Environmental Development Company Limited	Hong Kong	HK\$3	100%	100%	Provision of logistics services
GR Retail Limited	British Virgin Islands	300,000,000 ordinary shares of HK\$1 each	100%	100%	Investment holding
GR Vietnam International Limited	British Virgin Islands/ Hong Kong	1 ordinary share of US\$1	100%	100%	Investment holding
GR Vietnam International Pte. Ltd.	Singapore	US\$1	100%	100%	Investment holding
GS Express Holdings Pte. Ltd.	Singapore	SGD100	100%	85%	Investment holding
Guangzhou Golden Resources Trading Development Co., Ltd. ¹⁰⁰	PRC	#RMB2,500,000	100%	100%	Marketing, sales and distribution of rice
Honorwood Limited	Hong Kong	HK\$10,000	95.75%	100%	Investment holding
Izumikyō Company Limited	Japan	JPY37,000,000	95.75%	—	Retail and entertainment development and management
Kim Nguyen Investment Joint Stock Company	Vietnam	Charter Capital VND9,960,000,000 ordinary share Paid up Capital VND9,960,000,000 ordinary share	100%	100%	Investment holding

Notes to the Financial Statements

For the year ended 31st March, 2024

33. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid up share capital	Proportion of ownership interest held by the Group		Principal activities
			2024	2023	
Kim Phong Services Company Limited	Vietnam	Charter Capital VND250,000,000 Paid up Capital VND250,000,000	100%	100%	Investment holding
Largewood Limited	Hong Kong	HK\$1	100%	100%	Property holding
Lee Loy Company Limited	Hong Kong	HK\$16,000	100%	100%	Property holding
Magic Path Limited	Hong Kong	HK\$1	100%	100%	Investment
Manfield Limited	Hong Kong	HK\$1	100%	100%	Property holding
Master Tone Limited	Hong Kong	HK\$2	100%	100%	Money lending
NI Corporation	Japan	JPY7,400,000	95.75%	—	Investment holding
Nguyen Long Merchandise Services One Member Limited Liability Company	Vietnam	Charter Capital VND500,000,000 Paid up Capital VND500,000,000	100%	100%	Procurement of goods
Nguyen Phong Services Company Limited	Vietnam	Charter Capital VND250,000,000 Paid up Capital VND250,000,000	100%	100%	Investment holding
Paklink International Limited	British Virgin Islands	1 ordinary share of US\$1	100%	100%	Investment holding
Plenty Wood Limited	Hong Kong	HK\$1	100%	100%	Property holding
Red Circle Company Limited	Vietnam	Charter Capital VND20,214,500,000 Paid up Capital VND20,214,500,000	100%	100%	Operation of convenience stores
Radiant Bay Holdings Limited	British Virgin Islands	1 ordinary share of US\$1	100%	100%	Investment holding

33. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid up share capital	Proportion of ownership interest held by the Group		Principal activities
			2024	2023	
Reo Developments Limited	British Virgin Islands/ Hong Kong	21,451 ordinary shares of US\$1 each	100%	100%	Investment holding
Shantou SEZ Golden Resources Grain Co., Ltd.**	PRC	#RMB10,300,000	100%	100%	Processing, packaging, marketing, sales and distribution of rice
Shantou SEZ Golden Resources Rice Co., Ltd.**	PRC	#US\$4,579,314	65%	65%	Processing, packaging, marketing, sales and distribution of rice
Skyway Pacific Limited	Hong Kong	HK\$1	100%	100%	Investment holding
Supreme Development Company Limited	Hong Kong/ Hong Kong and PRC	HK\$37,507,500	64.08%	64.08%	Manufacturing and sale of packaging materials
Sun Kai Yip (Shanghai) Industrial Investment Co., Ltd.^	PRC	#US\$10,000,000	100%	100%	Investment and investment holding
Topping Holdings Limited	Hong Kong	HK\$1	100%	100%	Property holding
Tresplain Investments Limited	British Virgin Islands/ Hong Kong	2 ordinary shares of US\$1 each	100%	100%	Trade marks holding
Viet Phong Development Joint Stock Company	Vietnam	Charter Capital VND20,000,000,000 Paid up Capital VND20,000,000,000	100%	100%	Investment holding
Yuen Loong & Company Limited	Hong Kong	Ordinary shares of HK\$200 and non-voting deferred shares* of HK\$5,000,000	100%	100%	Importing and re-exporting of rice (Registered rice stockholder)

Notes to the Financial Statements

For the year ended 31st March, 2024

33. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

- * The deferred shares, which are not held by the Group, practically carry no rights to dividends or to receive notice of or to attend or vote at any general meeting of the subsidiary or to participate in any distribution on winding-up. The Group has been granted an option by the holders of the deferred shares to acquire these shares at a nominal amount.
- # Paid-up registered capital
- @@ Other than Golden Resources Innoventure International Limited which is directly held by the Company, all other subsidiaries are indirectly held by the Company.
- ## Shantou SEZ Golden Resources Rice Co., Ltd. is a Sino-foreign joint venture.
- ** Shantou SEZ Golden Resources Grain Co., Ltd. is a Sino-foreign cooperative enterprise.
- ^^ Sun Kai Yip (Shanghai) Industrial Investment Co., Ltd. is a Wholly foreign-owned enterprise.
- ~~ Guangzhou Golden Resources Trading Development Co., Ltd. is a Wholly foreign-owned enterprise.

The Directors are of the opinion that a complete list of the particulars of all subsidiaries will be of excessive length and therefore the above list only contains the particulars of those subsidiaries which principally affect the results or assets and liabilities of the Group.

None of the subsidiaries had issued any debt securities at the end of the reporting period.

34. ACQUISITION OF SUBSIDIARIES

On 31st May, 2023, Honorwood Limited (“Honorwood”), an indirect wholly owned subsidiary of the Group has entered into a sale and purchase agreement with independent third parties to acquire the entire equity interest in NI Corporation (“NI”) at a consideration of JPY3,404,000,000 (the “Acquisition”). On 16th June, 2023, the Acquisition was completed pursuant to the fulfilment of all consideration as set out in sale and purchase agreement signed. Upon Completion, the Company will indirectly hold the entire issued share capital of NI, which will in turn hold Izumikyo Co., Ltd. (“Izumikyo”), collectively the (“NI Group”).

NI is principally engaged in investment holding and holds the entire issued share capital of the Izumikyo Co., Ltd. (“Izumikyo”). Izumikyo mainly engaged in holding the land and the properties in Japan.

Assets acquired and liabilities recognised at the date of the Acquisition:

	<i>HK\$'000</i>
Property, plant and equipment	65,282
Investment properties	86,354
Right-of-use assets	82
Cash and deposits	55,329
Financial assets at fair value through profit or loss	12,374
Other assets	2,080
Trade and other creditors	(14,017)
Tax payable	(10,142)
Other liabilities	(2,567)
	194,775

Net cash outflow arising on the Acquisition:

	<i>HK\$'000</i>
Consideration paid in cash	189,969
Directly attributable costs of acquisition	4,806
	194,775
<i>Less: Cash and cash equivalents acquired</i>	(55,329)
	139,446

Notes to the Financial Statements

For the year ended 31st March, 2024

35. PLEDGE OF ASSETS

At the end of the reporting period, the Group had pledged bank deposits of approximately HK\$1.4 million (2023: HK\$116.4 million) and financial assets at fair value through profit or loss of approximately HK\$0.8 million (2023: HK\$0.5 million) to secure general credit facilities granted to certain subsidiaries. These facilities had not been utilised at the end of both reporting periods.

At the end of the reporting period, certain land and buildings of the Group's non-wholly owned subsidiary with an aggregate carrying amount of approximately HK\$21.0 million (2023: HK\$22.8 million) had been pledged to secure general banking facilities and bank loan granted to it.

36. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

	2024 HK\$'000	2023 HK\$'000
Fees	480	400
Basic salaries, allowances and benefits in kind	9,796	9,993
Retirement benefits scheme contributions	388	404
Bonus paid	10,289	2,417
	20,953	13,214

Name of director	Other emoluments				2024 Total HK\$'000
	Fees HK\$'000	Basic salaries, allowances and benefits in kind HK\$'000	Retirement benefits scheme contributions HK\$'000	Bonus paid HK\$'000	
Executive Director					
Mr. Laurent LAM Kwing Chee	—	3,755	157	4,981	8,893
Mr. Anthony LAM Sai Ho	—	3,504	157	4,981	8,642
Madam LAM Sai Mann	—	480	18	—	498
Ms. Morna YUEN Mai-tong	—	1,337	56	327	1,720
Mr. TSANG Siu Hung	—	720	—	—	720
Non-executive Director					
Mr. Dennis LAM Saihong	120	—	—	—	120
Independent Non-executive Director					
Mr. Joseph LAM Yuen To	120	—	—	—	120
Mr. Michael YU Tat Chi	120	—	—	—	120
Mr. Ronald YAN Mou Keung	120	—	—	—	120
2024 Total	480	9,796	388	10,289	20,953

36. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' emoluments (Continued)

Name of director	Fees HK\$'000	Other emoluments			2023 Total HK\$'000
		Basic salaries, allowances and benefits in kind HK\$'000	Retirement benefits scheme contributions HK\$'000	Bonus paid HK\$'000	
Executive Director					
Mr. Laurent LAM Kwing Chee	—	3,747	154	1,036	4,937
Mr. Anthony LAM Sai Ho	—	3,775	154	1,036	4,965
Madam LAM Sai Mann	—	460	18	—	478
Ms. Morna YUEN Mai-tong	—	1,311	55	345	1,711
Mr. TSANG Siu Hung	—	700	23	—	723
Non-executive Director					
Mr. Dennis LAM Saihong	100	—	—	—	100
Independent Non-executive Director					
Mr. Joseph LAM Yuen To	100	—	—	—	100
Mr. Michael YU Tat Chi	100	—	—	—	100
Mr. Ronald YAN Mou Keung	100	—	—	—	100
2023 Total	400	9,993	404	2,417	13,214

During the year ended 31st March, 2024, no emoluments were paid by the Group to any of the Directors as an inducement to join or upon joining the Group (2023: Nil).

(b) Directors' termination benefits

During the year ended 31st March, 2024, there were no termination benefits received by the Directors (2023: Nil).

(c) Consideration provided to third parties for making available directors' services

During the year ended 31st March, 2024, no consideration was paid for making available the services of the Directors of the Company (2023: Nil).

(d) Information about loans, quasi-loans and other dealings in favour of directors, bodies corporate controlled by and entities connected with such directors

During the year ended 31st March, 2024, there were no loans, quasi-loans and other dealings entered into by the Company or subsidiaries undertaking of the Company, where applicable, in favour of Directors (2023: Nil).

Notes to the Financial Statements

For the year ended 31st March, 2024

36. BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

(e) Directors' material interests in transactions, arrangements or contracts

No transactions, arrangements or contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2023: Nil).

37. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two (2023: two) Directors, details of whose remunerations are set out in note 36(a) to the consolidated financial statements. The remunerations paid to the five highest paid employees are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Basic salaries, allowances and benefits in kind	13,620	13,947
Retirement benefits scheme contributions	425	436
Bonus paid	10,356	4,647
	24,401	19,030

The emoluments of the five highest paid employees were within the following bands:

<i>HK\$</i>	Number of employees	
	2024	2023
1,500,001 – 2,000,000	1	—
2,000,001 – 2,500,000	1	1
2,500,001 – 3,000,000	1	1
3,500,001 – 4,000,000	—	1
4,500,001 – 5,000,000	—	2
8,500,001 – 9,000,000	2	—
	5	5

During the year ended 31st March, 2024, no emoluments were paid by the Group to any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office (2023: Nil).

38. RELATED PARTY TRANSACTIONS

During the year, the Group entered into the following transactions with the associates and related parties:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade purchases from associate (<i>Note a</i>)	127,351	107,634
Management fee income from an associate (<i>Note b</i>)	—	(19)
Rental income from associate (<i>Note a</i>)	(310)	(232)

Notes:

- (a) The transactions were carried out in the ordinary course of business and at prices determined by reference to prevailing market price.
- (b) The management fee income was received from the parties involved on cost basis.

Details of balances with associates at the end of the reporting period are set out in notes 16 and 22.

In addition to the above, the Group also provided guarantees to banks in respect of banking facilities granted to an associate as set out in note 41(d).

Remuneration for key management personnel

The remuneration of Directors and other members of key management personnel during the year is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Short-term employee benefits	27,320	21,810
Post-employment employee benefits	499	532
	27,819	22,342

The remuneration of Directors and key management personnel is determined or proposed by the Remuneration Committee having regard to the performance of individuals and market trends.

Notes to the Financial Statements

For the year ended 31st March, 2024

39. COMMITMENTS

At the end of the reporting period, the commitments not provided for in the consolidated financial statements are as follows:

(a) **Contracted capital commitments**

	2024	2023
	HK\$'000	HK\$'000
Acquisition of property, plant and equipment	3,472	7,279
Capital contribution for an investee company	20,400	20,400
	23,872	27,679

In accordance with an agreement entered into between the licensor and a wholly-owned subsidiary of the Company, this subsidiary has to open and operate the minimum number of convenience stores in Vietnam within the specified time frame as stipulated therein.

(b) **Operating lease commitments**

The Group as lessor

Property rental income earned during the year was approximately HK\$3,747,000 (2023: HK\$3,794,000). The properties rented out have committed tenants within next 5 years.

At the end of the reporting period, the Group had contracted with tenants under the non-cancellable leases for the following future minimum lease payments:

	2024	2023
	HK\$'000	HK\$'000
Within one year	3,320	2,943
In the second year	1,697	1,351
In the third year	970	111
In the fourth year	—	92
	5,987	4,497

40. RETIREMENT BENEFITS SCHEMES

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Retirement benefits schemes contributions	27,172	24,769

The Group operates a defined contribution retirement benefits scheme (the “Defined Contribution Scheme”) which is registered under the Occupational Retirement Scheme Ordinance (the “ORSO Scheme”) and a Mandatory Provident Fund Scheme (the “MPF Scheme”) established under the Mandatory Provident Fund Scheme Ordinance in December 2000. The assets of these schemes are held separately from those of the Group in funds under the control of an independent trustee. Employees who are members of the ORSO Scheme prior to the establishment of the MPF Scheme were offered a choice of staying within the ORSO Scheme or switching to the MPF Scheme, whereas, all new employees joining the Group on or after 1st December, 2000 are required to join the MPF Scheme.

Under the ORSO Scheme, the Group and its employees participating in the scheme are each required to make contributions to the scheme at rates specified in the rules. Where there are employees who leave the ORSO Scheme prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme. Except for voluntary contribution, no forfeited contribution under this scheme is available to reduce the contribution payable in future years.

The retirement benefits schemes contributions arising from the ORSO Scheme and the MPF Scheme charged to the statement of profit or loss represent contributions payable to the schemes by the Group at rates specified in the rules of the schemes.

The employees employed in the PRC subsidiaries are members of the state-managed retirement benefits schemes operated by the PRC government. The PRC subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes is to make the required contributions under the schemes.

The Group participates in a defined contribution plan managed by the Vietnam government whereby the Group is required to make contributions to the plan, representing the employer’s portion of social, health and unemployment insurance contributions. The applicable rates of contribution are certain percentage of total contractual salaries. The Group has no obligation for the payment of retirement benefits other than the contributions described above.

The Group operates a defined contribution retirement benefits scheme in Japan whereby the Group is required to make contributions to the plan. The applicable rates of contribution are certain percentage of total contractual salaries. The Group has no obligation for the payment of retirement benefits other than the contributions described above.

At the end of the reporting period, there are no significant forfeited contributions, which arose upon employees leaving the retirement benefits scheme and which are available to reduce the contributions payable by the Group in future years.

Notes to the Financial Statements

For the year ended 31st March, 2024

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include financial assets at fair value through profit or loss, trade debtors, advances and other debtors, trade creditors, other creditors and accruals, bank loan and lease liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The Management manages and monitors these exposures closely to ensure appropriate measures are implemented on a timely and effective manner.

(a) Interest rate risk management

The Group's cash flow interest rate risk relates primarily to bank balances. It is the Group's policy to keep its borrowings at floating rate of interest so as to minimise the fair value interest rate risk. The Group's exposure to cash flow interest risk is minimal.

The Group currently does not use any derivative contracts to hedge its exposure to fair value interest rate risk. However, the Management will consider hedging significant interest rate risk exposure should the need arise.

The Group had no outstanding bank loan at the end of the reporting period (2023: HK\$7,611,000).

(b) Currency risk management

The Group is exposed to foreign currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate.

The currencies giving rise to this risk are primarily Japanese Yen ("JPY"), United States Dollars ("USD") and Renminbi Yuan ("RMB").

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

(b) **Currency risk management** (Continued)

(i) **Exposure to currency risk**

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets and liabilities denominated in a currency other than the functional currency of the entity to which they relate.

	2024		
	JPY \$'000	USD \$'000	RMB \$'000
Trade debtors	—	—	8,719
Trade creditors	(31,501)	(1,907)	(25,342)
Intercompany borrowing	—	(57,987)	—
Cash and deposits	1,084	11	4,004
Net exposure to currency risk	(30,417)	(59,883)	(12,619)
HK\$ equivalent	(1,585)	(468,526)	(13,462)
	2023		
	JPY \$'000	USD \$'000	RMB \$'000
Trade debtors	—	2,634	—
Trade creditors	(15,477)	(2,268)	(18,074)
Intercompany borrowing	—	(56,530)	—
Cash and deposits	465,666	2	7,258
Net exposure to currency risk	450,189	(56,162)	(10,816)
HK\$ equivalent	26,512	(440,880)	(12,347)

Notes to the Financial Statements

For the year ended 31st March, 2024

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

(b) Currency risk management (Continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after taxation (and retained profits) and other components of consolidated equity that would have arisen if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between HKD and USD would be materially unaffected by any changes in movement in value of USD against other currencies.

	2024		2023	
	Increase/ (decrease) in foreign exchange rates	Increase/ (decrease) in profit after taxation and retained earnings HK\$'000	Increase/ (decrease) in foreign exchange rates	Increase/ (decrease) in profit after taxation and retained earnings HK\$'000
JPY	10%	(132)	10%	2,214
	(10%)	132	(10%)	(2,214)
USD	5%	(18,741)	5%	(17,635)
	(5%)	18,741	(5%)	17,635
RMB	5%	(562)	5%	(515)
	(5%)	562	(5%)	515

(c) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategies remain unchanged from prior year. The capital structure of the Group consists of equity attributable to equity holders of the Company which comprises issued share capital, share premium and reserves.

The Group monitors capital management on the basis of gearing ratio (defined as bank borrowings over shareholders' equity). The Group had cash and deposits of approximately HK\$351,227,000 (2023: HK\$540,227,000) and no bank borrowings (2023: HK\$7,611,000) at the end of the reporting period.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

(d) Credit risk management

The Group's credit risk is primarily attributable to time deposits and bank balances, trade debtors, advances to joint ventures, other debtors and amount due from an associate. The exposure to the credit risk is closely monitored on an ongoing basis by established credit policies.

There is no significant credit risk within the Group. The Group considered all the counterparties have a low risk of default and do not have any material past-due amounts. The allowances for credit risk of other debtors were immaterial and no provision was made.

To mitigate counterparty risk, the Group places time deposits and bank balances with banks of high credit ratings in Hong Kong and sets exposure limits to each single financial institution. Other than concentration of credit risk on amount due from joint ventures and trade debtors, the Group has no other significant concentration of credit risk as relevant exposures are well diversified over a number of counterparties.

As at the end of the reporting period, 29% (2023: 14%) and 46% (2023: 34%) of the total trade debtors balance were due from the group's largest customer and the five largest customers respectively.

The amount due from an associate and advances to joint ventures have a gross carrying amount of HK\$42,288,000 (2023: HK\$16,901,000) and HK\$27,749,000 (2023: HK\$13,072,000) respectively. The balances of expected credit loss of amount due from an associate and advances to joint ventures as at 31st March, 2024 amounted to HK\$Nil and HK\$2,102,000 respectively. No expected credit loss was provided for the amount due from an associate as the expected credit loss is considered to be insignificant. The credit quality of fair value of advances to joint ventures has been assessed with reference to external credit ratings (if available) or to historical information about the counterparty default rates.

At 31st March, 2024 and 2023, guarantees were given to bank by the Group in respect of banking facilities made available to the associate of the Group.

The maximum liability of the Company at the end of the reporting period under the guarantees is the amount of the facilities drawn down by the associate that are covered by the guarantees. No such drawn down of the facilities for both years ended 31st March, 2024 and 2023.

Notes to the Financial Statements

For the year ended 31st March, 2024

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

(e) Liquidity risk management

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the Management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

As at 31st March, 2024, the Group's net current assets amounted to approximately HK\$346,608,000 (2023: HK\$528,370,000) with current ratio, calculated as current assets divided by current liabilities, at approximately 1.9 times (2023: 2.4 times). Together with cash and deposits of approximately HK\$351,227,000 (2023: HK\$540,227,000), the Group is in sound financial position to meet the capital requirements of the Group's operations and developments in the near future.

	Weighted average effective interest rate %	Within 1 year or on demand HK\$'000	At 31st March, 2024			Total contractual undiscounted cash flow HK\$'000	Total carrying amount HK\$'000
			More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000	More than 5 years HK\$'000		
Trade creditors	—	125,974	—	—	—	125,974	125,974
Other creditors and accruals	—	132,188	—	—	—	132,188	132,188
Lease liabilities	1.0% – 8.6%	139,930	123,337	215,842	25,150	504,259	425,873
Bank loan	—	—	—	—	—	—	—
		398,092	123,337	215,842	25,150	762,421	684,035

	Weighted average effective interest rate %	Within 1 year or on demand HK\$'000	At 31st March, 2023			Total contractual undiscounted cash flow HK\$'000	Total carrying amount HK\$'000
			More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000	More than 5 years HK\$'000		
Trade creditors	—	119,257	—	—	—	119,257	119,257
Other creditors and accruals	—	130,052	—	—	—	130,052	130,052
Lease liabilities	4.7% – 11.0%	125,531	99,842	186,472	32,476	444,321	369,668
Bank loan	4.1%	3,548	3,548	886	—	7,982	7,611
		378,388	103,390	187,358	32,476	701,612	626,588

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

(f) Fair value measurement

The following table provides an analysis of financial instruments that are measured at fair value subsequent to initial recognition, grouped into Level 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Financial assets

	At 31st March, 2024			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
Financial assets at fair value through profit or loss:				
Listed equity securities	4,808	—	—	4,808
Unlisted equity securities	—	—	368	368
Listed debt securities	—	6,679	—	6,679
Other unlisted securities	—	8,651	11,995	20,646
	4,808	15,330	12,363	32,501

	At 31st March, 2023			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
Financial assets at fair value through profit or loss:				
Listed equity securities	4,618	—	—	4,618
Unlisted equity securities	—	—	368	368
Listed debt securities	4,764	—	—	4,764
Other unlisted securities	—	—	7,136	7,136
	9,382	—	7,504	16,886

There were no transfers between Level 1, Level 2 and Level 3 during the year, except the listed debt securities are reclassified into level 2 in 2024.

Notes to the Financial Statements

For the year ended 31st March, 2024

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

(f) **Fair value measurement** *(Continued)*

Financial assets *(Continued)*

The fair values of financial assets are determined as follows:

- The fair values of listed equity securities and debt securities within Level 1 with standard terms and conditions and traded in active markets are based on quoted market prices at the end of the reporting period without any deduction for transaction costs.
- The fair values of listed debt securities and other unlisted securities included within Level 2 in financial assets at fair value through profit or loss are based on quoted values or recent transaction prices provided by counterparty financial institutions, where appropriate.
- The fair values of Simple Agreement for Future Equity disclosed under other unlisted securities as included within Level 3 in financial assets at fair value through profit or loss are determined with reference to the valuation reports prepared by Peak Vision Appraisals Limited, an independent professional qualified valuer, on an annual basis based on market approach. The significant unobservable inputs include the Price-to-Sales multiples ranging from 0.69 to 1.14 (2023: from 0.36 to 2.33) and discount for lack of marketability of 20% (2023: 20%). An increase in Price-to-Sales multiples would result in an increase in the fair value measurement and vice versa, while an increase in discount for lack of marketability would result in a decrease in fair value measurement and vice versa.

Reconciliation of Level 3 fair value measurements

	2024	2023
	HK\$'000	HK\$'000
Balance at beginning of the year	7,504	7,806
Additions	—	7,858
Reclassification <i>(Note a)</i>	3,022	(7,850)
Fair value changes of financial assets at fair value through profit or loss	1,860	(323)
Exchange rate adjustments	(23)	13
	<hr/>	<hr/>
Balance at end of the year	12,363	7,504

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Continued)

(f) Fair value measurement *(Continued)*

Reconciliation of Level 3 fair value measurements *(Continued)*

Note:

- (a) During the year ended 31st March, 2023, the Group acquired a convertible promissory note issued by an unlisted issuer at principal amount of approximately HK\$7,850,000 (“the Note”). The Note is unsecured, interest-bearing at 9% per annum with repayment term of 5 months and matured in December 2022. The Group has been following up with the Note issuer for the repayment of the overdue Note (“the Overdue Convertible Promissory Note”). As at 31st March, 2023, the Overdue Convertible Promissory Note was included in other debtors at carrying value of HK\$3,022,000, after recognition of an allowance for expected credit loss of HK\$4,828,000 which was charged to the consolidated profit or loss for the year ended 31st March, 2023.

During the year ended 31st March, 2024, the Group has reassessed the nature of the Note and has reclassified it to financial assets at fair value through profit or loss.

Total fair value gain of financial assets at fair value through profit or loss of HK\$1,209,000 (2023: loss of HK\$16,065,000) has been recognised in the consolidated statement of profit or loss for the year, with gain of HK\$1,860,000 (2023: loss of HK\$323,000) attributed to Level 3 financial assets.

(g) Financial instruments price risk management

The Group’s financial instruments price risk is primarily attributable to financial assets at fair value through profit or loss which were stated at fair values at the end of the reporting period. The Management manages this exposure by maintaining a portfolio of investments with different risk profiles.

As at 31st March, 2024, carrying values of financial assets at fair value through profit or loss which were stated at fair values amounted to approximately HK\$32,501,000. For sensitivity analysis purpose, a 15% change in the fair values of corresponding financial instruments would result in the changes in results for the year of approximately HK\$4,875,000.

As at 31st March, 2023, carrying values of financial assets at fair value through profit or loss which were stated at fair values amounted to approximately HK\$16,886,000. For sensitivity analysis purpose, a 15% change in the fair values of corresponding financial instruments would result in the changes in results for the year of approximately HK\$2,533,000.

Notes to the Financial Statements

For the year ended 31st March, 2024

42. OTHER CASH FLOW INFORMATION

(a) Reconciliation of liabilities arising from financing activities

	Bank loan HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
Carrying amount at 1st April, 2022	—	371,824	371,824
Changes from financing cash flows:			
Repayment of bank loans	(92,389)	—	(92,389)
Proceed from bank loans	100,000	—	100,000
Interest paid	(858)	—	(858)
Capital element of lease rentals paid	—	(105,170)	(105,170)
Interest element of lease rentals paid	—	(31,150)	(31,150)
	6,753	(136,320)	(129,567)
Non-cash changes:			
Additions	—	120,736	120,736
Interest expense	858	31,150	32,008
Derecognition	—	(4,223)	(4,223)
Lease modifications	—	(2,722)	(2,722)
Exchange rate adjustments	—	(10,777)	(10,777)
Carrying amount at 31st March, 2023 and 1st April, 2023	7,611	369,668	377,279
Changes from financing cash flows:			
Repayment of bank loan	(7,611)	—	(7,611)
Interest paid	(390)	—	(390)
Capital element of lease rentals paid	—	(114,672)	(114,672)
Interest element of lease rentals paid	—	(33,792)	(33,792)
	(8,001)	(148,464)	(156,465)
Non-cash changes:			
Acquisition of subsidiaries	—	83	83
Additions	—	186,390	186,390
Interest expense	390	33,792	34,182
Derecognition	—	(5,716)	(5,716)
Lease modifications	—	(142)	(142)
Exchange rate adjustments	—	(9,738)	(9,738)
Carrying amount at 31st March, 2024	—	425,873	425,873

42. OTHER CASH FLOW INFORMATION (Continued)

(b) Total cash outflow for leases

	2024 HK\$'000	2023 HK\$'000
Within operating cash flows	362	349
Within financing cash flows	148,464	136,320
	148,826	136,669

These amounts relate to the following:

	2024 HK\$'000	2023 HK\$'000
Lease rentals paid	148,826	136,669

43. NON-CONTROLLING INTERESTS

Particulars of the Group's non-wholly owned subsidiary that has material non-controlling interests as at 31st March, 2024 are as follow:

Name of subsidiary	Place of incorporation/ operation	Proportion of ownership interests held by non-controlling interests		Proportion of voting right held by non-controlling interests	
		2024	2023	2024	2023
		Supreme Development Company Limited ("Supreme Development")	Hong Kong/ Hong Kong and PRC	35.92%	35.92%

Summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts after fair value adjustments and before intragroup eliminations.

Notes to the Financial Statements

For the year ended 31st March, 2024

43. NON-CONTROLLING INTERESTS (Continued)

Supreme Development and its subsidiaries

	2024 HK\$'000	2023 HK\$'000
Non-current assets	90,367	87,482
Current assets	105,354	115,965
Current liabilities	(71,070)	(78,366)
Non-current liabilities	(38,089)	(49,851)
Net assets	86,562	75,230
Equity attributable to shareholders of the Company	55,471	48,209
Non-controlling interests	31,091	27,021
	86,562	75,230
Revenue	176,771	154,507
Profit/(loss) for the year	11,194	(9,301)
Profit/(loss) for the year attributable to:		
Shareholders of the Company	7,173	(5,960)
Non-controlling interests of Supreme Development	4,021	(3,341)
	11,194	(9,301)
Other comprehensive income, net of tax		
Exchange differences on translation of financial statements of subsidiaries		
outside Hong Kong:		
Shareholders of the Company	88	1,278
Non-controlling interests of Supreme Development	50	716
	138	1,994
Total comprehensive income attributable to:		
Shareholders of the Company	7,261	(4,682)
Non-controlling interests of Supreme Development	4,071	(2,625)
	11,332	(7,307)
Net cash inflow from operating activities	17,522	2,445
Net cash outflow from investing activities	(5,159)	(3,167)
Net cash outflow from financing activities	(14,931)	(5,546)
Net cash outflow	(2,568)	(6,268)

Schedule of Investment Properties

At 31st March, 2024

Particulars of investment properties are as follows:

Location	Term	Usage	Percentage held by the Group
Room 1432, 1822, 1823, 1922 and Store Room No. 1 on 18/F Star House, No. 3 Salisbury Road, Tsimshatsui, Kowloon, Hong Kong	Long lease	Commercial	100%
Unit B, 9/F Gitic Plaza Office Tower A, No. 339 Huanshi Road East, Guangzhou, Guangdong Province, PRC	Medium-term lease	Commercial	100%
4/F. and 5/F., V. Heun Building, No. 138 Queen's Road Central, Hong Kong	Long lease	Commercial	100%
Flat D1, 12A/F Summit Court, Nos. 144-158 Tin Hau Temple Road, Hong Kong and Parking Space No. 72 on Upper Deck Garage Summit Court, No. 77 Cloud View Road, Hong Kong	Long lease	Residential	100%
Flat B, 17/F Palatial Crest, No. 3 Seymour Road, Hong Kong	Long lease	Residential	100%
1-133-15 and 1-135-5, Niseko-Hirafu 1-jo, Kutchan-cho, Abuta-gun, Hokkaido, Japan	Freehold	Commercial	95.75%
2-179-12, 2-179-13, 2-179-96, Niseko-Hirafu 1-jo, Kutchan-cho, Abuta-gun, Hokkaido, Japan	Freehold	Commercial	95.75%
3-35-3, 3-83-8, 3-83-62 and 3-131-2, Niseko-Hirafu 5-jo, Kutchan-cho, Abuta-gun, Hokkaido, Japan	Freehold	Commercial	95.75%
4-137-3, Niseko-Hirafu 5-jo, Kutchan-cho, Abuta-gun, Hokkaido, Japan	Freehold	Commercial	95.75%
38-104, 38-155, 38-157, 38-158, 38-159, 38-160, 38-163, 38-169, 42, 43, 150-3 and 150-15 Yamada, Kutchan-cho, Abuta-gun, Hokkaido, Japan	Freehold	Commercial	95.75%
30-74, 30-223, 30-229, 30-246 and 73-10, Aza-Kabayama, Kutchan-cho, Abuta-gun, Hokkaido, Japan	Freehold	Commercial	95.75%

Group Financial Summary

At 31st March, 2024

	Year ended 31st March,				
	2020	2021	2022	2023	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
RESULTS					
REVENUE					
Convenience store operation	879,581	829,566	822,819	1,201,811	1,172,906
Food operation	852,512	781,046	779,218	709,018	717,478
Packaging materials operation	—	—	168,700	144,969	166,754
Property investment	4,347	3,748	3,496	3,794	3,455
Retailtainment	—	—	—	—	11,515
Others	—	—	—	182	186
	1,736,440	1,614,360	1,774,233	2,059,774	2,072,294
(Loss)/profit before taxation	(2,527)	63,827	34,224	143,244	147,972
Taxation	(20,020)	(23,572)	(22,120)	(18,199)	(37,235)
(Loss)/profit for the year	(22,547)	40,255	12,104	125,045	110,737
(Loss)/profit for the year attributable to:					
Shareholders of the Company	(22,652)	40,212	18,697	128,679	106,848
Non-controlling interests	105	43	(6,593)	(3,634)	3,889
	(22,547)	40,255	12,104	125,045	110,737
Dividends	39,040	39,040	40,738	44,981	39,040
As at 31st March,					
	2020	2021	2022	2023	2024
ASSETS AND LIABILITIES	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Total assets	1,683,454	1,683,851	1,813,518	1,893,678	2,081,220
Total liabilities	(496,065)	(504,560)	(629,616)	(627,953)	(721,548)
Non-controlling interests	(23,070)	(8,542)	(40,485)	(36,490)	(39,891)
Shareholders' equity	1,164,319	1,170,749	1,143,417	1,229,235	1,319,781