

Report of the Directors

The Directors have pleasure in presenting their report together with the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2012.

PRINCIPAL ACTIVITIES AND SEGMENT ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in the retailing and wholesaling of cosmetic products.

An analysis of the Group's turnover and results for the year by business segments and geographical areas of operation is set out in Note 5 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results for the year are set out in the consolidated income statement on page 135.

An interim dividend of 2.0 HK cents (2011: 1.5 HK cents) per share and a special dividend of 4.0 HK cents (2011: 3.0 HK cents) per share were paid on 22 December 2011. The Directors recommend the payment of a final dividend of 3.5 HK cents (2011: 2.5 HK cents) per share and a special dividend of 8.0 HK cents (2011: 7.0 HK cents) per share, such dividends will be proposed for approval by shareholders at the AGM to be held on Thursday, 23 August 2012 and are payable to shareholders whose names appear on the Register of Members of the Company on 30 August 2012. Total dividends paid and to be declared in respect of the year ended 31 March 2012 amounted to HK\$492,563,000.

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out as follows:

	2012	2011	As restated 2010	As restated 2009	As restated 2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Key income statement items					
Turnover					
– Continuing operations	6,405,121	4,901,364	4,111,345	3,608,990	3,221,429
– Discontinued operations	–	–	–	–	231,658
	6,405,121	4,901,364	4,111,345	3,608,990	3,453,087
Operating profit					
– Continuing operations	828,374	608,267	459,324	370,907	323,525
– Discontinued operations	–	–	–	–	3,962
	828,374	608,267	459,324	370,907	327,487
Profit before income tax					
– Continuing operations	834,793	613,526	465,736	384,103	348,347
– Discontinued operations	–	–	–	–	72,775
	834,793	613,526	465,736	384,103	421,122
Income tax expenses					
– Continuing operations	(145,084)	(104,256)	(83,849)	(67,360)	(71,302)
– Discontinued operations	–	–	–	–	(815)
	(145,084)	(104,256)	(83,849)	(67,360)	(72,117)
Profit for the year					
– Continuing operations	689,709	509,270	381,887	316,743	277,045
– Discontinued operations	–	–	–	–	71,960
	689,709	509,270	381,887	316,743	349,005

Report of the Directors

FINANCIAL SUMMARY (continued)

	2012	2011	As restated 2010	As restated 2009	As restated 2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Key statement of financial position items					
Total assets	2,466,500	1,876,511	1,569,485	1,408,912	1,436,062
Total liabilities	(835,676)	(523,818)	(384,711)	(291,856)	(333,967)
Net assets	1,630,824	1,352,693	1,184,774	1,117,056	1,102,095
Shareholders' funds					
Share capital	281,467	280,253	139,131	138,125	137,894
Reserves	1,349,357	1,072,440	1,045,643	978,931	964,201
	1,630,824	1,352,693	1,184,774	1,117,056	1,102,095
Key financial information and ratio					
Basic earnings per share (HK cents) ^(Note 1)					
– Continuing operations	24.6	18.2	13.8	11.5	10.1
– Discontinued operations	–	–	–	–	2.6
	24.6	18.2	13.8	11.5	12.7
Diluted earnings per share (HK cents) ^(Note 1)					
– Continuing operations	24.4	18.1	13.7	11.5	10.1
– Discontinued operations	–	–	–	–	2.6
	24.4	18.1	13.7	11.5	12.7
Dividend per share (HK cents) ^(Note 1)					
Basic	5.5	4.0	4.0	4.0	4.0
Special	12.0	10.0	10.0	7.5	6.5
Total	17.5	14.0	14.0	11.5	10.5
Return on equity	42.3%	37.7%	32.2%	28.4%	31.7%
Shareholders' funds at book value per share (HK\$) ^(Note 1)	0.58	0.48	0.43	0.40	0.40
Working capital ratio	2.47	3.09	3.57	4.31	3.76
Stock turnover days	124	109	90	84	94
Total gross retail area (sq ft) ^(Note 2)	512,833	367,443	298,449	244,829	225,554

Note 1: Figures for the years from 2008 to 2010 have been adjusted for the 1:1 Bonus Issue.

Note 2: The information on retail space provided is intended to allow the readers to appreciate the growth of our retail network and the size of retail space only. As there are significant variations in sales per square foot between stores of different store sizes, as well as stores in different countries and locations, the retail space information provided should not be used to analyse the trend for sales per square foot.

MAJOR CUSTOMERS AND SUPPLIERS

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

RESERVES

Details of the movements in reserves of the Group and the Company during the year are set out in Note 24 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in Note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in Note 23 to the consolidated financial statements.

SHARE OPTIONS

Share option schemes

(I) 1997 Share Option Scheme

The Company adopted a share option scheme (the "1997 Share Option Scheme") on 22 May 1997. As at 31 March 2009, there was no outstanding share option under the 1997 Share Option Scheme. The operation of the 1997 Share Option Scheme was terminated on 29 August 2002 (such that no further options could be offered under the 1997 Share Option Scheme) but the provisions of the 1997 Share Option Scheme continued to govern options granted under this scheme up to and including 28 August 2002. No share options were granted, exercised or lapsed during the relevant period and there are no more shares available for issue under the 1997 Share Option Scheme. Please refer to the annual report of the Company for the year ended 31 March 2008 for details and latest movements of the share options under the 1997 Share Option Scheme for the relevant period.

(II) 2002 Share Option Scheme

A summary of the share option scheme adopted by the Company on 29 August 2002 (the "2002 Share Option Scheme") is set out below:

- (a) Purpose
To provide Participants (as defined below) with the opportunity to acquire proprietary interests in the Company and to encourage Participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole.
- (b) Participants
Any directors (including executive, non-executive and independent non-executive directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group who the Board or a duly authorised committee thereof considers, in its sole discretion, to have contributed to the Group.



Report of the Directors

(II) 2002 Share Option Scheme (continued)

- (c) Total number of shares available for issue
- (i) The maximum number of shares in respect of which options may be granted under the 2002 Share Option Scheme shall not (when aggregated with any shares subject to any other share option scheme(s) of the Company) exceed 10% of the issued share capital of the Company on 29 August 2002, the date on which the 2002 Share Option Scheme was adopted (the "Scheme Mandate Limit"). Options lapsed in accordance with the terms of the 2002 Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.
 - (ii) The Scheme Mandate Limit may be renewed at any time subject to prior shareholders' approval but in any event shall not exceed 10% of the issued share capital of the Company as at the date of approval of the renewal of the Scheme Mandate Limit. Options previously granted under the 2002 Share Option Scheme or any other share option schemes (including those outstanding, cancelled, lapsed in accordance with the terms or exercised options) will not be counted for the purpose of calculating the refreshed Scheme Mandate Limit.
 - (iii) The maximum number of shares in respect of which options may be granted to grantees under the 2002 Share Option Scheme and other share option schemes of the Company shall not exceed 30% of the issued share capital of the Company from time to time.
 - (iv) As at 15 June 2012, the total number of shares available for issue under the 2002 Share Option Scheme was 104,933,453 shares, which represented 3.73% of the total issued share capital of the Company at that date.
- (d) Maximum entitlement of each Participant
- The maximum number of shares in respect of which options may be granted under the 2002 Share Option Scheme to a specifically identified single grantee shall not (when aggregated with any shares subject to any other share option scheme(s) of the Company) in any 12-month period exceed 1% of the shares of the Company in issue (the "Individual Limit").
- The Company may grant options beyond the Individual Limit to a Participant if (i) the Company has first sent a circular to shareholders containing the identity of the Participant in question, the number and terms of the options granted and to be granted and other relevant information as required under the Listing Rules; and (ii) separate shareholder's approval has been obtained.
- (e) Option Period
- The period within which the shares must be taken up under an option shall be notified by the Board to each grantee at the time of making an offer which shall not expire later than 10 years from the date of grant of the relevant option.
- (f) Minimum period for which an option must be held before it can be exercised
- The minimum period, if any, for which an option must be held before it can be exercised shall be determined by the Board at its absolute discretion. The 2002 Share Option Scheme itself does not specify any minimum holding period.
- (g) Consideration on acceptance of the option
- HK\$1.00 is required to be paid by the grantee to the Company on acceptance of the option offer as consideration.

(II) 2002 Share Option Scheme (continued)

- (h) Basis of determining the subscription price
The subscription price shall be determined by the Board at its absolute discretion but in any event shall not be less than the higher of:
- (i) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant;
 - (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and
 - (iii) the nominal value of a Share.
- (i) Termination of the 2002 Share Option Scheme and adoption of a New Share Option Scheme
The 2002 Share Option Scheme shall be valid and effective for a period of 10 years commencing on 29 August 2002, the date of adoption, and will expire on 29 August 2012. In view of the forthcoming expiration of the 2002 Share Option Scheme, the Directors consider that it is in the best interests of the Company to adopt a New Share Option Scheme in place of the 2002 Share Option Scheme, and therefore propose that the 2002 Share Option Scheme be terminated and the New Share Option Scheme be adopted by the shareholders at the forthcoming AGM.

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

Name	Date of grant	Subscription price per Share (HK\$)	Closing price of the Shares immediately before the date on which the options were granted (HK\$)	Exercisable period	Vesting period (from the date of grant)	Closing price of the Shares immediately before the date on which the options were exercised (HK\$)	Number of Share Options					
							Outstanding as at 1 April 2011	Granted during the year	Exercised during the year	#Lapsed during the year	Outstanding as at 31 March 2012	
Directors												
Mr LOOK Guy	26 May 2006	1.4825 note (1)	-	note (2)	note (2)	4.68	1,977,688	-	(1,977,688)	-	-	
	2 Mar 2009	1.095 note (1)	-	28 Feb 2010 to 1 Mar 2019	1 year	5.85 (AVG)	4,500,000	-	(4,500,000)	-	-	
				28 Feb 2011 to 1 Mar 2019	2 years	4.83 (AVG)	4,500,000	-	(4,500,000)	-	-	
				29 Feb 2012 to 1 Mar 2019	3 years	-	4,500,000	-	-	-	4,500,000	
	1 Mar 2012	4.77	4.72	note (3)	note (3)	4.70	4,500,000	-	(1,000,000)	-	3,500,000	
				note (3)	note (3)	-	4,500,000	-	-	-	4,500,000	
				note (3)	note (3)	-	4,500,000	-	-	-	4,500,000	
				28 Feb 2013 to 28 Feb 2022	1 year	-	-	4,690,998	-	-	-	4,690,998
				28 Feb 2014 to 28 Feb 2022	2 years	-	-	4,690,998	-	-	-	4,690,998
				28 Feb 2015 to 28 Feb 2022	3 years	-	-	4,690,998	-	-	-	4,690,998
note (4)	note (4)	-	-	4,690,998	-	-	-	4,690,998				
note (4)	note (4)	-	-	4,690,998	-	-	-	4,690,998				
note (4)	note (4)	-	-	4,690,998	-	-	-	4,690,998				

Report of the Directors

(II) 2002 Share Option Scheme (continued)

Name	Date of grant	Subscription price per Share (HK\$)	Closing price of the Shares immediately before the date on which the options were granted (HK\$)	Exercisable period	Vesting period (from the date of grant)	Closing price of the Shares immediately before the date on which the options were exercised (HK\$)	Number of Share Options				
							Outstanding as at 1 April 2011	Granted during the year	Exercised during the year	#Lapsed during the year	Outstanding as at 31 March 2012
Employees Under Continuous Employment Contract	30 Oct 2003	0.84 note (1)	-	30 Oct 2004 to 29 Oct 2013	1 year note (5)	-	56,668	-	-	(56,668)	-
				30 Oct 2005 to 29 Oct 2013	2 years note (5)	6.00	239,336	-	(2,668)	(56,666)	180,002
				30 Oct 2006 to 29 Oct 2013	3 years note (5)	5.92 (AVG)	526,662	-	(35,332)	(56,666)	434,664
	30 Sep 2010	3.16 note (1)	-	30 Oct 2006 to 29 Oct 2013	3 years note (6)	-	269,332	-	-	-	269,332
				30 Oct 2006 to 29 Oct 2013	3 years note (6)	-	168,000	-	-	-	168,000
				30 Oct 2006 to 29 Oct 2013	3 years note (6)	4.68 (AVG)	697,456	-	(122,664)	-	574,792
	30 Sep 2010	3.16 note (1)	-	30 Sep 2013 to 29 Sep 2020	3 years note (7)	-	5,222,000	-	-	(402,000)	4,820,000
				30 Sep 2013 to 29 Sep 2020	3 years note (8)	-	40,000	-	-	-	40,000
				30 Sep 2013 to 29 Sep 2020	3 years note (9)	-	32,000	-	-	-	32,000
				30 Sep 2013 to 29 Sep 2020	3 years note (10)	-	100,000	-	-	-	100,000
	17 Jun 2011	4.95	4.76	17 Jun 2014 to 16 Jun 2021	3 years note (11)	-	-	5,482,000	-	(240,000)	5,242,000
				17 Jun 2014 to 16 Jun 2021	3 years note (12)	-	-	50,000	-	-	50,000
				17 Jun 2014 to 16 Jun 2021	3 years note (13)	-	-	50,000	-	-	50,000
17 Jun 2014 to 16 Jun 2021				3 years note (14)	-	-	50,000	-	-	50,000	
17 Jun 2014 to 16 Jun 2021				3 years note (8)	-	-	40,000	-	-	40,000	
17 Jun 2014 to 16 Jun 2021				3 years note (9)	-	-	40,000	-	-	40,000	
17 Jun 2014 to 16 Jun 2021				3 years note (10)	-	-	100,000	-	-	100,000	
							36,329,142	33,957,988	(12,138,352)	(812,000)	57,336,778

* The weighted average closing price ("AVG") is shown where appropriate.

There is no share option cancelled during the year.

(II) 2002 Share Option Scheme (continued)

Notes:

- (1) The subscription price per share was adjusted on 24 December 2010 as a result of the 1:1 Bonus Issue. For details, please refer to the announcement published by the Company on 20 December 2010.
- (2) The exercise of the share options is subject to certain performance targets that must be achieved by the director. The share options shall be exercised by the director not later than 25 May 2016.
- (3) The exercise of the share options is subject to certain performance targets that must be achieved by the director. The share options shall be exercised by the director not later than 1 March 2019.
- (4) The exercise of the share options is subject to certain performance targets that must be achieved by the director. The share options shall be exercised by the director not later than 28 February 2022.
- (5) On 30 October 2003, the Company granted share options to employees who had completed a minimum of 5 years of employment with the Group as at 30 September 2003 in order to reward them for contributing to the long term success of the business of the Group and to encourage and motivate them to continue to contribute to the success of the Group.
- (6) On 30 October 2003, the Company granted share options to employees of the Company who are of managerial level or above in order to encourage and motivate them to continue to contribute to the success of the business of the Group. The exercise of the share options is subject to certain performance targets that must be achieved by the employees.
- (7) On 30 September 2010, the Company granted share options to certain employees of the Company in order to reward them for contributing to the long term success of the business of the Group and to encourage and motivate them to continue to contribute to the success of the Group.
- (8) The grantee, Ms KWOK Lai Kwan Anna, is an associate of the chief executive and directors of the Company. Relevant announcements were published on 30 September 2010 and 17 June 2011 pursuant to the Listing Rules.
- (9) The grantee, Mr KWOK Siu Hung Vincent, is an associate of the chief executive and directors of the Company. Relevant announcements were published on 30 September 2010 and 17 June 2011 pursuant to the Listing Rules.
- (10) The grantee, Mr LAW Kin Ming Peter, is an associate of the chief executive and directors of the Company. Relevant announcements were published on 30 September 2010 and 17 June 2011 pursuant to the Listing Rules.
- (11) On 17 June 2011, the Company granted share options to certain employees of the Company in order to reward them for contributing to the long term success of the business of the Group and to encourage and motivate them to continue to contribute to the success of the Group.
- (12) The grantee, Mr CHAN Chun Bong Junbon Davis, is an associate of the chief executive and directors of the Company. A relevant announcement was published on 17 June 2011 pursuant to the Listing Rules.
- (13) The grantee, Ms KWOK Sze Wai Melody, is an associate of the chief executive and directors of the Company. A relevant announcement was published on 17 June 2011 pursuant to the Listing Rules.
- (14) The grantee, Ms KWOK Sea Nga Kitty, is an associate of the chief executive and directors of the Company. A relevant announcement was published on 17 June 2011 pursuant to the Listing Rules.

The weighted average fair value of share options granted during the year which was determined using the binomial lattice model, prepared by Towers Watson Hong Kong Limited and HSBC Life (International) Limited, was HK\$1.42-HK\$1.57 per option (2011: HK\$0.74). The significant inputs into the model were share price of HK\$4.89 and HK\$4.77 at the grant date, exercise price of HK\$4.95 and HK\$4.77, volatility of 43.0% and 46.0%, dividend yields of 4.0%, an expected option life of around six years and an annual risk-free interest rate of 1.61% and 0.70%. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the last six years. The fair values calculated are inherently subjective and uncertain due to the assumptions made and the limitations of the model used. The value of an option varies with different variables of certain subjective assumptions. Any change in variables so adopted may materially affect the estimation of the fair value of an option.

The accounting policy adopted for the share options is described in Note 23 to the consolidated financial statements.



Report of the Directors

PRE-EMPTIVE RIGHTS

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

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

SUBSIDIARIES

Details of the Company's principal subsidiaries as at 31 March 2012 are set out in Note 28 to the consolidated financial statements.

BANK LOANS AND OVERDRAFTS

As at 31 March 2012, the Group had no bank loans or overdrafts (2011: nil).

CAPITALISED INTEREST

No interest was capitalised by the Group during the year (2011: nil).

DISTRIBUTABLE RESERVES

As at 31 March 2012, the reserves of the Company available for distribution amounted to HK\$846,088,000 (2011: HK\$653,200,000).

DONATIONS

The Group made donations during the year totalling HK\$3,596,000 (2011: HK\$2,461,000).

DIRECTORS

The Directors who held office during the year and up to the date of this report were:

Executive Directors

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

- date of appointment as a Director: 3 December 1996
- date of last re-election in AGM as a Director: 26 August 2010

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

- date of appointment as a Director: 3 December 1996
- date of last re-election in AGM as a Director: 26 August 2010

Mr LOOK Guy (CFO)

- date of appointment as a Director: 10 September 2002
- date of last re-election in AGM as a Director: 26 August 2010
- term of directorship: three years commencing on 1 March 2012

Non-executive Directors

Mrs LEE LOOK Ngan Kwan Christina

- date of appointment as a Director: 22 May 1997
- date of last re-election in AGM as a Director: 27 August 2009
- term of directorship: three years commencing on 24 June 2010

Mr TAN Wee Seng*

- date of appointment as a Director: 11 March 2010
- date of last re-election in AGM as a Director: 26 August 2010
- term of directorship: three years commencing on 26 August 2010

* Mr TAN Wee Seng was re-designated from a Non-executive Director to an Independent Non-executive Director on 26 June 2012.

DIRECTORS (continued)

Independent non-executive Directors

Professor CHAN Yuk Shee, *PhD, BBS, JP*

- date of appointment as a Director: 1 November 1999
- date of last re-election in AGM as a Director: 25 August 2011
- term of directorship: three years commencing on 1 November 2011

Dr LEUNG Kwok Fai Thomas, *PhD, BBS, JP*

- date of appointment as a Director: 1 January 2000
- date of last re-election in AGM as a Director: 25 August 2011
- term of directorship: three years commencing on 1 January 2012

Ms TAM Wai Chu Maria, *GBS, JP*

- date of appointment as a Director: 24 June 2004
- date of last re-election in AGM as a Director: 25 August 2011
- term of directorship: three years commencing on 24 June 2010

Ms KI Man Fung Leonie, *SBS, JP*

- date of appointment as a Director: 15 December 2006
- date of last re-election in AGM as a Director: 27 August 2009
- term of directorship: the current term will terminate on 14 December 2012 and the Board resolved on 15 June 2012 to re-appoint her for a further three years commencing on 15 December 2012

In accordance with Article 116 of the Articles of Association, Mrs LEE LOOK Ngan Kwan Christina and Mr TAN Wee Seng, and Ms KI Man Fung Leonie will retire by rotation at the forthcoming AGM. Except for Mrs LEE LOOK Ngan Kwan Christina who will not stand for re-election, all the said retiring Directors, being eligible, will offer themselves for re-election.

CONFIRMATION OF INDEPENDENCE FROM INEDS

The Company has received a written confirmation from each INED of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Nomination Committee has duly reviewed the annual confirmation of independence of these Directors and both the Nomination Committee and the Company consider them to be independent throughout the year and that they remain so as at the date of this report.

DIRECTORS' BIOGRAPHIES

The updated biographical information of the Directors since the Company's interim report of 17 November 2011 are set out on pages 45 to 48 of this annual report.

DIRECTORS' SERVICE CONTRACTS

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

Report of the Directors

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2012, the interests or short positions of the Directors and chief executives in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code are set out below:

(I) Long position in the shares, underlying shares and debentures of the Company

Name of director	Capacity	Number of shares in the Company				Total interests	Approximate percentage of shareholding
		Personal interests	Family interests	Corporate interests	Other interests		
Dr KWOK Siu Ming Simon	Interests of a controlled corporation (Note)	-	-	1,797,012,800	-	1,797,012,800	63.84%
	Beneficial Owner	40,728,000	-	-	-	40,728,000	1.45%
Dr KWOK LAW Kwai Chun Eleanor	Interests of a controlled corporation (Note)	-	-	1,797,012,800	-	1,797,012,800	63.84%
	Beneficial Owner	264,000	-	-	-	264,000	0.009%
Mrs LEE LOOK Ngan Kwan Christina	Interests of a controlled corporation	-	-	296,000	-	296,000	0.01%
	Beneficial Owner	2,000,000	-	-	-	2,000,000	0.07%
Professor CHAN Yuk Shee	Beneficial Owner	2,300,000	-	-	-	2,300,000	0.08%
Ms TAM Wai Chu Maria	Beneficial Owner	2,000,000	-	-	-	2,000,000	0.07%

Note: These shares are held as to 1,393,560,000 shares by Sunrise Height Incorporated and as to 403,452,800 shares by Green Ravine Limited. Both Sunrise Height Incorporated and Green Ravine Limited are owned as to 50% each by Dr KWOK Siu Ming Simon and Dr KWOK LAW Kwai Chun Eleanor.

Details of the interests of Directors and chief executive in the derivatives interests in the Company for the year ended 31 March 2012 are disclosed in the Share Options section on page 123 of this report.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(II) Long position in the shares, underlying shares and debentures of associated corporations

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

Dr KWOK Siu Ming Simon

Name of associated corporation	Capacity	Number of Deferred Shares in the associated corporation				Total interests	Percentage of shareholding to all the Deferred Shares of associated corporation
		Personal interests	Family interests	Corporate interests	Other interests		
Base Sun Investment Limited	Interests of a controlled corporation (Note 1)	–	–	2	–	2	100%
Matford Trading Limited	Beneficial Owner (Note 2)	3	–	–	–	3	50%
Sa Sa Cosmetic Company Limited	Beneficial Owner	1	–	–	–	1	50%
Sa Sa Investment (HK) Limited	Beneficial Owner	1	–	–	–	1	50%

Dr KWOK LAW Kwai Chun Eleanor

Name of associated corporation	Capacity	Number of Deferred Shares in the associated corporation				Total interests	Percentage of shareholding to all the Deferred Shares of associated corporation
		Personal interests	Family interests	Corporate interests	Other interests		
Base Sun Investment Limited	Interests of a controlled corporation (Note 1)	–	–	2	–	2	100%
Matford Trading Limited	Beneficial Owner (Note 3)	3	–	–	–	3	50%
Sa Sa Cosmetic Company Limited	Beneficial Owner	1	–	–	–	1	50%
Sa Sa Investment (HK) Limited	Beneficial Owner	1	–	–	–	1	50%
Vance Trading Limited	Beneficial Owner	1,600,000	–	–	–	1,600,000	100%

Report of the Directors

(II) Long position in the shares, underlying shares and debentures of associated corporations (continued)

Notes:

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

Save as disclosed above, no Director or chief executive has any interests or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to be have under such provisions), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' benefits from rights to acquire shares or debentures

Save as disclosed under the Share Options section on page 123, at no time during the year was the Company, its holding company or its subsidiaries or a subsidiary of the Company's holding company, a party to any arrangements which enabled the Directors of the Company (including their spouses or children under 18 years of age), to acquire benefits by means of acquisition of shares in or debenture of the Company or any other body corporate.

INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF SHAREHOLDERS

So far as is known to any Director or chief executive of the Company, as at 31 March 2012, shareholders, other than a Director or chief executive, who had interests and short positions in the shares and underlying shares of the Company which would have to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions), or which were recorded in the register of interests required to be kept by the Company under Section 336 of the SFO are as follows:

Long position of substantial shareholders in the shares of the Company

Name of company	Capacity	No. of shares held	Approximate percentage of shareholding
Sunrise Height Incorporated	Beneficial owner	1,393,560,000 (Note)	49.51%
Green Ravine Limited	Beneficial owner	403,452,800 (Note)	14.33%

Note: Both Sunrise Height Incorporated and Green Ravine Limited are owned as to 50% each by Dr KWOK Siu Ming Simon and Dr KWOK LAW Kwai Chun Eleanor.

Save as disclosed above, the Company has not been notified by any person (other than the Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would have to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions), or which were recorded in the register of interests required to be kept by the Company under Section 336 of the SFO.

CONTRACTS OF SIGNIFICANCE

No contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any Director is or was materially interested, either directly or indirectly, subsisted during or at the end of 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.

CONNECTED TRANSACTIONS

During the year, there were no connected transactions or continuing connected transactions that were not exempted under the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITOR

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

By Order of the Board
KWOK Siu Ming Simon
Chairman and CEO

Hong Kong, 15 June 2012