金源 米業

GOLDEN RESOURCES
DEVELOPMENT INTERNATIONAL LIMITED
(Stock Code: 677)
Incorporated in Bermuda with Limited Liability

2021
ANNUAL REPORT

CIRCLE K
Vietnam 越南

Ready in 2 Mins

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Laurent LAM Kwing Chee *(Chairman)*
Anthony LAM Sai Ho *(Vice Chairman and Chief Executive Officer)*
LAM Sai Mann
Morna YUEN Mai-tong
TSANG Siu Hung

Non-executive Director

Dennis LAM Saihong

Independent Non-executive Directors

Joseph LAM Yuen To
Michael YU Tat Chi
Ronald YAN Mou Keung

COMPANY SECRETARY

CHEUK Yuk Lung

AUDITOR

HLM CPA Limited
Certified Public Accountants

PRINCIPAL BANKER

The Hongkong & Shanghai Banking Corporation 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
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Golden Resources 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

CHAIRMAN STATEMENT

On behalf of Golden Resources, I would like to present our Group's final results for the year ended 31st March, 2021. The Group's net profits after tax amounted to HK$40.2 million, when compared with a net loss of HK$22.6 million last year.

For the year under review, the outbreak of COVID-19 pandemic battered the global economy. Retail business was hit and the markets shrank. Inevitably, the performance of the Group's convenience store business in Vietnam has been affected by the decline in foot traffic and tourism due to the pandemic, especially in the first half of the financial year. Sales and marketing strategies were adjusted to account for the changing business landscape so as to drive business and mitigate the adverse effect of the pandemic. In spite of the challenges, the Group continues to make every effort to develop business growth for future sustainable development. The Group is confident on the business development of our convenience store business in Vietnam in the long term. As at year end, the Group operates 399 stores covering 7 major cities in the country.

Our Hong Kong rice business performed steadily for the year under review. As rice is the key and staple food in our daily meals, we are committed to securing stable supply of rice to fulfil our social responsibility. To preserve steady supply, we have put up additional resources in supply chain management to avoid disruption of rice supply to customers. To protect against pandemic, we have carried out rigorous series of preventive measures on cleaning and sanitization to safeguard the health and safety of the workplace and the employees. The Group continues to broaden rice product spectrum and launch new healthy products so as to meet the growing demand for the healthy food.

As of 31st March, 2021, the Group had a net cash and bank balances of HK$463 million. With strong balance sheet and prudent treasury management, the Group is well poised to pursue any investment opportunities which will add value to the shareholders in the long term.

On behalf of the Board, I would like to express my heartfelt appreciation to all our staffs for taking care of the daily needs of our customers and communities, in Hong Kong and Vietnam.

FINAL DIVIDEND

The Directors have resolved to recommend the payment of a final dividend of HK1.2 cents per share (2020: HK1.2 cents per share) for the year ended 31st March, 2021 to the shareholders on the Register of Members of the Company at the close of business on Friday, 3rd September, 2021. Together with the interim dividend of HK1.1 cents per share paid on Wednesday, 6th January, 2021, the total dividends for the year ended 31st March, 2021 will be HK2.3 cents per share (2020: HK2.3 cents per share).

Subject to the approval of shareholders at the forthcoming annual general meeting to be held on Monday, 30th August, 2021, the final dividend will be paid to the shareholders on or about Friday, 17th September, 2021.

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 Tuesday, 24th August, 2021 to Monday, 30th August, 2021, 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 Monday, 23rd August, 2021 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 in Hong Kong, Tricor Standard Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. (Hong Kong time) on Monday, 23rd August, 2021.

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 Wednesday, 1st September, 2021. The Company's shares will be traded ex-entitlement on Thursday, 2nd September, 2021.

The record date for the entitlement to the final dividend is at 4:30 p.m. (Hong Kong time) on Friday, 3rd September, 2021. 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 in Hong Kong, Tricor Standard Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. (Hong Kong time) on Friday, 3rd September, 2021. The final dividend will be paid on or about Friday, 17th September, 2021.

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, 2021.

On behalf of the Board

Laurent LAM Kwing Chee
Chairman
Hong Kong, 28th June, 2021

OUR COMPANY

OUR VISION

We want our company to be the first and only choice in all our current and new businesses in the selected markets.

OUR MISSION

Our purpose is to deliver respected products to our customers with professionalism and integrity in all aspects of our operations and business conduct.

We strive shareholder value by making Golden Resources Group a truly sustainable company, a company we all take pride to work with.

REPORT OF THE DIRECTORS

The Directors present their annual report and the audited consolidated financial statements for the year ended 31st March, 2021.

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, operation of convenience stores, securities investment, property investment 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

During the year under review, business environment remained challenging amid the fallout of COVID-19 pandemic. The Group recorded total revenue of HK$1,614,360,000 for the year ended 31st March, 2021 as compared to HK$1,736,440,000 for last year. Revenue from convenience store operation in Vietnam decreased to HK$829,566,000 in this financial year (2020: HK$879,581,000) on the back of the decline in tourist arrivals and foot traffic in Vietnam under global lockdown. Revenue from rice operation in Hong Kong shrank to HK$781,046,000 in this financial year (2020: HK$852,512,000). The widespread of COVID-19 pandemic, followed by Government measures on social distancing restrictions and dine-in bans, had hard hit the Hong Kong catering industry and inevitably impacted our rice revenue.

Amidst the tough business environment, the Group recorded net profit attributable to shareholders of HK$40,212,000 for the year ended 31st March, 2021, as compared to net loss of HK$22,652,000 for last financial year. Such turnaround from loss to profit was mainly attributable to (i) a net unrealized gain on financial assets at fair value through profit or loss of HK$37,883,000 in this financial year as compared to a net unrealized loss on financial assets at fair value through profit or loss of HK$50,068,000 for last financial year; and (ii) the change to the net profit after tax in this financial year was partially off-set by the increase in operating loss from the convenience store operation in Vietnam as affected by COVID-19 pandemic, including an impairment loss of HK$39,566,000 on right-of-use assets and property, plant and equipment for this financial year.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Convenience Store Operation

For the year under review, the outbreak of COVID-19 pandemic battered the global economy. Retail business was hit and the markets shrank. To staunch the spread of COVID-19 pandemic, Vietnam has suspended the entry of all foreigners since 22nd March, 2020 with exception to diplomats, officials, foreign investors, experts, and skilled workers. Consequently, Vietnam experiences a sharp plummet in tourist arrivals from abroad. The retail industry in Vietnam is heavily battered and convenience store business is deeply hit. Inevitably, the business performance of our Circle K convenience store business in Vietnam was adversely affected with drop in revenue and increase in operating loss. Our convenience store operation segment recorded a net loss of HK$121,760,000 for the year ended 31st March, 2021 (2020: net loss of HK$58,287,000), including an impairment loss of HK$39,566,000 on right-of-use assets and property, plant and equipment for this financial year. The impairment loss provision is measured in accordance with accounting standard HKAS 36 "Impairment of Assets". The carrying amount of the assets is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The estimated recoverable amount of assets was based on value-in-use calculations prepared by an independent valuer, by applying discounted cash flow projections based on internal financial forecasts of our convenience store operation.

To weather the headwinds under COVID-19 pandemic, the Group continued to streamline its convenience store network and operation, and to carry out a series of cost reduction measures. The Group closed overlapping stores in tourist districts, and negotiated for temporary rental concessions and rental reduction upon renewals, in an effort to cut rental costs according to the respective store sales performance and business demand in the districts. The Group implemented effective actions to control operating expenses and enhance productivity.

Looking ahead, the Group believes that with the vaccination program having achieved its intended results, the COVID-19 pandemic will soon be under control and the global economy will steadily recover in the second half of 2021. As we have laid solid foundation in Vietnam, the business development of our Circle K convenience store business will bring long-term value to the shareholders.

Rice Operation

The Group's rice operation in Hong Kong performed steadily for the year under review. The prolonged impact of COVID-19 pandemic, with weak consumer sentiment and stringent government restrictions imposed on catering industry, has posed negative growth to our rice revenue. To meet the challenges, the Group has been implementing proactive initiatives to enhance operation efficiency and improve profitability. To mitigate the potential credit risk amid the weak business environment under COVID-19 pandemic, the Group has enhanced our credit control policies to closely monitor the trade receivable collections and credit status of customers. The Group continued to maintain a low bad debt ratio during the year ended 31st March, 2021 amid the adverse economic environment. The Group has carried out assessment on the recoverability of trade receivables and recognized an expected credit loss provision of HK$166,000 on the trade debtor balance as at year ended 31st March, 2021. Actual amount of bad debt expenses incurred during the year ended 31st March, 2021 amounted to HK$29,000.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Rice Operation *(Continued)*

The Group is committed to serve Hong Kong community with undisturbed supply of staple rice. As part of our Business Continuity Measures under COVID-19 pandemic, we have carried out rigorous series of preventive measures on cleaning and sanitization to safeguard the health and safety of the workplace and the employees. On the operation side, the Group remains focus on stringent cost control and effective procurement strategies. The Group has also broadened rice product spectrum and launched new healthy products so as to meet the growing demand for healthy food and to strive for sustainable profit growth. Rice operation segment recorded profit before taxation of HK$132,210,000 for this financial year, as compared to profit before taxation of HK$112,473,000 for last year.

Looking ahead, with our solid foundation in the rice industry, we are confident that our rice operation will continue to perform satisfactorily with positive growth in the midst of the COVID-19 challenges.

Liquidity and Financial Resources

The Group's financial position remains sound and healthy despite the challenging business environment under COVID-19 pandemic. The Group maintains stable and strong cash inflow with no bank borrowings. As at 31st March, 2021, the Group had cash balance of HK$462,867,000.

With cash and other current assets of HK$904,790,000 as at 31st March, 2021 as well as available banking facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements, as well as to meet the potential future challenges under COVID-19 pandemic.

As at 31st March, 2021, the Group's total current assets and total current liabilities amounted to HK$904,790,000 (2020: HK$766,825,000) and HK$312,309,000 (2020: HK$294,774,000) respectively. Total current assets as at 31st March, 2021 included cash and bank deposits of HK$462,867,000 (2020: HK$265,039,000) and financial assets at fair value through profit or loss of HK$177,300,000 (2020: HK$215,175,000). Total current liabilities included trade creditors of HK$99,128,000 (2020: HK$89,491,000) and current portion of lease liabilities of HK$102,731,000 (2020: HK$102,078,000).

The Group maintains sound liquidity ratio. Current ratio (defined as total current assets over total current liabilities) as at 31st March, 2021 was 2.8 times (2020: 2.6 times). If excluding the current portion of lease liabilities of HK$102,731,000 (2020: HK$102,078,000) recognized under HKFRS 16 "Leases", the current ratio was 4.3 times (2020: 3.9 times).

As at 31st March, 2021, the Group had no bank borrowings and therefore the gearing ratio is nil (defined as bank borrowings over shareholders' equity).

As at 31st March, 2021, the Group recognized total lease liabilities of HK$293,261,000 (2020: HK$300,959,000) under HKFRS 16 "Leases", including current portion of HK$102,731,000 (2020: HK$102,078,000) and non-current portion of HK$190,530,000 (2020: HK$198,881,000). Shareholders' equity amounted to HK$1,170,749,000 as at 31st March, 2021 (2020: HK$1,164,319,000). The ratio of total lease liabilities over shareholders' equity (defined as total lease liabilities over shareholders' equity) as at 31st March, 2021 was 25.0% (2020: 25.8%).

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Liquidity and Financial Resources *(Continued)*

The Group will continue to cautiously manage the Group's net cashflow position and preserve sound and healthy financial position to meet future opportunities and challenges ahead.

Securities Investment

As at 31st March, 2021, the Group held financial assets at fair value through profit or loss of approximately HK$195,161,000 (the "Investments"), particulars of which are set out below:

Equity securities

Stock Code	Name of investee company	Number of shares held	Percentage of share capital owned by the Group %	Investment cost *(Note 1)* *HK$'000*	Market value as at 31st March, 2021 *(Note 1)* *HK$'000*	Percentage to the Group's total assets %	Unrealized gain/(loss) on change in fair value for the year ended 31st March, 2021 *(Note 1)* *HK$'000*	Realized gain on disposal for the year ended 31st March, 2021 *(Note 1)* *HK$'000*	Dividend income received for the year ended 31st March, 2021 *HK$'000*
Listed in Hong Kong									
9988	Alibaba Group Holding Limited	5,940	0.00	1,500	1,307	0.08	(193)		
	Others							1,082	990
Total listed in Hong Kong				**1,500**	**1,307**	**0.08**	**(193)**	**1,082**	**990**
Listed outside Hong Kong									
159901.SZ	E Fund SZSE100 ETF	400,000	0.03	1,477	3,545	0.21	1,230		—
2330.TW	Taiwan Semiconductor Manufacturing Co Ltd	10,000	0.00	456	1,604	0.10	855		21
5930.KS	Samsung Electronics Co., Ltd.	1,870	0.00	771	1,044	0.06	432		10
GOOGL.O	Alphabet Inc Class A	75	0.00	515	1,203	0.07	525		—
MSFT.OQ	Microsoft Corporation	1,670	0.00	1,025	3,062	0.18	1,014		20
AMZN.OQ	Amazon.com, Inc.	56	0.00	800	1,347	0.08	498		—
	Others							561	10
Total listed outside Hong Kong				**5,044**	**11,805**	**0.70**	**4,554**	**561**	**61**
Total listed				**6,544**	**13,112**	**0.78**	**4,361**	**1,643**	**1,051**
Unlisted				**45,652**	**17,861**	**1.06**	**1,657**	**—**	**—**
Total equity securities				**52,196**	**30,973**	**1.84**	**6,018**	**1,643**	**1,051**

Notes:

1. The investment cost, market value as at 31st March, 2021, unrealized gain/(loss) on change in fair value and realized gain on disposal of the Investments in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

Debt securities

During the year ended 31st March, 2021, the Group recorded realized gain on disposal of debt securities of approximately HK$585,000 attributable to those listed in Hong Kong of approximately HK$379,000 and those listed outside Hong Kong of approximately HK$206,000.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Securities Investment *(Continued)*

Other securities

Name of investee company	Investment cost *HK$'000*	Market value as at 31st March, 2021 *HK$'000*	Percentage to the Group's total assets *%*	Unrealized gain on change in fair value for the year ended 31st March, 2021 *HK$'000*	Realized gain on disposal for the year ended 31st March, 2021 *HK$'000*
Goldman Sachs (Asia) L.L.C. *(Note 2)*	69,794	100,346	5.96	16,901	
Morgan Stanley & Co. International plc *(Note 3)*	46,542	63,842	3.79	14,964	
Others					548
Total other securities	**116,336**	**164,188**	**9.75**	**31,865**	**548**

Notes:

2. The Group's investment portfolio in Goldman Sachs (Asia) L.L.C. (the "GS portfolio"), with fair value of HK$100,346,000 as at 31st March, 2021 represented 5.96% of the Group's total assets as at 31st March, 2021. Details of this significant investment are disclosed below as the size of this investment exceeded the 5% threshold under paragraph 32(4A) of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

   The GS portfolio is managed by Goldman Sachs (Asia) L.L.C. (the "manager") for Billion Trade Development Limited, a wholly-owned subsidiary of the Company. The investments in the portfolio are selected based on a global, multi-asset class discretionary separate account strategy of the manager. In this strategy, the manager utilizes its proprietary asset allocation model when setting the long-term strategic asset allocation with a focus on diversification across asset classes and regions. With respect to implementation, the manager draws from a spectrum of solutions to construct a portfolio with investments in mutual funds and exchange traded funds.

   As of 31st March, 2021, the GS portfolio was comprised of cash and cash equivalents (54.4%), in addition to mutual funds and exchange traded funds invested in fixed income (18.1%), equities (23.9%) and other investments (3.6%). The large portfolio cash position is due to the Group's instructions to partially redeem certain positions and hold such cash in September 2020. Over the course of the first quarter, the manager has rebalanced the portfolio to bring about two primary changes. First, the manager has modified select fixed income managers in the investment grade and high yield credit spaces. Second, the relative weight of the manager's US equity allocation has increased.

   Normally, the GS portfolio is long term in nature. However, in the short and medium term the manager may tactically deviate from the strategic allocation when dislocations from long term historical valuations in certain asset classes arise. For the year ended 31st March, 2021, the 12-month period portfolio volatility was 7.32%.

   As the GS portfolio is a diversified multi-asset class portfolio, future risks include most risks that various asset classes face, including market, credit, interest rate, inflation, emerging market, liquidity, FX, real estate, derivatives and counter-party risks.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Securities Investment *(Continued)*

Other securities *(Continued)*

Notes: (Continued)

As global lockdowns brought economic activity to an abrupt halt, second-quarter GDP growth of 2020 turned negative for every one of the 37 countries in the OECD while global GDP for the whole second quarter fell a staggering US$10 trillion last year. However, the initial recovery from the pandemic was as swift as the downturn itself, with every OECD country posting positive quarterly GDP growth in the third quarter.

In the manager's view, this rapid rebound was aided significantly by two factors, both of which bode well for the durability of the recovery. First, the recession was not the result of global economic excesses that take a long time to correct. Second, worldwide policymakers have provided timely fiscal and monetary support to corporates and households. Despite concerns surrounding the pandemic and geopolitics, the manager believes there is a strong case to stay invested in equities. The manager has focused on three key areas: 1) Healthcare, 2) the Economy, and 3) the Markets.

Healthcare

As of 5th April, 2021, 4.9% of the world's population has been fully or partially immunized through vaccinations. Vaccination in the US and the UK has progressed significantly more rapidly relative to members of the Eurozone and the emerging markets. The US and the UK have also started easing their respective mobility restrictions, while many Eurozone members have instead extended or tightened their containment measures.

Although the sensitivity of GDP to mobility restrictions has diminished substantially over time (suggesting increased adaptation), the manager believes the ability to immunize populations against COVID-19 holds the key to a broad-base reopening of the economy. With the US well-placed to have enough vaccine supplies to vaccinate its adult population (estimated at 267 million persons) by the end of second-quarter, this should reflect positively on its economic activity, outperforming its peers.

The Economy

Fiscal support has been unprecedented across major developed markets through the COVID-19 crisis, with particularly sizable stimulus delivered in the US. Following the release of President Biden's US$1.9-trillion "American Rescue Plan", the Administration also recently announced a US$2.3-trillion "American Jobs Plan" that invests about 1% of GDP each year in infrastructure projects over the next eight years. In addition, the Administration has indicated it will soon unveil the "American Families Plan" focusing on supporting the caregiver economy. While the recent announcements included proposals for tax increases, the manager does not believe they will derail the economic recovery.

Accommodative fiscal and monetary policies, alongside with contained inflation and low recession risks, are likely to continue to support above-trend growth in most economies as they recover from the pandemic-induced recession. Based on the manager's forecast, the US will likely be the only developed market economy whose year-end GDP will be higher than pre-pandemic levels.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Securities Investment *(Continued)*

Other securities (Continued)

Notes: (Continued)

The Markets

High valuations, coupled with the prospect of higher taxes and rising interest rates, have led some investors to worry about an equity bubble amid the pullback seen in the first quarter. However, considering the normalcy of equity pullbacks – historically the S&P 500 has had 1.5 pullbacks of 5% or more per year – the manager believes the inevitability of occasional pullbacks does not construct a good reason to underweight equities.

More importantly, the odds of a positive one-year S&P 500 total return when the economy is expanding is 87% since 1945. Furthermore, the past four economic expansions have been associated with sizable cumulative equity gains with median gain at 403%, implying ample upside despite the over 80% equity rally from last year's March low.

Risks to the manager's outlook include the worsening of the global pandemic including the emergence of new virus strains, the disruption to vaccine rollouts, tension in US-China relations, domestic policies and geopolitical risks to name a few.

Nonetheless, the manager believes investors should focus on the fundamentals of the economy and resiliency of US corporations and institutions. Given that we are likely already in the nascent stage of a multiple-year economic expansion, the manager expects equities to deliver mid-single-digit annualized returns that are superior to those of cash and bonds over the foreseeable future. With that, the manager recommends staying invested.

For the year ended 31st March, 2021, the GS portfolio recorded approximately 21% growth from HK$83,209,000 as at 31st March, 2020 to HK$100,346,000 as at 31st March, 2021. The growth is largely driven by marked-to-market fair value changes on the investment portfolio as at 31st March, 2021, including a reversal of the unrealized revaluation loss previously recognized at last year ended 31st March, 2020. The Group has not made any additional fund injection into the GS portfolio during the year ended 31st March, 2021.

The Group continues to adopt prudent investment strategy to manage liquid investment portfolio under the backdrop of COVID-19 pandemic. The investment strategy of GS portfolio aligned with the Group investment strategy. The GS portfolio had realized part of the portfolio assets to increase cash holdings and reduce portfolio volatility amid the global market uncertainty.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Securities Investment *(Continued)*

Other securities (Continued)

Notes: (Continued)

3. To the best of the Director's knowledge, information and belief having made all reasonable enquiries, the discretionary portfolio strategy with Morgan Stanley & Co. International plc (the "MS portfolio") is constructed based on a top-down approach that focuses on asset class, region/country, sector, investment's theme and style selection, as opposed to individual security selection (the "MS Strategy").

   The MS Strategy is dynamically managed to provide a balanced allocation taking into account longer-term strategic views, while tactical views are deployed to address shorter term macro-economic and cyclical events.

   The MS Strategy's investment objective is to provide a global asset allocation that seeks to achieve long-term capital appreciation over time by gaining exposure to a diversified range of asset classes, geographical markets, sectors and investment styles, primarily through funds, including exchanged traded funds, traditional funds and more sophisticated equity, fixed income, multi-asset class or alternative investment-linked funds.

   As at 31st March, 2021, the MS portfolio comprised 6% cash or cash equivalents, 24% fixed income funds, 60% equity funds (in the United States, Europe, Japan, Asia Pacific ex Japan and emerging markets) and the remaining 10% alternative strategies (which may, from time to time, include hedge funds, commodities, real estate). The 3-month period and 12-month period annualized portfolio volatility of the MS Strategy were 8.65% and 8.76% respectively.

   At this point, the bullish narrative of a fading pandemic, reopening economy and plenty of stimulus is very much the consensus view. That doesn't make it wrong, but markets are discounting machines and may already reflect the speed and scope of recovery. So far in 2021, equity markets have continued to advance but with sharp rotations that have left many investors upside down like those who choose to run with the bulls in Spain every year. As the economy actually reopens, the manager is likely to see consumers behave the same way investors have for the past year.

   Since it's much easier to turn off an economy than it is to start it up, some consumers and businesses are likely to be stampeded as many investors have been this year as we experience higher costs or missed sales altogether. Furthermore, we are now at the anniversary of last year's recession trough, and marking the peak 12-month rate of change in many key variables we monitor. Typically, a rollover in the growth rate of such variables has a negative effect on asset prices even though it may be far from the end of the economic cycle. Instead, it's the normal transition from early-cycle to mid-cycle leadership we see at this stage of any recovery.

   The manager thinks this economic cycle will be shorter than the prior two expansions for several reasons. To start with, the last three cycles were exceptionally long in duration, roughly 10 years. This was a product of below-trend growth and inflation. These conditions allowed the Federal Reserve to remain accommodative for longer. Due to the extraordinary fiscal support and potential supply shortages, this time the manager expects better above-trend growth and inflation. This means the Fed may need to respond with tighter policy sooner than normal. Next, real investment has been absent for the past few decades as companies outsourced production and focused on cost-cutting and financial engineering to enhance shareholder value. The pandemic has exposed the flaws of such a strategy, and that means a higher-velocity economy that is prone to more frequent booms and busts; in other words, shorter cycles.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Securities Investment *(Continued)*

Other securities *(Continued)*

Notes: (Continued)

The good news is that this can still be a rewarding investment environment if one is willing to be more tactical and flexible. In the near term, the manager is recommending investors upgrade their portfolios with higher-quality stocks that can better manage increasing costs and supply shortages. Two sectors that look more attractive in this context are real estate investment trusts and health care.

For the year ended 31st March, 2021, the MS portfolio recorded approximately 31% growth from HK$48,740,000 as at 31st March, 2020 to HK$63,842,000 as at 31st March, 2021. The growth is largely driven by marked-to-market fair value changes on the investment portfolio as at 31st March, 2021, including a reversal of the unrealized revaluation loss previously recognized at last year ended 31st March, 2020. The Group has not made any additional fund injection into the MS portfolio during the year ended 31st March, 2021.

The Group continues to adopt prudent investment strategy to manage liquid investment portfolio under the backdrop of COVID-19 pandemic.

Save as the Investments as set out in the tables above, the Group did not hold any other significant investments during the year ended 31st March, 2021.

Investment strategy

The investment strategy is to adopt prudent and liquid investment management so as to pursue a well-balanced and diversified investment portfolio that seeks to achieve long-term capital appreciation and stable investment return for the Group.

During the year ended 31st March, 2021, the Group recorded total gain on financial assets at fair value through profit or loss of approximately HK$40,659,000, attributable to unrealized gain of approximately HK$37,883,000 and realized gain of approximately HK$2,776,000. Dividend income received from financial assets at fair value through profit or loss amounted to approximately HK$1,051,000 during the year. The amounts of financial assets at fair value through profit or loss acquired during the year amounted to approximately HK$181,672,000, including 10 additions of wealth management products in the amount of HK$9,190,000 to HK$20,286,000 for each addition. The amounts of financial assets at fair value through profit or loss disposed during the year amounted to approximately HK$256,431,000, including 10 disposals of wealth management products upon maturity for the amount of HK$9,190,000 to HK$20,286,000 for each disposal.

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 six consecutive years since 2014-2015 the "Good MPF Employer" and "MPF Support Award" by the Mandatory Provident Fund Schemes Authority. The Group was also awarded "Caring Company" Logo from 2017 to 2021 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.

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, 2021, 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 Affordable Rice Campaign held by Goods Co-Share, 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)*
Mr. Anthony LAM Sai Ho *(Vice Chairman and Chief Executive Officer)*
Madam LAM Sai Mann
Ms. Morna YUEN Mai-tong
Mr. TSANG Siu Hung

Non-executive Director

Mr. Dennis LAM Saihong

Independent Non-executive Directors

Mr. Joseph LAM Yuen To
Mr. Michael YU Tat Chi
Mr. Ronald YAN Mou Keung

DIRECTORS *(Continued)*

In accordance with bye-law 99(A) of the Company's Bye-Laws, Madam LAM Sai Mann, Mr. TSANG Siu Hung and Mr. Ronald YAN Mou Keung, will retire from office by rotation 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 Rules Governing the Listing of Securities (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. Ronald YAN Mou Keung 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, aged 74, Chairman of the Company. Mr. Lam graduated from the Eastern Illinois University, U.S.A. with a bachelor degree in Economics and History. After graduation in 1971, Mr. Lam established a company to manufacture fiberglass products and a direct marketing business in Hong Kong. Mr. Lam joined the Group in 1982 with responsibility in Product Marketing Strategy and Business Development. He has extensive business experience in the property development and investment in Hong Kong, North America and Asian countries. Mr. Lam was the co-founder of the Golden Resources Group, listed in The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 1991. After election as the Chairman of the Board in 2016, he took the integral part to oversee and renew strategic plan to strengthen the Group rice business and continue driving the expansion of Circle K convenience stores in Vietnam. Currently Circle K is the market leader of convenience stores in Vietnam in terms of store number and brand awareness. When he is not managing his business and supporting his Chief Executive Officer, he is engaging in local charity boards and spending time with his family. Mr. Lam is married with 2 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, aged 54, Vice Chairman and 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 holds an Executive Master of Business Administration degree from the City University of Hong Kong. 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 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, aged 46, Executive Director of the Company. She 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 has extensive professional experience in operation and management of catering business. 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, aged 42, Executive Director of the Company. She 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. 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 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.

TSANG Siu Hung, aged 66, Executive Director of the Company and Finance Director of the Group. He holds a bachelor degree in Accountancy and is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He joined the Group in 1985. Mr. Tsang has extensive professional experience in finance, accounting and auditing fields.

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

1. Directors *(Continued)*

Dennis LAM Saihong, aged 41, Non-executive Director of the Company. He is currently the Managing Director of S1R Capital. Mr. Lam has over 19 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 is currently a CFA charterholder and a certified Financial Risk Manager (FRM). Mr. Lam 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 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, aged 55, Independent Non-executive Director of the Company. He 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. Mr. Lam 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.

Michael YU Tat Chi, aged 56, Independent Non-executive Director of the Company. He 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. Mr. Yu 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 was appointed as an Independent Non-executive Director of Applied Development Holdings Limited (a listed company in Hong Kong, stock code: 519) on 14th September, 2016, China Netcom Technology Holdings Limited (a listed company in Hong Kong, stock code: 8071) on 31st August, 2017, Lerado Financial Group Company Limited (a listed company in Hong Kong, stock code: 1225) on 6th February, 2018 and Unity Investments Holdings Limited (a listed company in Hong Kong, stock code: 913) on 17th August, 2020 respectively. Mr. Yu was appointed as an Independent Non-executive Director of EVOC Intelligent Technology Company Limited (a listed company in Hong Kong, stock code: 2308) on 30th May, 2016 and has resigned on 21st May, 2021.

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

1. Directors *(Continued)*

Ronald YAN Mou Keung, aged 66, Independent Non-executive Director of the Company. He has more than 28 years of experience in running retail fashions and had been an executive director and an operations director of a men's fashion retail chain. He had extensive experience in developing and promoting of brands, marketing and apparel distribution in fashion business. Mr. Yan is the Vice Chairman of Yau Tsim Mong "No-drug" Alliance Steering Committee, Chairman of Yau Tsim Mong South Area Committee and observer of Independent Police Complaints Council. Mr. Yan was awarded the Chief Executive's Commendation for Community Service on 1st July, 2016.

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 40 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 30 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 40 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 25 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, 2021, 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

	Number of ordinary shares beneficially held in the Company			
Name of director	**Personal interests**	**Corporate interests**	**Total interests**	**Approximate percentage of the issued share capital of the Company**
Mr. Laurent LAM Kwing Chee	16,602,000	14,700,000	31,302,000 *(Note 1)*	1.84%
Mr. Anthony LAM Sai Ho	—	22,050,000	22,050,000 *(Note 2)*	1.29%
Madam LAM Sai Mann	6,250,000	82,771,000	89,021,000 *(Note 3)*	5.24%
Mr. Dennis LAM Saihong	25,250,000	50,000,000	75,250,000 *(Note 4)*	4.43%
Mr. TSANG Siu Hung	2,500,000	—	2,500,000	0.14%

Notes:

1. These 31,302,000 shares are held by Mr. Laurent LAM Kwing Chee, a Director of the Company as beneficial owner in respect of 16,602,000 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.

2. These 22,050,000 shares are held by Mr. Anthony LAM Sai Ho, a Director of the Company as corporate interests: (i) 7,350,000 shares are held by Great Avenue Group Limited, a company which is 40% owned by Mr. Anthony LAM Sai Ho; and (ii) 14,700,000 shares are held by Elite Solution Investments Limited, a company which is 50% owned by Mr. Anthony LAM Sai Ho.

3. 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.

4. 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.

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

Long positions *(Continued)*

(b) 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 Development Limited	Interest in controlled corporation	260,000 *(Note)*
Mr. Anthony LAM Sai Ho	Yuen Loong & Company Limited	Interest in controlled corporation	13,000 *(Note)*

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.

(c) 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 *(Note)*

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.

Save as disclosed above, as at 31st March, 2021, 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 29 to the financial statements.

During the year ended 31st March, 2021, 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 29 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 A JOINT VENTURE

Details of the Company's principal subsidiaries and of the Group's principal associates and a joint venture at 31st March, 2021 are set out in notes 32, 16 and 17 to the financial statements respectively.

RESULTS AND APPROPRIATION

The results of the Group for the year ended 31st March, 2021 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 58 to 140.

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 Friday, 3rd September, 2021 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 31 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 142 of the annual report.

INVESTMENT PROPERTIES

The Group revalued all of its investment properties at 31st March, 2021. The revaluation surplus of HK$7,480,000 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 12 to the financial statements.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 28 to the financial statements.

DISTRIBUTABLE RESERVES

As at 31st March, 2021, 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$269,001,000.

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 36 to the financial statements.

DISCLOSEABLE TRANSACTION AND EVENT AFTER THE REPORTING PERIOD

On 26th March, 2021, Supreme Development Company Limited ("Supreme Development"), a company beneficially owned as to approximately 41.16% by the Company, entered into the Share Buy-back Agreement with Sojitz (Hong Kong) Limited ("SJHK") and Sojitz Pla-Net Corporation ("SPNC"), pursuant to which Supreme Development conditionally agreed to buy back 3,501,350 Supreme Development's shares and 1,500,150 Supreme Development's shares (representing approximately 23.34% and 10% of the total number of issued shares of Supreme Development respectively) from SJHK and SPNC respectively at a total consideration of HK$27,505,500 ("the Share Buy-Back"). The consideration was determined with reference to the consolidated net assets of Supreme Development and its subsidiaries ("the Supreme Group") and represented an approximately 28.6% discount to the consolidated net assets of the Supreme Group.

The Share Buy-back transaction is deemed to be an acquisition by the Company as the Group's percentage shareholding in Supreme Development will increase from approximately 41.16% to 61.75% upon completion. As the highest of the applicable percentage ratios in respect of the deemed acquisition exceeds 5% but is less than 25%, the deemed acquisition constitutes a discloseable transaction under Chapter 14 of the Listing Rules.

The Share Buy-Back of Supreme Development completed on 15th April, 2021. Prior to the completion, the Supreme Group was accounted for in the Company's consolidated financial statements as Interest in Associate by using equity method of accounting. After completion, Supreme Group has become non-wholly owned subsidiaries of the Company and its financial results are consolidated into the Group's consolidated financial statements.

Supreme Group is principally engaged in the business of manufacturing and sale of tubular and plastic bags. As the consideration for the Share Buy-back represented a discount to the consolidated net assets of the Supreme Group, the Company considers that it provides the Group with a good opportunity to increase its percentage equity interest in the Supreme Group to enable the Group to benefit from the improvement in the business of the Supreme Group.

CONNECTED TRANSACTION

On 15th April, 2019, Affluent Woods Limited ("Affluent Woods"), an indirect wholly-owned subsidiary of the Company, entered into a joint venture agreement with S.F. Express (Overseas) Limited ("SF Overseas") to establish a joint venture to provide Logistics Solutions in Vietnam ("JV Agreement"). A joint venture company ("JV Company") was incorporated in the Republic of Singapore on 28th January, 2019 and was owned as to 61% by Affluent Woods and the remaining 39% by SF Overseas.

On 15th May, 2020, Affluent Woods entered into a termination agreement with SF Overseas to terminate the JV Agreement. On the same date, Affluent Woods entered into a share sale and purchase agreement, pursuant to which, Affluent Woods acquired from SF Overseas its entire 39% shareholding interest in the JV Company at Singapore dollar $39. After completion, the JV Company becomes a wholly owned subsidiary of the Group.

SF Overseas is a connected person of the Company at the subsidiary level by virtue of its 39% shareholding interests in the JV Company. Accordingly, the transactions involving SF Overseas constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

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, 2021, 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, 2021.

MAJOR CUSTOMERS AND SUPPLIERS

For the financial year ended 31st March, 2021, the five largest customers of the Group accounted for approximately 28% by value of the Group's revenue and the five largest suppliers accounted for approximately 37% by value of the Group's total purchases. Approximately 13% of the Group's revenue and approximately 16% 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.

MAJOR CUSTOMERS AND SUPPLIERS *(Continued)*

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.

SUBSTANTIAL SHAREHOLDERS

As at 31st March, 2021, 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** *(Note 1)*	**Approximate percentage of the issued share capital of the Company**
Yuen Loong International Limited ("Yuen Loong")	548,052,026	32.28% *(Note 2)*
Chelsey Developments Ltd. ("Chelsey")	252,240,000	14.86% *(Note 2)*

Notes:

1. These shares represent long positions.

2. 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. 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.

Save as disclosed above, as at 31st March, 2021, 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 and Corporate Governance Report (the "Code") contained in Appendix 14 to the Listing Rules on the Stock Exchange during the year ended 31st March, 2021.

Details of the Company's corporate governance practices are set out in the Corporate Governance Report on pages 29 to 42 of this annual report.

NET ASSET VALUE

The net asset value of the Group as at 31st March, 2021 was HK$0.69 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$595,000.

EMPLOYEES AND REMUNERATION POLICY

The total number of employees for the Group is about 3,730.

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.

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

A resolution will be submitted to the forthcoming annual general meeting to re-appoint HLM CPA Limited as the auditor of the Company.

On behalf of the Board

Anthony LAM Sai Ho
Vice Chairman and Chief Executive Officer

Hong Kong, 28th June, 2021

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 code provisions in the Code as set out in Appendix 14 to the Listing Rules as its own code on corporate governance. The Company has complied with the Code throughout the year ended 31st March, 2021.

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 10 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, 2021.

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, 2021 and up to the date of this report were:

Executive Directors

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

Non-executive Director

Mr. Dennis LAM Saihong

Independent Non-executive Directors

Mr. Joseph LAM Yuen To
Mr. Michael YU Tat Chi
Mr. Ronald YAN Mou Keung

Mr. Laurent LAM Kwing Chee, Chairman of the Company, is the uncle of Mr. Anthony LAM Sai Ho, Vice Chairman and 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 18 to 21 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, 2021, 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 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 Chief Executive Officer and the senior management.

The Board held four regular board meetings at approximately quarterly interval during the year ended 31st March, 2021. 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.

During the year ended 31st March, 2021, 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 Number of Attendance/ Number of Meeting Held	General Meeting Number of Attendance/ Number of Meeting Held
Executive Directors		
Mr. Laurent LAM Kwing Chee *(Chairman)*	4/4	1/1
Mr. Anthony LAM Sai Ho *(Vice Chairman and Chief Executive Officer)*	4/4	1/1
Madam LAM Sai Mann	4/4	1/1
Ms. Morna YUEN Mai-tong	4/4	1/1
Mr. TSANG Siu Hung	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. Ronald YAN Mou Keung	4/4	1/1

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, 2021, 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 B.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, 2021 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.

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; and

— 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.

The Remuneration Committee held one meeting during the year ended 31st March, 2021. The attendance of each member was as follows:

Name of Director	**Number of Attendance/ Number of Meeting Held**
Mr. Michael YU Tat Chi *(Chairman of the Remuneration Committee)*	1/1
Mr. Laurent LAM Kwing Chee	1/1
Mr. Joseph LAM Yuen To	1/1
Mr. Ronald YAN Mou Keung	1/1

During the year ended 31st March, 2021, the summary of work performed by the Remuneration Committee was as follows:

— reviewed the remuneration policy for 2020/2021;

— 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, 2021 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. The Nomination Committee will review the Policy, as appropriate, to ensure the effectiveness of the Policy.

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.

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, 2021. The attendance of each member was as follows:

Name of Director	**Number of Attendance/ Number of Meeting Held**
Mr. Laurent LAM Kwing Chee *(Chairman of the Nomination Committee)*	1/1
Mr. Joseph LAM Yuen To	1/1
Mr. Michael YU Tat Chi	1/1
Mr. Ronald YAN Mou Keung	1/1

During the year ended 31st March, 2021, the summary of work performed by the Nomination Committee was as follows:

— reviewed the appointment of Executive Director and Non-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, 2021 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.

The Audit Committee held two meetings during the year ended 31st March, 2021. 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 *(Chairman of the Audit Committee)*	2/2
Mr. Michael YU Tat Chi	2/2
Mr. Ronald YAN Mou Keung	2/2

During the year ended 31st March, 2021, the summary of work performed by the Audit Committee was as follows:

— review of the financial statement for the year ended 31st March, 2020 and for the six months ended 30th September, 2020;

— 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 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, 2021. The attendance of each member was as follows:

Name of Director	**Number of Attendance/ Number of Meeting Held**
Mr. Laurent LAM Kwing Chee *(Chairman)*	1/1
Mr. Anthony LAM Sai Ho *(Vice Chairman and Chief Executive Officer)*	1/1
Madam LAM Sai Mann	1/1
Ms. Morna YUEN Mai-tong	1/1
Mr. TSANG Siu Hung	1/1
Mr. Dennis LAM Saihong	1/1
Mr. Joseph LAM Yuen To	1/1
Mr. Michael YU Tat Chi	1/1
Mr. Ronald YAN Mou Keung	1/1

During the year ended 31st March, 2021, 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 2020/2021;

— 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 2020/2021.

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, 2021, 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 ended 31st March, 2021, the total audit fee of the Group amounted to approximately HK$1,266,000. Non-audit service fee for the year amounted to approximately HK$28,000.

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 52 to 57 of this annual 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.

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, 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 New 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 11/F., Golden Resources Centre, 2-12 Cheung Tat Road, Tsing Yi Island, New Territories, 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 11/F., Golden Resources Centre, 2-12 Cheung Tat Road, Tsing Yi Island, New Territories, 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.

(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 11/F., Golden Resources Centre, 2-12 Cheung Tat Road, Tsing Yi Island, New Territories, 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 11/F., Golden Resources Centre, 2-12 Cheung Tat Road, Tsing Yi Island, New Territories, Hong Kong.

COMMUNICATION WITH SHAREHOLDERS

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 annual general meeting ("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 11/F., Golden Resources Centre, 2-12 Cheung Tat Road, Tsing Yi Island, New Territories, Hong Kong.

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. The AGM notice is sent to shareholders at least 20 clear business days 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.

In order to enable shareholders to make the most informed investment decisions, a Shareholders' Communication Policy is established to ensure that shareholders are provided a true and fair view of the Company.

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 27 to the Listing Rules to disclose the Group's performance in environmental, social and governance aspects for the reporting period from 1st April, 2020 to 31st March, 2021. Policies, statements and information set forth in this report cover the relevant operations of the Group's headquarter building, Golden Resources Centre, situate at Tsing Yi Island under its 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 its financial performance but also to implementing various policies and measures to increase its efforts in environmental protection, fulfill its social responsibilities and enhance its governance.

A. ENVIRONMENTAL

A1 EMISSION

The Group is engaged in rice processing, packaging and retailing business which may generate waste due to the business nature. The Group will exercise stringent management of emission and other environmentally harmful substances during our productions and operations, which will minimize or eliminate environmental impacts.

Due to our business nature, no emissions of significant impact to the environment were produced by the Group. The main emissions include: air emissions produced in using gasoline-powered vehicles, liquefied petroleum gas forklift trucks, greenhouse gases ("GHG") indirectly produced in consuming electricity, and sewage and solid waste. 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 are discharged via local pipelines and treated at sewage treatment plants.

GREENHOUSE GAS EMISSION

Scopes of greenhouse gas emission	Sources	Emissions* (tonnes of CO_2e)
Scope 1 direct emission	Lead-free gasoline, diesel and liquefied petroleum gas consumed by self-owned vehicles and forklift trucks and air-conditioning equipment	182.60
Scope 2 indirect emission	Electricity consumption	2,495.10
Total		2,677.70
Total GHG Intensity (tonnes of CO_2e/tonne of production)		0.0363

* The GHG is calculated according to the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 edition)" jointly published by Environmental Protection Department and the Electrical and Mechanical Services Department.

A. ENVIRONMENTAL *(Continued)*

A1 EMISSION *(Continued)*

Direct carbon emission of the Group comes from lead-free gasoline, diesel and liquefied petroleum gas consumed when driving our self-owned vehicles, forklift trucks and air-conditioning equipment. To reduce carbon emissions, our employees are encouraged to take public transportation or carpooling. The Group has adopted electronic office system to convene meetings by mean of electronic device such as Skype in order to reduce unnecessary business trips to the greatest extent. The Group strives to minimize the carbon emission produced from liquefied petroleum gas forklift trucks during its production process by using Battery Electric forklift trucks gradually and installing filtering devices to purify the waste gas.

Indirect carbon emission of the Group which are indirectly discharged from electricity consumption by the production activities and management offices of the Group's headquarter. The Group has, in the course of day-to-day management, required its procurement department to prioritize efficient energy-saving products, such as energy-saving motors, energy-saving lamps, energy-saving air conditioners, etc. when purchasing electronical appliance. Moreover, the production machineries and the electronical appliance, including lighting, computers and printers shall be completely turned off when they are not in use for the purpose of energy saving and emission reduction.

HAZARDOUS AND NON-HAZARDOUS WASTES

The Group's operational activities do not generate any hazardous waste. Our source of non-hazardous waste is the general waste from office and production operations.

Non-hazardous Wastes

During the reporting period, the Group's non-hazardous wastes were as follows:

Type of waste	**Tonne**
Copy paper	4.09
Paper for packaging	3.36
Woven bags	207.44
Lubricant oil	0.15
Total	215.04
Total Non-hazardous waste Intensity (kg/tonne of production)	2.91

A. ENVIRONMENTAL *(Continued)*

A1 EMISSION *(Continued)*

The Group strives to minimize the environmental impacts by implementing a variety of waste reduction measures as follows:

Plastic Packaging Material

The major plastic waste are the woven bags used for raw rice packaging. The Group strives to reduce woven bags plastic waste and so they are stored and collected by third parties for recycling use.

Recyclable Waste

Recyclable waste such as lubricant oil is handled and stored with due care and collected by third parties for recycling in accordance with relevant laws and regulations.

Paper Saving

We encourage our employees to reduce their paper use by setting double-sided printing mode, suitable font size and shrinkage mode to maximize the utilization of paper consumed. We also promote communication by electronic means as much as possible to lower our paper consumption. Furthermore, employees are encouraged to reuse the stationery, envelopes and other materials.

Green Pantry

Reusable glass cups, instead of paper cups, are provided to reduce paper cups consumption. Green cleaning products, including refillable soaps, are used.

A2 USE OF RESOURCES

The major resources used by the Group are paper, purchased electricity and water consumed in offices and production lines and packaging materials used for processed rice products.

Use of Resources

Energy Usage	Consumption Volume
Liquefied petroleum gas	24,872 liter
Lead-free gasoline	28,628 liter
Diesel	3,547 liter
Purchased electricity	4,620,550 Kilowatt-hour

A. ENVIRONMENTAL *(Continued)*

A2 USE OF RESOURCES *(Continued)*

Energy Consumption

The major sources of energy consumption are the fuel consumed by vehicles and machineries, and electricity used in offices and production lines. In order to reduce the energy consumption, the Group's employees have kept the use of resources to a minimum through various green practices as follows:

1. Employees are encouraged to take public transportation or carpooling.

2. To convene meetings by mean of electronic device such as Skype in order to reduce unnecessary business trips.

3. Use of energy-efficient lights and electrical appliances in office and workplace by installing LED lighting at the whole building.

4. Optimally controlling the thermostat settings of air conditioning systems to maintain suitable indoor temperature.

5. Turn off the electricity equipment when it is not being used and switch the lights off during lunch hours and non-office hours.

6. Enable the "Standby" or "Sleep" mode of personal computers.

Water Consumption

During the reporting period, the total water consumption was 4,045.50m^3. Water consumption intensity (m^3/tonne of production) was 0.0548.

Water is another important resource used by the Group in daily operation. It is used mainly in canteens, offices and production lines for cleaning and machinery cooling. The Group strives to conserve water effectively by identifying water saving initiatives as follows:

1. Manual taps are installed for using water at pantry and restrooms in our office. Employees are reminded to save water during operation and cleaning process.

2. Regular maintenance is conducted for water supply equipment to prevent water leakage.

A. ENVIRONMENTAL *(Continued)*

A2 USE OF RESOURCES *(Continued)*

Paper Consumption

During the reporting period, the total copy paper consumption was 4.09 tonne. The Group strives to reduce paper consumption by adopting various green practices as follows:

1. Use of environmentally friendly paper.

2. Use of Office Automation System instead of the paper-based approval process to reduce the use of paper.

3. Practice of double-sided printing or copying. Reuse the one side printed paper for printing and copying for internal documents.

4. Publish notices or brochures in electronic version and upload the files to the Group's intranet or made publicly available online.

In addition, the Group also reduces the use of resources through environmentally friendly procurement (procurement of environmentally friendly furniture, eco-friendly toners and green stationary etc.).

Packaging Material

The major packaging materials used by the Group are papers, woven bags and plastic rice bags. They are used to protect the rice products in order to minimize the risk of damage during transportation. The Group has proactively explored new material for production of plastic rice bags. It has been 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 bags to become degradable after discarding. Thus, reducing plastic waste accumulated in the long run. The packaging material consumption was as follows:

Papers	61.46 tonne
Woven bags	207.44 tonne
Plastic rice bags	590.64 tonne
Adhesive tapes, films and strapping bands	44.03 tonne

A. ENVIRONMENTAL *(Continued)*

A3 THE ENVIRONMENT AND NATURAL RESOURCES

The Group is fully aware of the fact that environmental protection can decrease operational risk and increase business opportunities. We will continue to put our focus on environmental protection, social responsibility and governance in the Group's operations and policies. The Group will also continue to improve the production process and update the production equipment to avoid the abuse and wastage of natural resources.

On top of energy-saving and ecofriendly equipment, the Group will actively promote our environmental philosophy to our employees and encourage them to maintain a green office environment and environmentally friendly lifestyle, enabling the Group to achieve the objectives of energy conservation, consumption reduction, and green and healthy development.

B. SOCIAL RESPONSIBILITIES

B1 EMPLOYMENT

Human resources is of utmost importance to the success and the long-term business development of the Group. In order to attract and retain high quality talents to ensure smooth operations and to cope with the Group's continuing expansion, the Group offers competitive remuneration packages with reference to prevailing market rates, market conditions and individual qualifications and experience. The Group's remuneration package includes standard remuneration, allowances and bonus. Besides, all employees are entitled to paid holidays such as statutory holidays, annual leave, marriage leave, maternity leave and sick leave. The Group has also adopted the share option scheme to recognise and reward the employees who have made a contribution to the growth and development of the Group.

Our recruitment policies are based on the fundamental values such as integrity, innovation, enthusiasm and team spirit as the basic criteria for recruiting talents. All candidates are subject to an unbiased entry assessment so as to assess whether they possess the ability to meet the Group's development requirements.

The Group also strives to provide a working environment without discrimination. The discrimination against our staff in respect of recruitment, dismissal, remuneration and promotion is strictly prohibited. The Group strictly complies with all labour laws and regulations where its businesses are located.

B. SOCIAL RESPONSIBILITIES *(Continued)*

B2 HEALTH AND SAFETY

The Group is responsible to provide a safe working environment for all the staff. The Group is also committed to continuously optimizing the technological process, improving the working environment for the employees and taking all appropriate measures to safeguard their health and safety. We have formulated respective operational safety rules and practice for all production staff, detailing the safety precautions for different production processes, and arranging training and explanation of the safety rules and practice for all new employees. To enhance employees' safety awareness and the chance of survival in case of fire, the Group also regularly arranges fire drills exercise for all the employees to participate. To prevent fire accidents, smoking is strictly prohibited within the Group's premises. Further, we have set up first aiders team for any immediate first-aid support for our employees. Automated External Defibrillators (the "AED") are installed within the building for immediate saving Sudden Cardiac Arrest. A team of employees are trained to participate in using the AED for saving lives before the arrival of Ambulance. The Group has been fully complied with relevant occupational safety and health legislation of Hong Kong.

B3 DEVELOPMENT AND TRAINING

Since employees are crucial resources and critical in driving business success, the Group has established a comprehensive training system and mechanism to provide on-job teaching and training for its employees with a view to enhancing skills and management capabilities of the staff to improve their knowledge at work and foster them to develop diversified skills. Therefore, the staff can utilise their potential and grow together in line with the Group's strategies.

People Management Department is responsible for all employee development and training, working with management and each of the department heads to make an annual budget for such purposes. Every year, training plans will be scheduled for our operation in advance.

B4 LABOUR STANDARDS

The Group is committed to building a mutual respect relationship with our employees. The Group strictly complies with all labour legislation of the regions where its businesses are located. We have a prudent and comprehensive recruitment review process and our People Management Department will ensure that the personal information provided by the candidates is true and accurate. The candidates are also required to provide proof of identity at the time of the interview to verify their actual age. Our People Management Department will also conduct background investigations on the candidates.

All employees of the Group comply with the standard working hour. 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 choices of employment by any person and ensure that all the employment relationship is established on a voluntary basis.

B. SOCIAL RESPONSIBILITIES *(Continued)*

B5 SUPPLY CHAIN MANAGEMENT

The Group has implemented a strict selection process on its suppliers. The Group will only select those suppliers within the approved list which has passed the Group's quality control test with a satisfactory record of quality and on-time delivery. The Group closely monitors and performs regular review on the performance of its suppliers to ensure the product quality. The assessment mainly includes but not limited to the products quality, business reputation, past performance, financial status, operation in good integrity and price advantage. If the assessment result is not satisfied with our requirement, the respective suppliers will be removed from the approved list.

B6 PRODUCT RESPONSIBILITY

Through the continued advancement of its rice processing and packaging technologies, the Group strives to offer excellent products and uncompromising service to its customers. The Group has passed the requirements for certification of the 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 further witnessed through numerous awards won 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.

The Group strives to provide the customers with appropriate services. Therefore, we have developed a comprehensive customer complaint handling procedure and goods return procedure. All complaints will be investigated by responsible persons, who will collect sufficient and objective evidences to support the finding of investigations. All advice and requests from customers will be considered.

The Group has made every effort to avoid unsafe and unqualified products. Therefore, we set up a Quality Control Department to inspect raw materials, packaging and finished products. Any disqualified products will be prohibited from delivery. The Group has also established a comprehensive goods return policy to inspect the quality of the product returned by the customer and follow up timely. The Group complies with applicable laws and regulations that have a significant impact on the Group pertaining to product and service quality in all material respects.

B. SOCIAL RESPONSIBILITIES *(Continued)*

B7 ANTI-CORRUPTION

The Group strictly complies with relevant laws on anti-corruption. The management of the Group promotes a corporate culture of honesty and integrity and creates a corporate culture environment of anti-corruption and antifraud. We have placed a suggestion box for receiving, investigating, reporting, and making comments upon the reporting of frauds. To enhance the sense of integrity of the employees, the Group educates the employees about prevention of corruption practices and bribery. The Group also advocates the related thoughts and warns employees against fraud, extortion and money laundering activities.

B8 COMMUNITY INVESTMENT

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 Affordable Rice Campaign held by Goods Co-Share, 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.

恒健會計師行有限公司
HLM CPA LIMITED
Certified Public Accountants

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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 58 to 140, which comprise the consolidated statement of financial position as at 31st March, 2021, 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 to the financial statements, including a summary of significant accounting policies.

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, 2021, 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 ("HKSAs") 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"), 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)*

Revenue recognition

Refer to note 5 to the consolidated financial statements.

We have identified the recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Group and therefore there is an inherent risk of recognition of revenue.

Revenue from operation of convenience stores amounted to approximately HK$829,566,000 for the year ended 31st March, 2021. Sales of goods are recognised as revenue when goods are delivered and title has passed.

Revenue from sale of rice amounted to approximately HK$781,046,000 for the year ended 31st March, 2021. Sales of goods are recognised as revenue when goods are delivered and title has passed.

Revenue from investment properties amounted to approximately HK$3,748,000 for the year ended 31st March, 2021. Rental income under operating lease is recognised on a straight-line method over the relevant lease term.

How our audit addressed the Key Audit Matter

Our procedures in relation to the revenue recognition included:

— Understanding and evaluating the key controls in respect of the Group;

— Assessing the appropriateness of the Group's revenue recognition accounting policy in line with HKFRSs; and

— Scrutinising sales transactions, sale and purchase contracts and leasing agreements related to revenue to assess the cut-off and reliability of the revenue.

We found that the amount and the timing of the revenue recorded were supported by the available evidence and in accordance with the Group's revenue recognition accounting policies.

Valuation of investment properties

Refer to note 15 to the consolidated financial statements.

We have identified the valuation of investment properties as a key audit matter due to the significant judgements involved in determining the inputs used in the valuation of the fair value of the investment properties.

Management has estimated the fair value of the Group's investment properties to be HK$166,860,000 as at 31st March, 2021. The valuations are dependent on certain key assumptions that require significant management judgement, including market rents. Independent external valuations were obtained in order to support management's estimates.

KEY AUDIT MATTERS *(Continued)*

How our audit addressed the Key Audit Matter

Our procedures in relation to management's valuation of investment properties included:

— Assessing the methodologies and the appropriateness of the key assumptions used by management and the valuer; and

— Evaluating the competence, capabilities and objectivity of the independent external valuer.

We found the key assumptions were supported by available evidence.

Impairment of right-of-use assets and property, plant and equipment

Refer to notes 12 and 13 to the consolidated financial statements.

We have identified the impairment of property, plant and equipment and right-of-use assets as a key audit matter because significant estimation and judgment were involved in determining the recoverable amounts of the relevant convenience store assets.

The Group possessed approximately HK$171,570,000 and HK$260,482,000 of property, plant and equipment and right-of-use assets respectively as at 31 March 2021. The carrying amount of the convenience store assets is written down to its recoverable amount as the asset's carrying amount is greater than its estimated recoverable amount.

Management regards the operation of convenience stores as an identifiable cash-generating unit and monitors their financial performance for the existence of impairment indicators. Given the impact on the performance of the Group's convenience stores as a result of the COVID-19 pandemic, management performed impairment assessments for the operation of convenience stores in Vietnam.

As a result of the impairment assessments, an impairment loss of right-of-use assets and property, plant and equipment of HK$39,566,000 has been recognised in the consolidated statement of profit or loss for the year. The recoverable amount of the assets of the convenience stores is determined by value-in-use calculations using discounted cash flow projections based on the financial forecasts approved by management. Independent external valuation was obtained in order to support management's estimates.

How our audit addressed the Key Audit Matter

Our procedures in relation to management's assessment of the impairment of property, plant and equipment and right-of-use assets included:

— Assessing if the methodology and impairment model used are in accordance with HKAS 36;

— Assessing the methodologies and the appropriateness of the key assumptions used by management;

KEY AUDIT MATTERS *(Continued)*

How our audit addressed the Key Audit Matter *(Continued)*

— Checking, on a sample basis, the accuracy and relevance of the input data used; and

— Evaluating the competence, capabilities and objectivity of the independent external valuer.

We found the Group's estimates and judgements used in the impairment assessment of property, plant and equipment and right-of-use assets were supported by available evidence.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report but does not include 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 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 DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company 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 disclosure requirements of 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.

Those charged with governance are responsible 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 HKSAs 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.

As part of an audit in accordance with HKSAs, 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.

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

— 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 those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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.

From the matters communicated with those charged with governance, 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.

HLM CPA Limited
Certified Public Accountants
Ho Pak Tat
Practising Certificate Number: P05215

Hong Kong, 28th June, 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31st March, 2021

	Notes	2021 HK$'000	2020 HK$'000
REVENUE	5	**1,614,360**	1,736,440
Cost of sales		**(1,014,611)**	(1,138,832)
GROSS PROFIT		**599,749**	597,608
Net unrealized gain/(loss) on financial assets at fair value through profit or loss	18	**37,883**	(50,068)
Surplus/(deficit) on revaluation of investment properties		**7,480**	(3,410)
Net other income	7	**47,026**	19,597
Selling and distribution costs		**(366,485)**	(354,037)
Administrative expenses		**(195,887)**	(180,471)
Impairment of right-of-use assets and property, plant and equipment	13	**(39,566)**	—
Interest on lease liabilities	26	**(25,282)**	(25,840)
PROFIT FROM OPERATIONS		**64,918**	3,379
Share of results of associates		**(611)**	(5,906)
Share of result of a joint venture		**(480)**	—
PROFIT/(LOSS) BEFORE TAXATION	8	**63,827**	(2,527)
Taxation	9	**(23,572)**	(20,020)
PROFIT/(LOSS) FOR THE YEAR		**40,255**	(22,547)
Profit/(loss) for the year attributable to:			
Shareholders of the Company		**40,212**	(22,652)
Non-controlling interests		**43**	105
		40,255	(22,547)
EARNINGS/(LOSS) PER SHARE	11		
— Basic		**HK2.4 cents**	HK(1.3) cents
— Diluted		**HK2.4 cents**	HK(1.3) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March, 2021

	2021	2020
	HK$'000	*HK$'000*
PROFIT/(LOSS) FOR THE YEAR	**40,255**	(22,547)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Items to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**5,743**	(9,272)
Share of other comprehensive income/(loss) of associates	**594**	(274)
Other comprehensive income/(loss) for the year, net of tax	**6,337**	(9,546)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	**46,592**	(32,093)
Total comprehensive income/(loss) attributable to:		
Shareholders of the Company	**45,470**	(31,334)
Non-controlling interests	**1,122**	(759)
	46,592	(32,093)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st March, 2021

	Notes	2021 HK$'000	2020 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	12	**171,570**	199,669
Right-of-use assets	13	**260,482**	293,786
Prepaid lease payments	14	**13,179**	13,453
Investment properties	15	**166,860**	159,380
Interests in associates	16	**74,326**	175,238
Interest in a joint venture	17	**12,292**	—
Financial assets at fair value through profit or loss	18	**17,861**	16,159
Intangible asset	19	**22,505**	22,505
Rental and related deposits paid		**27,303**	30,121
Deposits paid for purchase of properties		**12,683**	6,318
		779,061	916,629
CURRENT ASSETS			
Inventories	20	**173,134**	167,736
Trade debtors	21	**48,248**	72,336
Other debtors, deposits and prepayments	22	**43,241**	46,539
Financial assets at fair value through profit or loss	18	**177,300**	215,175
Cash and cash equivalents	23	**462,867**	265,039
		904,790	766,825
CURRENT LIABILITIES			
Trade creditors	24	**99,128**	89,491
Other creditors and accruals	25	**98,178**	82,247
Lease liabilities	26	**102,731**	102,078
Tax liabilities		**12,272**	20,958
		312,309	294,774
NET CURRENT ASSETS		**592,481**	472,051
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,371,542**	1,388,680
NON-CURRENT LIABILITIES			
Lease liabilities	26	**190,530**	198,881
Deferred tax liabilities	27	**1,721**	2,410
		192,251	201,291
		1,179,291	1,187,389

	Notes	2021 HK$'000	2020 HK$'000
CAPITAL AND RESERVES			
Share capital	*28*	**169,741**	169,741
Reserves	*31*	**1,001,008**	994,578
Shareholders' equity		**1,170,749**	1,164,319
Non-controlling interests		**8,542**	23,070
		1,179,291	1,187,389

The consolidated financial statements on pages 58 to 140 were approved and authorised for issue by the Board of Directors on 28th June, 2021 and were signed on its behalf by:

Laurent LAM Kwing Chee
Chairman

Anthony LAM Sai Ho
Vice Chairman and Chief Executive Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2021

	Shareholders' equity									
	Share capital HK$'000	Share premium HK$'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	Non-controlling interests HK$'000	Total HK$'000
At 31st March, 2019	169,741	453,192	515	5,128	31,623	20,369	569,324	1,249,892	8,183	1,258,075
Impacts of adopting HKFRS 16	–	–	–	–	–	–	(15,199)	(15,199)	–	(15,199)
At 1st April, 2019 (restated)	169,741	453,192	515	5,128	31,623	20,369	554,125	1,234,693	8,183	1,242,876
Loss for the year	–	–	–	–	–	–	(22,652)	(22,652)	105	(22,547)
Other comprehensive loss for the year:										
Exchange differences on translation of foreign operations	–	–	–	–	(8,408)	–	–	(8,408)	(864)	(9,272)
Share of other comprehensive loss of associates	–	–	–	–	(274)	–	–	(274)	–	(274)
	–	–	–	–	(8,682)	–	–	(8,682)	(864)	(9,546)
Total comprehensive loss for the year	–	–	–	–	(8,682)	–	(22,652)	(31,334)	(759)	(32,093)
Capital injection	–	–	–	–	–	–	–	–	15,646	15,646
Prior year final dividend paid	–	–	–	–	–	(20,369)	–	(20,369)	–	(20,369)
Interim dividend paid	–	–	–	–	–	–	(18,671)	(18,671)	–	(18,671)
Final dividend proposed for the year ended 31st March, 2020	–	–	–	–	–	20,369	(20,369)	–	–	–
At 31st March, 2020	169,741	453,192	515	5,128	22,941	20,369	492,433	1,164,319	23,070	1,187,389

	Shareholders' equity *(continued)*									
	Share capital *HK$'000*	Share premium *HK$'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*	Non-controlling interests *HK$'000*	Total *HK$'000*
At 31st March, 2020	169,741	453,192	515	5,128	22,941	20,369	492,433	1,164,319	23,070	1,187,389
Profit for the year	–	–	–	–	–	–	40,212	40,212	43	40,255
Other comprehensive income for the year:										
Exchange differences on translation of foreign operations	–	–	–	–	4,664	–	–	4,664	1,079	5,743
Share of other comprehensive income of associates	–	–	–	–	594	–	–	594	–	594
	–	–	–	–	5,258	–	–	5,258	1,079	6,337
Total comprehensive income for the year	–	–	–	–	5,258	–	40,212	45,470	1,122	46,592
Repayment of shareholder loans	–	–	–	–	–	–	–	–	(15,650)	(15,650)
Prior year final dividend paid	–	–	–	–	–	(20,369)	–	(20,369)	–	(20,369)
Interim dividend paid	–	–	–	–	–	–	(18,671)	(18,671)	–	(18,671)
Final dividend proposed for the year ended 31st March, 2021	–	–	–	–	–	20,369	(20,369)	–	–	–
At 31st March, 2021	169,741	453,192	515	5,128	28,199	20,369	493,605	1,170,749	8,542	1,179,291

Shareholders' equity of the Group represents share capital amounting to approximately HK$169,741,000 (2020: HK$169,741,000) and reserves amounting to approximately HK$1,001,008,000 (2020: HK$994,578,000).

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st March, 2021

	Notes	2021 HK$'000	2020 HK$'000
OPERATING ACTIVITIES			
Profit/(loss) before taxation		**63,827**	(2,527)
Adjustments for:			
Interest revenue	7	**(3,739)**	(5,287)
Interest on lease liabilities	8	**25,282**	25,840
Interest income from rental deposits	7	**(4,216)**	—
COVID-19-related rent concessions	7	**(5,076)**	—
Net gain on termination of leases		**(320)**	—
Dividend income from listed financial assets at fair value through profit or loss	7	**(1,051)**	(1,701)
Depreciation and amortisation of property, plant and equipment	8	**49,094**	43,802
Depreciation of right-of-use assets	8	**96,759**	81,593
Amortisation of prepaid lease payments	8	**516**	513
Net loss on disposal of property, plant and equipment	8	**2,718**	1,506
Share of results of associates		**611**	5,906
Share of result of a joint venture		**480**	—
Impairment of right-of-use assets and property, plant and equipment		**39,566**	—
(Surplus)/deficit on revaluation of investment properties	15	**(7,480)**	3,410
Allowance for expected credit losses	8	**195**	235
Net unrealized (gain)/loss on financial assets at fair value through profit or loss		**(1,657)**	31,194
Operating cash flows before movements in working capital		**255,509**	184,484
Decrease in financial assets at fair value through profit or loss		**38,057**	41,731
(Increase)/decrease in inventories		**(5,195)**	4,484
Decrease/(increase) in trade debtors		**23,893**	(5,973)
Decrease/(increase) in other debtors, deposits and prepayments		**440**	(21,846)
Increase in trade creditors		**9,589**	17,732
Increase in other creditors and accruals		**16,682**	8,226
Cash generated from operations		**338,975**	228,838
Hong Kong Profits Tax paid		**(33,113)**	(2,134)
Hong Kong Profits Tax refunded		**231**	3,705
Income tax in other jurisdictions paid		**(36)**	(24)
NET CASH GENERATED FROM OPERATING ACTIVITIES		**306,057**	230,385

	Notes	2021 HK$'000	2020 HK$'000
INVESTING ACTIVITIES			
Interest received		**4,001**	5,596
Dividend income received from listed financial assets at fair value through profit or loss		**1,051**	1,701
Decrease/(increase) in deposits paid for trade purchases		**13,309**	(6,430)
Decrease in amounts payable for trade purchases		**(914)**	(62)
Purchases of property, plant and equipment	12	**(36,723)**	(83,732)
Proceeds from disposal of property, plant and equipment		**1,054**	808
(Increase)/decrease in pledged bank balances		**(44,088)**	4,670
Repayments from associates		**88,500**	—
Advances to a joint venture		**(12,772)**	—
Deposits paid for purchase of properties		**(6,365)**	(5,544)
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES		**7,053**	(82,993)
FINANCING ACTIVITIES			
Dividends paid		**(39,040)**	(39,040)
Lease payments	26	**(108,322)**	(104,522)
Capital injection by non-controlling interests		**—**	15,646
Repayment of shareholder loans by non-controlling interests		**(15,650)**	—
NET CASH USED IN FINANCING ACTIVITIES		**(163,012)**	(127,916)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**150,098**	19,476
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**262,558**	245,002
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**3,642**	(1,920)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**416,298**	262,558
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Time deposits, bank balances and cash (including pledged bank balances)	23	**462,867**	265,039
Less: Pledged cash and cash equivalents		**(46,569)**	(2,481)
		416,298	262,558

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

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, 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, operation of convenience stores, securities investment, property investment and investment holding.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has adopted the following new or revised standards and amendments to HKFRSs (the "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are or have become effective for the Group's financial year beginning on 1st April, 2020:

HKFRS 3 (Amendments)	Definition of a Business
HKFRS 7, HKFRS 9 and HKAS 39 (Amendments)	Interest Rate Benchmark Reform
HKFRS 16 (Amendments)	COVID-19-Related Rent Concessions
HKAS 1 and HKAS 8 (Amendments)	Definition of Material
Revised Conceptual Framework	Revised Conceptual Framework for Financial Reporting

The adoption of the new HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods except for HKFRS 16 which will be explained below. Accordingly, no prior period adjustment has been required.

The Group has early adopted amendment to HKFRS 16 COVID-19-Related Rent Concessions which provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30th June, 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective retrospectively for annual periods beginning on or after 1st June, 2020 with earlier application permitted. During the year ended 31st March, 2021, certain lease payments for the lease of the Group's convenience stores have been waived by the lessors as a result of the COVID-19 pandemic. The Group has early adopted the amendment on 1st April, 2020 and elected not to apply lease modification accounting for all rent concessions granted by the lessors as a result of the COVID-19 pandemic during the year ended 31st March, 2021. Accordingly, a reduction in lease payments arising from the rent concessions of HK$5,076,000 has been accounted for as a negative variable lease payment and credited to profit or loss for the year ended 31st March, 2021.

The Group has not early applied the following new HKFRSs that have been issued but are not yet effective. The Directors of the Company anticipate that the application of these new HKFRSs will have no material impact on the consolidated results and the financial position of the Group.

HKFRS (Amendments)	Annual improvements to HKFRSs 2018-2020 cycle[2]
HKFRS 3 (Amendments)	Reference to the Conceptual Framework[2]
HKFRS 4, HKFRS 7, HKFRS 9, HKFRS 16 and HKAS 39 (Amendments)	Interest Rate Benchmark Reform — Phase 2[1]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
HKFRS 17	Insurance Contracts and Related Amendment[3]
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[3]
HKAS 1 (Amendments) and HKFRS Practice Statement 2	Disclosure of Accounting Policies[3]
HKAS 8 (Amendments)	Definition of Accounting Estimates[3]
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[3]
HKAS 16 (Amendments)	Property, Plant and Equipment: Proceeds before intended use[2]
HKAS 37 (Amendments)	Onerous Contracts — Cost of Fulfilling a Contract[2]
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combination[5]

1 Effective for annual periods beginning on or after 1st January, 2021
2 Effective for annual periods beginning on or after 1st January, 2022
3 Effective for annual periods beginning on or after 1st January, 2023
4 Effective date to be determined
5 Effective for common control combinations that occur on or after beginning of the first annual report period on or after 1st January, 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost convention, as modified for the revaluation of investment properties and financial assets at fair value through profit or loss which are measured at fair values as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations ("HK(IFRIC)-Int") issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and the Hong Kong Companies Ordinance ("CO"). A summary of the significant accounting policies adopted by the Group is set out below.

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

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for the valuation of investment properties and financial assets at fair value through profit or loss which are stated at fair value. The measurement basis is fully described in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in HKAS 2 or value in use in HKAS 36.

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

Fair Value Measurement *(Continued)*

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

If the transaction price is fair value at initial recognition and a valuation technique that uses unobservable inputs will be used to measure fair value in subsequent periods, the valuation technique shall be calibrated so that at initial recognition the result of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- 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).

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

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

Basis of consolidation *(Continued)*

- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group transactions, balances, cash flows, income and expenses have been eliminated on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to Shareholders of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

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

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.

To determine whether to recognise revenue, the Group follows a five-step process in accordance with HKFRS 15:

1. Identifying the contract with a customer

2. Identifying the performance obligations

3. Determining the transaction price

4. Allocating the transaction price to the performance obligations

5. Recognising revenue when/as performance obligation(s) are satisfied

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.

(i) Sales of goods are recognised as revenue when goods are delivered and title has passed.

(ii) Rental income under operating leases is recognised on a straight-line basis over the relevant lease terms.

(iii) Revenue arising on the sale of financial instruments is recognised on a trade-date basis.

(iv) Dividend income from investments is recognised when the Group’s rights to receive payment have been established.

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

Revenue recognition *(Continued)*

(v) Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

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.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's statement of financial position at cost less any identified impairment loss.

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.

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.

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

Interests in associates and joint ventures *(Continued)*

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.

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.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and amortisation and accumulated impairment loss.

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payment cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payment can be made reliably, leasehold interest in land is treated as an operating lease and accounted for as prepaid lease payment.

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

Property, plant and equipment *(Continued)*

Depreciation and amortisation 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 in elsewhere in the People's Republic of China (the "PRC")	2% — 5%
Furniture, fixtures and equipment	5% — 33%
Plant and machinery	5% — 33%
Motor vehicles and motor vessel	12% — 33%

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 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.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Prepaid lease payments

The up-front prepayments paid for the leasehold land are stated at cost and charged to the statement of profit or loss on a straight-line basis over the lease term.

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.

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

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another accounting standard, in which case the impairment loss is treated as a revaluation decrease under that accounting standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another accounting standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that accounting standard.

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.

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.

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

Financial instruments *(Continued)*

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 revenue.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets 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.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; 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.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset, the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

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

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

Financial instruments *(Continued)*

Financial assets *(Continued)*

Classification and subsequent measurement of financial assets (Continued)

- 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 significant 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.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost which are subject to impairment under HKFRS 9 including trade debtors, other debtors and loan receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, twelve-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group recognises lifetime ECL for trade debtors. The ECL on trade debtors are assessed individually or collectively. For trade debtors relating to accounts which are long overdue with significant amounts or known insolvencies or non-response to collection activities, they are assessed individually for impairment allowance. For the remaining balance of trade debtors, 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.

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

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

For all other financial assets measured at amortised cost, the Group measures the loss allowance equal to twelve-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

i. Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor; or

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

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

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

i. Significant increase in credit risk *(Continued)*

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

ii. Measurement and recognition of ECL

The measurement of ECL is a function of the Probability of Default (PD), Loss Given Default (LGD) (i.e. the magnitude of the loss if there is a default) and exposure at default. The assessment of the PD and LGD is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between a contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or catered for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis.

- Past-due status; and
- Nature, size and industry of debtors.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest revenue is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest revenue is calculated based on amortised cost of the financial asset.

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

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

ii. Measurement and recognition of ECL *(Continued)*

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amounts, with the exception of trade debtors where the corresponding adjustment is recognised through a loss allowance account.

iii. Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade debtors, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9 or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised on its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In such cases, the transferred assets are not derecognised.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

Financial liabilities

Financial liabilities included trade creditors, other creditors and accruals and lease liabilities and are subsequently measured at amortised cost, using the effective interest method.

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

Financial guarantee contracts

A financial guarantee contract is a contract that requires the Group to make specified payments to reimburse the holder for a loss it incurs when a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee is recognised as a liability initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the best estimate of the amount required to settle the guarantee; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation over the guarantee period.

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;

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

Related parties *(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 entity.

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.

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 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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. Hong Kong dollar) 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.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Taxation *(Continued)*

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Deferred tax is measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also dealt with in equity.

Retirement benefits costs

Payments to defined contribution retirement benefit plans are charged as expenses as they fall due.

Equity-settled share-based payment transactions

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

At the time when the share options are exercised, the amount previously recognised in the share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in the share options reserve will be transferred to retained earnings.

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

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.

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.

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

Leases *(Continued)*

As a lessee *(Continued)*

Right-of-use assets (Continued)

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 paid are accounted for under HKFRS 9 "Financial Instruments" ("HKFRS 9") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and 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 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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.

Cash and cash equivalents

Cash and cash equivalents as presented in the 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.

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:

Impairment of intangible asset

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

Allowance for expected credit losses of trade debtors

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. Allowance for expected credit losses of HK$166,000 has been provided for the year ended 31st March, 2021 based on the provision matrix (2020: Nil). The rate of expected credit losses applied for the calculation is approximately 0.2% (2020: Nil).

For trade debtors balances which are long overdue with significant amounts or known insolvencies or non-response to collection activities, they are assessed individually for impairment allowance.

The balance of allowance for expected credit losses as at 31st March, 2021 amounted to HK$756,000 (2020: HK$543,000), included HK$166,000 (2020: Nil) provided under provision matrix for trade debtors and HK$590,000 (2020: HK$543,000) provided for individually credit-impaired trade debtors.

Details of impairment assessment of trade debtors for the year ended 31st March, 2021 are set out in note 39(d).

Estimate of the useful lives of property, plant and equipment

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The Group reviews annually the useful lives of assets and their residual values, if any. The depreciation charges for future periods will be adjusted if there are significant changes from previous estimates.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

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 chartered surveyors as disclosed in the note on investment properties. In determining the fair values, the surveyors 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.

Fair values of financial assets at fair value through profit or loss

The fair values of financial assets that are traded in an active market are determined by the quoted market prices. Under the circumstances where quoted market prices are not available for particular financial assets, the Group assesses the fair values of these financial assets with reference to the quoted values or recent transaction prices provided by counterparty financial institutions. The fair values of unlisted equity securities have been valued using the income approach based on the expected cash flows discounted at appropriate discount rate. The use of methodologies, models and assumptions in pricing and valuing these financial assets is subjective and requires varying degrees of judgement by Management, which may result in significant deviation in fair values and results.

Estimated impairment on inventories

The Management of the Group reviews an aging analysis at the end of each reporting period and identifies obsolete and slow-moving inventory items that are no longer suitable for use in production and sales in convenience stores. The Management estimates the net realizable value for such inventories based primarily on the latest invoice prices and current market conditions. The Group carries out a review of the inventory on a product-by-product basis at the end of each reporting period and provides impairment on obsolete items, if any.

Estimated impairment 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 where an indication of impairment exists or when annual impairment testing for an asset is required. 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. For the financial year ended 31st March, 2021, under the prolonged impact of COVID-19 pandemic which adversely impacted the performance of the Group's convenience store operation in Vietnam, the Group recongised an impairment loss of HK$39,566,000 on the convenience store assets, comprising (i) impairment loss of HK$27,266,000 on right-of-use assets and (ii) impairment loss of HK$12,300,000 on property, plant and equipment respectively.

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

5. REVENUE

Revenue represents the net amounts received and receivable for the year (less returns and allowances) for sales from operation of convenience stores, rice sold to outside customers and rental income from investment properties. Sales from operation of convenience stores and rice sales are recognised upon the transfer of goods at a point in time. The revenue is analysed as follows:

	2021	2020
	HK$'000	*HK$'000*
Sales from operation of convenience stores	**829,566**	879,581
Rice sales	**781,046**	852,512
Rental income from investment properties	**3,748**	4,347
	1,614,360	1,736,440

6. SEGMENT INFORMATION

For management purposes, the Group is currently organised into five operating divisions, namely convenience store operation, rice operation, securities investment, property investment 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
Rice operation	—	sourcing, importing, wholesaling, processing, packaging, marketing and distribution of rice
Securities investment	—	investments in equity and debt securities
Property investment	—	property investment and development
Corporate and others	—	corporate income and expenses and other investments

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

6. SEGMENT INFORMATION *(Continued)*

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, 2021

	Convenience store operation HK$'000	Rice operation HK$'000	Securities investment HK$'000	Property investment HK$'000	Corporate and others HK$'000	Consolidated HK$'000
REVENUE						
Total sales	829,566	781,046	—	3,748	—	1,614,360
RESULTS						
Segment results	(121,760)	132,210	41,406	10,335	2,727	64,918
Share of results of associates	—	(122)	—	561	(1,050)	(611)
Share of result of a joint venture	—	—	—	(480)	—	(480)
Profit before taxation						63,827
Taxation						(23,572)
Profit for the year						40,255
Profit for the year attributable to:						
Shareholders of the Company						40,212
Non-controlling interests						43
						40,255

Segment assets and liabilities as at 31st March, 2021

	Convenience store operation HK$'000	Rice operation HK$'000	Securities investment HK$'000	Property investment HK$'000	Corporate and others HK$'000	Consolidated HK$'000
ASSETS						
Segment assets	527,707	197,058	177,300	231,889	463,279	1,597,233
Interests in associates	—	6,577	—	21,172	46,577	74,326
Interest in a joint venture	—	—	—	12,292	—	12,292
Consolidated total assets						1,683,851
LIABILITIES						
Segment liabilities	419,975	59,366	—	1,010	10,216	490,567
Unallocated corporate liabilities						13,993
Consolidated total liabilities						504,560

6. SEGMENT INFORMATION *(Continued)*

Operating segments *(Continued)*

Other information for the year ended 31st March, 2021

	Convenience store operation *HK$'000*	Rice operation *HK$'000*	Securities investment *HK$'000*	Property investment *HK$'000*	Corporate and others *HK$'000*	Consolidated *HK$'000*
Additions to property, plant and equipment	32,522	3,953	—	248	—	36,723
Additions to right-of-use assets	120,458	—	—	—	—	120,458
Depreciation and amortisation of property, plant and equipment	(38,006)	(9,249)	—	(1,839)	—	(49,094)
Depreciation of right-of-use assets	(96,614)	(145)	—	—	—	(96,759)
Impairment of property, plant and equipment	(12,300)	—	—	—	—	(12,300)
Impairment of right-of-use assets	(27,266)	—	—	—	—	(27,266)
Amortisation of prepaid lease payments	—	(516)	—	—	—	(516)
Surplus on revaluation of investment properties	—	—	—	7,480	—	7,480
Net unrealized gain on financial assets at fair value through profit or loss	—	—	36,226	1,657	—	37,883
Government grants from Anti-Epidemic Fund	—	11,587	—	—	—	11,587
Allowance for expected credit losses	—	(195)	—	—	—	(195)
Interest on lease liabilities	(25,186)	(96)	—	—	—	(25,282)

6. SEGMENT INFORMATION *(Continued)*

Operating segments *(Continued)*

Statement of profit or loss for the year ended 31st March, 2020

	Convenience store operation HK$'000	Rice operation HK$'000	Securities investment HK$'000	Property investment HK$'000	Corporate and others HK$'000	Consolidated HK$'000
REVENUE						
Total sales	879,581	852,512	—	4,347	—	1,736,440
RESULTS						
Segment results	(58,287)	112,473	(17,830)	(33,026)	49	3,379
Share of results of associates	—	(319)	—	734	(6,321)	(5,906)
Loss before taxation						(2,527)
Taxation						(20,020)
Loss for the year						(22,547)
Loss for the year attributable to:						
Shareholders of the Company						(22,652)
Non-controlling interests						105
						(22,547)

Segment assets and liabilities as at 31st March, 2020

	Convenience store operation HK$'000	Rice operation HK$'000	Securities investment HK$'000	Property investment HK$'000	Corporate and others HK$'000	Consolidated HK$'000
ASSETS						
Segment assets	598,060	209,733	215,463	217,907	267,053	1,508,216
Interests in associates	—	19,996	—	108,796	46,446	175,238
Consolidated total assets						1,683,454
LIABILITIES						
Segment liabilities	419,104	42,357	—	1,124	10,112	472,697
Unallocated corporate liabilities						23,368
Consolidated total liabilities						496,065

6. SEGMENT INFORMATION *(Continued)*

Operating segments *(Continued)*

Other information for the year ended 31st March, 2020

	Convenience store operation *HK$'000*	Rice operation *HK$'000*	Securities investment *HK$'000*	Property investment *HK$'000*	Corporate and others *HK$'000*	Consolidated *HK$'000*
Additions to property, plant and equipment	74,166	8,951	—	615	—	83,732
Additions to right-of-use assets	179,212	153	—	—	—	179,365
Depreciation and amortisation of property, plant and equipment	(33,004)	(9,080)	—	(1,718)	—	(43,802)
Depreciation of right-of-use assets	(81,482)	(111)	—	—	—	(81,593)
Amortisation of prepaid lease payments	—	(513)	—	—	—	(513)
Deficit on revaluation of investment properties	—	—	—	(3,410)	—	(3,410)
Net unrealized loss on financial assets at fair value through profit or loss	—	—	(18,874)	(31,194)	—	(50,068)
Allowance for expected credit losses	—	(235)	—	—	—	(235)
Interest on lease liabilities	(25,743)	(97)	—	—	—	(25,840)

Geographical segments

The Group's operations are located in Vietnam, Hong Kong 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	
	2021	2020
	HK$'000	*HK$'000*
Vietnam	**829,566**	879,581
Hong Kong	**767,500**	840,373
Others	**17,294**	16,486
	1,614,360	1,736,440

6. SEGMENT INFORMATION *(Continued)*

Geographical segments *(Continued)*

The following is an analysis of the carrying amounts of non-current assets other than financial instruments, analysed by the geographical areas in which the assets are located:

	2021	2020
	HK$'000	*HK$'000*
Vietnam	**425,484**	482,827
Hong Kong	**282,561**	270,188
Others	**53,155**	147,455
	761,200	900,470

Information about major customers

For the year ended 31st March, 2021, approximately HK$207,825,000 (2020: HK$215,610,000) of the Group's revenue was derived from one (2020: one) external customer from rice operation, representing approximately 13% (2020: 12%) of the total revenue. No other single customer contributed 10% or more to the Group's revenue.

7. NET OTHER INCOME

	2021	2020
	HK$'000	*HK$'000*
Interest revenue on:		
— Financial assets at fair value through profit or loss	**1,458**	2,809
— Financial assets measured at amortised costs	**2,281**	2,478
	3,739	5,287
Dividend income from listed financial assets at fair value through profit or loss	**1,051**	1,701
Other income from convenience store operation	**16,624**	15,964
COVID-19-related rent concessions for convenience store operation	**5,076**	—
Net realized gain/(loss) on disposal of financial assets at fair value through profit or loss	**2,776**	(59)
Net foreign exchange gain/(loss)	**2,393**	(3,934)
Government grants from Anti-Epidemic Fund	**11,587**	—
Interest income from rental deposits	**4,216**	—
Net loss on disposal of property, plant and equipment	**(2,718)**	(1,506)
Sundry income	**2,282**	2,144
	47,026	19,597

8. PROFIT/(LOSS) BEFORE TAXATION

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

	2021	2020
	HK$'000	*HK$'000*
Auditor's remuneration		
Current year	**1,168**	1,031
Under-provision in prior years	**98**	83
	1,266	1,114
Depreciation and amortisation of property, plant and equipment	**49,094**	43,802
Depreciation of right-of-use assets	**96,759**	81,593
Impairment of property, plant and equipment	**12,300**	—
Impairment of right-of-use assets	**27,266**	—
Amortisation of prepaid lease payments	**516**	513
Rental expenses from short-term leases	**165**	477
Allowance for expected credit losses	**195**	235
Cost of inventories recognised as expense	**971,910**	1,096,303
Staff costs, including directors' remuneration	**246,919**	228,360
Interest on lease liabilities	**25,282**	25,840
Rental income from investment properties	**(3,748)**	(4,347)
Less: Outgoings associated with rental income	**186**	164
	(3,562)	(4,183)
Net loss on disposal of property, plant and equipment	**2,718**	1,506

9. TAXATION

	2021	2020
	HK$'000	*HK$'000*
Current tax:		
Hong Kong	**24,199**	20,092
Others	**22**	38
	24,221	20,130
Under-provision in prior years:		
Hong Kong	**40**	56
	24,261	20,186
Deferred tax *(Note 27)*:		
Current year's credit	**(689)**	(166)
Taxation attributable to the Company and its subsidiaries	**23,572**	20,020

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.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

9. TAXATION *(Continued)*

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

	2021	2020
	HK$'000	*HK$'000*
Profit/(loss) before taxation	**63,827**	(2,527)
Tax at the domestic income tax rate of 16.5% (2020: 16.5%) *(Note)*	**10,532**	(417)
Tax effect of expenses not deductible for tax purpose	**9,034**	8,762
Tax effect of income not taxable for tax purpose	**(4,752)**	(856)
Under-provision in respect of prior years	**40**	56
Tax effect of tax losses not recognised	**15,411**	13,606
Tax effect of utilisation of tax losses not previously recognised	**(3,969)**	(90)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(2,622)**	(1,665)
Tax effect of share of results of associates and a joint venture	**180**	975
Others	**(282)**	(351)
Tax charge for the year	**23,572**	20,020

Note:

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

10. DIVIDENDS

(a) Dividends attributable to the year:

	2021	2020
	HK$'000	*HK$'000*
Interim dividend paid of HK1.1 cents per share on 1,697,406,458 shares (2020: HK1.1 cents per share on 1,697,406,458 shares)	**18,671**	18,671
Final dividend proposed of HK1.2 cents per share on 1,697,406,458 shares (2020: HK1.2 cents per share on 1,697,406,458 shares)	**20,369**	20,369
	39,040	39,040

10. DIVIDENDS *(Continued)*

(a) Dividends attributable to the year: *(Continued)*

The final dividend of HK1.2 cents per share for the year ended 31st March, 2021 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.

(b) Dividends approved and paid during the year:

	2021	2020
	HK$'000	*HK$'000*
Final dividend in respect of the previous financial year, approved and paid during the year, of HK1.2 cents per share on 1,697,406,458 shares (2020: HK1.2 cents per share on 1,697,406,458 shares)	**20,369**	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 (2020: HK1.1 cents per share on 1,697,406,458 shares)	**18,671**	18,671
	39,040	39,040

11. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share attributable to the shareholders of the Company is based on the following data:

	2021	2020
	HK$'000	*HK$'000*
Earnings/(loss) for the purpose of basic earnings/(loss) per share	**40,212**	(22,652)

There is no dilutive potential ordinary share for both years.

12. PROPERTY, PLANT AND EQUIPMENT

At 31st March, 2021

	Land and buildings *HK$'000*	Factory premises in elsewhere in the PRC *HK$'000*	Furniture, fixtures and equipment *HK$'000*	Plant and machinery *HK$'000*	Motor vehicles and motor vessel *HK$'000*	Total *HK$'000*
COST						
At 1st April, 2020	**102,773**	**14,182**	**267,307**	**98,767**	**15,611**	**498,640**
Additions	—	—	**33,265**	**3,458**	—	**36,723**
Disposals/written off	—	—	**(13,853)**	**(300)**	**(200)**	**(14,353)**
Exchange rate adjustments	—	**1,208**	**1,080**	**1,801**	**18**	**4,107**
At 31st March, 2021	**102,773**	**15,390**	**287,799**	**103,726**	**15,429**	**525,117**
DEPRECIATION AND AMORTISATION						
At 1st April, 2020	**68,510**	**14,182**	**121,577**	**83,189**	**11,513**	**298,971**
Provided for the year	**1,251**	—	**41,419**	**4,079**	**2,345**	**49,094**
Eliminated on disposals/ written off	—	—	**(10,085)**	**(300)**	**(196)**	**(10,581)**
Exchange rate adjustments	—	**1,208**	**737**	**1,801**	**17**	**3,763**
At 31st March, 2021	**69,761**	**15,390**	**153,648**	**88,769**	**13,679**	**341,247**
IMPAIRMENT						
At 1st April, 2020	—	—	—	—	—	—
Provided for the year *(Note 13)*	—	—	**12,300**	—	—	**12,300**
At 31st March, 2021	—	—	**12,300**	—	—	**12,300**
CARRYING AMOUNT						
At 31st March, 2021	**33,012**	—	**121,851**	**14,957**	**1,750**	**171,570**

12. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

At 31st March, 2020

	Land and buildings *HK$'000*	Factory premises in elsewhere in the PRC *HK$'000*	Furniture, fixtures and equipment *HK$'000*	Plant and machinery *HK$'000*	Motor vehicles and motor vessel *HK$'000*	Total *HK$'000*
COST						
At 1st April, 2019	102,773	15,157	205,303	94,355	15,420	433,008
Additions	—	—	76,222	6,296	1,214	83,732
Disposals/written off	—	—	(9,017)	(430)	(985)	(10,432)
Exchange rate adjustments	—	(975)	(5,201)	(1,454)	(38)	(7,668)
At 31st March, 2020	102,773	14,182	267,307	98,767	15,611	498,640
DEPRECIATION AND AMORTISATION						
At 1st April, 2019	67,258	15,157	94,441	81,226	10,014	268,096
Provided for the year	1,252	—	36,194	3,845	2,511	43,802
Eliminated on disposals/ written off	—	—	(6,706)	(428)	(984)	(8,118)
Exchange rate adjustments	—	(975)	(2,352)	(1,454)	(28)	(4,809)
At 31st March, 2020	68,510	14,182	121,577	83,189	11,513	298,971
CARRYING AMOUNT						
At 31st March, 2020	34,263	—	145,730	15,578	4,098	199,669

The carrying amount of properties shown above comprises:

	2021 ***HK$'000***	2020 *HK$'000*
Land and buildings situated in Hong Kong:		
Held under long lease	**27,498**	28,447
Held under medium-term lease	**2,907**	3,123
Freehold land and building situated outside Hong Kong	**2,607**	2,693
	33,012	34,263

During the year, impairment loss of HK$12,300,000 has been provided to write down the carrying value of property, plant and equipment under convenience store segment from HK$129,085,000 (comprising Furniture, fixtures and equipment of HK$128,871,000 and Motor vehicles and motor vessel of HK$214,000) to HK$116,785,000 (comprising Furniture, fixtures and equipment of HK$116,571,000 and Motor vehicles and motor vessel of HK$214,000).

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

13. 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 31st March, 2019	—
Impacts of adopting HKFRS 16	209,419
Carrying amount at 1st April, 2019 (restated)	209,419
Additions	179,365
Depreciation	(81,593)
Derecognition	(7,401)
Exchange rate adjustments	(6,004)
Carrying amount at 31st March, 2020	**293,786**
Additions	**120,458**
Depreciation	**(96,759)**
Impairment *(Note)*	**(27,266)**
Derecognition	**(30,642)**
Exchange rate adjustments	**905**
Carrying amount at 31st March, 2021	**260,482**

Note:

Under the prolonged impact of COVID-19 pandemic which adversely impacted the performance of the Group's convenience store operation in Vietnam, the Group conducted impairment assessment on the carrying values of the Group's convenience store assets ("the convenience store assets") as at 31st March, 2021. An independent qualified professional valuer was engaged to assess the recoverable amounts of the convenience store assets. The recoverable amounts of the assets were determined based on a value-in-use calculation using cash flow projections based on financial forecasts approved by management. Major assumptions were based on the historical data and estimated future growth rate of the Group's convenience store operation in Vietnam.

Based on the result of the impairment assessment, the carrying amounts of the convenience store assets were written down to their recoverable amounts as the assets' carrying amounts were greater than their estimated recoverable amounts. For the convenience store assets with impairment indicators, total impairment loss of HK$39,566,000 was recognised for the financial year ended 31st March, 2021 to write down the carrying amounts of the convenience store assets to their recoverable amounts, comprising (i) impairment loss of HK$27,266,000 to write down the carrying value of right-of-use assets under convenience store segment from HK$286,142,000 to HK$258,876,000; and (ii) impairment loss of HK$12,300,000 to write down the carrying value of property, plant and equipment under convenience store segment from HK$129,085,000 to HK$116,785,000 respectively.

14. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments, classified as non-current assets, represent prepaid operating lease payments in respect of leasehold land.

	2021 HK$'000	2020 HK$'000
Balance at beginning of the year	**13,453**	14,170
Charge for the year	**(516)**	(513)
Exchange rate adjustments	**242**	(204)
Balance at end of the year	**13,179**	13,453

15. INVESTMENT PROPERTIES

	2021 HK$'000	2020 HK$'000
Balance at beginning of the year	**159,380**	162,790
Surplus/(deficit) on revaluation	**7,480**	(3,410)
Balance at end of the year	**166,860**	159,380

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:

	2021 HK$'000	2020 HK$'000
Situated in Hong Kong:		
Held under long lease	**161,650**	154,540
Situated outside Hong Kong:		
Held under medium-term lease	**5,210**	4,840
	166,860	159,380

The investment properties were revalued at 31st March, 2021 on an open market value basis by Dudley Surveyors Limited, independent Chartered Surveyors. The revaluation surplus of HK$7,480,000 (2020: deficit of HK$3,410,000) has been recognised in the consolidated statement of profit or loss for the year ended 31st March, 2021.

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 transaction prices for similar properties.

15. INVESTMENT PROPERTIES *(Continued)*

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. Unit rate 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.

There has been no change from the valuation technique used in the prior year. In estimating the fair value of the property, the highest and best use of the property is its current use.

The fair value measurements of the investment properties of the Group as at 31st March, 2021 were categorised into Level 2. There were no transfers into or out of Level 2 during the year.

16. INTERESTS IN ASSOCIATES

	2021	2020
	HK$'000	*HK$'000*
Unlisted investments:		
Share of net assets *(Note a)*	**68,106**	70,465
Advance to an associate *(Note b)*	**—**	86,158
Deposits paid for trade purchases	**6,409**	19,718
Amounts payable for trade purchases	**(189)**	(1,103)
Carrying amounts *(Note c)*	**74,326**	175,238

Notes:

(a) Investments in certain associates were in the form of equity and loans from the Group and other shareholders in accordance with respective percentages of equity shareholding in these associates. Investments in the form of loans were comparatively more significant than those in the form of equity, so that the entire amounts were treated as quasi-capital. Under these circumstances, losses incurred by these associates were shared by the Group to the extent that the losses did not exceed the aggregate of their equity and loan investments. As at 31st March, 2021 and 31st March, 2020, share of losses of associates did not exceed the aggregate of equity and loan investments.

(b) The balance of advance to an associate at last year end was unsecured, interest-free and was repaid during the year.

(c) The Directors consider that the recoverable amounts of interests in associates approximate their carrying amounts as at 31st March, 2021.

16. INTERESTS IN ASSOCIATES *(Continued)*

Particulars of the Group's principal associates as at 31st March, 2021 are as follows:

Name of associate	Form of business structure	Place of incorporation/ operation	Issued and fully paid up share capital	Proportion of nominal value of issued share capital held by the Group 2021	2020	Principal activities
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
Supreme Development Company Limited *(Note)*	Incorporated	Hong Kong/ Hong Kong and PRC	HK$15,001,500	**41.16%**	41.16%	Manufacturing and sale of plastic bags

Note:

Supreme Development Company Limited has a wholly-owned subsidiary, Delux Arts Development Limited, which is incorporated in Hong Kong and engaged in manufacturing and sale of plastic bags in Hong Kong and PRC.

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

Supreme Development Company Limited

	2021	2020
	HK$'000	*HK$'000*
Non-current assets	**13,728**	30,401
Current assets	**189,715**	183,596
Current liabilities	**(89,792)**	(93,312)
Non-current liabilities	**(44)**	(5,177)
Revenue	**219,135**	278,261
Loss for the year	**(2,550)**	(15,357)
Other comprehensive income for the year	**649**	590
Total comprehensive loss for the year	**(1,901)**	(14,767)

Reconciliation of the above summarised consolidated financial information to the carrying amount of the interest in Supreme Development Company Limited recognised in the consolidated financial statements:

	2021	2020
	HK$'000	*HK$'000*
Net assets of Supreme Development Company Limited	**113,607**	115,508
Proportion of the Group's ownership interest in Supreme Development Company Limited	**41.16%**	41.16%
The Group's share of net assets of Supreme Development Company Limited	**46,766**	47,549
Amounts payable for trade purchases	**(189)**	(1,103)
Carrying amounts	**46,577**	46,446

16. INTERESTS IN ASSOCIATES *(Continued)*

The summarised financial information in respect of the Group's associates that are not individually material as at the end of the reporting period is set out below:

	2021	2020
	HK$'000	*HK$'000*
The Group's share of profit	**439**	415
The Group's share of other comprehensive income/(loss)	**327**	(517)
The Group's share of total comprehensive income/(loss)	**766**	(102)
Aggregate amount of the Group's share of net assets of these associates	**21,340**	22,916
Advance to an associate	**—**	86,158
Deposits paid for trade purchases	**6,409**	19,718
Carrying amounts	**27,749**	128,792

17. INTEREST IN A JOINT VENTURE

	2021	2020
	HK$'000	*HK$'000*
Unlisted investment:		
Share of net liability *(Note a)*	**(480)**	—
Advance to a joint venture *(Note b)*	**12,772**	—
Carrying amount *(Note c)*	**12,292**	—

Notes:

(a) Investment in a joint venture was in the form of equity and loans from the Group and other shareholder in accordance with respective percentages of equity shareholding in the joint venture. Investments in the form of loans were comparatively more significant than those in the form of equity, so that the entire amounts were treated as quasi-capital. Under these circumstances, losses incurred by the joint venture were shared by the Group to the extent that the losses did not exceed the aggregate of the equity and loan investments. As at 31st March, 2021, share of loss of a joint venture did not exceed the aggregate of equity and loan investments.

(b) The balance of advance to a joint venture was unsecured, interest-free and will not be repayable in the coming twelve months.

(c) The Directors consider that the recoverable amounts of interest in a joint venture approximate its carrying amounts as at 31st March, 2021.

17. INTEREST IN A JOINT VENTURE *(Continued)*

Particulars of the Group's joint venture as at 31st March, 2021 is as follows:

Name of joint venture	Form of business structure	Place of incorporation/ operation	Issued and fully paid up share capital	Proportion of nominal value of issued share capital held by the Group 2021	2020	Principal activities
Winhall Holdings Limited	Incorporated	Hong Kong	HK$2	**50%**	—	Investment holding

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 venture is set out below, which represents amounts shown in the joint venture's consolidated financial statements prepared in accordance with HKFRSs. The joint venture is accounted for using the equity method in the consolidated financial statements.

Winhall Holdings Limited

	2021 *HK$'000*
Non-current assets	**24,534**
Current assets	**64**
Current liabilities	**(15)**
Non-current liabilities	**(25,543)**
Revenue	**—**
Loss for the year	**(960)**
Other comprehensive loss for the year	**—**
Total comprehensive loss for the year	**(960)**

17. INTEREST IN A JOINT VENTURE *(Continued)*

Reconciliation of the above summarised consolidated financial information to the carrying amount of the interest in Winhall Holdings Limited recognised in the consolidated financial statements:

	2021
	HK$'000
Net liability of Winhall Holdings Limited	**(960)**
Proportion of the Group's ownership interest in Winhall Holdings Limited	**50%**
The Group's share of net liability of Winhall Holdings Limited	**(480)**
Advance to a joint venture	**12,772**
Carrying amount	**12,292**

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021	2020
	HK$'000	*HK$'000*
Equity securities:		
Listed in Hong Kong	**1,307**	40,469
Listed outside Hong Kong	**11,805**	8,533
Unlisted	**17,861**	16,159
	30,973	65,161
Debt securities:		
Listed in Hong Kong	**—**	15,364
Listed outside Hong Kong	**—**	13,736
	—	29,100
Other securities:		
Listed outside Hong Kong	**—**	4,460
Unlisted	**164,188**	132,613
	164,188	137,073
	195,161	231,334
Analysed as:		
Non-current assets	**17,861**	16,159
Current assets	**177,300**	215,175
	195,161	231,334

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(Continued)

The fair values of listed equity securities and debt securities are based on quoted market closing prices available on the relevant exchanges as at the end of the reporting period. The fair values of other unlisted securities are based on quoted values or recent transaction prices provided by counterparty financial institutions, where appropriate. The fair values of unlisted equity securities are based on income approach. The discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees, based on an appropriate discount rate. The significant unobservable inputs which include the discount rates are determined by the sum of risk-free rate and credit spread with reference to comparable financial products. The net unrealized gain on financial assets at fair value through profit or loss of HK$37,883,000 (2020: net unrealized loss on financial assets at fair value through profit or loss of HK$50,068,000) has been recognised in the consolidated statement of profit or loss, with gain of HK$1,657,000 (2020: loss of HK$31,194,000) attributed to non-current assets and gain of HK$36,226,000 (2020: loss of HK$18,874,000) attributed to current assets.

Details of the fair value measurement of the financial assets for the year ended 31st March, 2021 are set out in note 39(f).

19. INTANGIBLE ASSET

	Licence	
	2021	2020
	HK$'000	*HK$'000*
COST		
Balance at 1st April and 31st March	**31,600**	31,600
AMORTISATION		
Balance at 1st April and 31st March	**9,095**	9,095
CARRYING AMOUNT		
Balance at 31st March	**22,505**	22,505

The intangible asset represents the master and franchise licence 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 subsidiaries. The fair value of the licence 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 licence. The intangible asset was valuated by Peak Vision Appraisals Limited, an independent qualified professional valuer, for the year ended 31st March, 2021. It is predicated on the basis that the value of an intangible asset is the present value of the earnings it generates, net of a reasonable return on other assets which also contribute to that stream of earnings. The excess earnings are the amounts of anticipated economic benefits that exceed the required rates of return on the contributory assets, including the non-current assets, the working capital and the workforce assembled, used to generate those anticipated economic benefits. In the valuation, the after-tax required rates of return on the net non-current assets, the net working capital and the workforce assembled of 9.89%, 6.35% and 16.48% respectively were adopted.

The licence 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 licence 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 intangible asset is regarded as having infinite useful life and therefore amortisation would not be necessary with effect from April 2017.

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

20. INVENTORIES

	2021	2020
	HK$'000	*HK$'000*
At cost:		
Raw materials	**76,567**	75,830
Finished goods	**87,792**	85,781
Consumable stores	**8,775**	6,125
	173,134	167,736

None of the inventories were carried at net realisable value at the end of the reporting period (2020: Nil).

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 delivery date:

	2021	2020
	HK$'000	*HK$'000*
Within 30 days	**23,372**	30,128
31-60 days	**13,290**	33,850
61-90 days	**9,490**	6,683
Over 90 days	**2,096**	1,675
	48,248	72,336

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.

During the year, allowance for expected credit loss of approximately HK$195,000 has been made for the trade debtors.

21. TRADE DEBTORS *(Continued)*

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

	2021	2020
	HK$'000	*HK$'000*
Balance at beginning of the year	**543**	414
Increase in allowance recognised in consolidated statement of profit or loss	**195**	235
Amount written off as uncollectible	**(29)**	(106)
Exchange rate adjustments	**47**	—
Balance at end of the year	**756**	543

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. Allowance for expected credit losses of HK$166,000 has been provided for the year ended 31st March, 2021 based on the provision matrix (2020: Nil). The rate of expected credit losses applied for the calculation is approximately 0.2% (2020: Nil).

For trade debtors balances which are long overdue with significant amounts or known insolvencies or non-response to collection activities, they are assessed individually for impairment allowance.

The balance of allowance for expected credit losses as at 31st March, 2021 amounted to HK$756,000 (2020: HK$543,000), included HK$166,000 (2020: Nil) provided under provision matrix for trade debtors and HK$590,000 (2020: HK$543,000) provided for individually credit-impaired trade debtors.

Details of impairment assessment of trade debtors for the year ended 31st March, 2021 are set out in note 39(d).

22. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

	2021	2020
	HK$'000	*HK$'000*
Deposits and prepayments	**7,927**	8,977
Advances and other receivables	**31,550**	34,580
Tax reserve certificates	**3,764**	2,982
	43,241	46,539

23. CASH AND CASH EQUIVALENTS

Cash and cash equivalents held by the Group include short-term bank deposits at prevailing market interest rates with original maturity of less than three months. All bank balances are deposited with creditworthy banks and other financial institutions with no recent history of default.

24. TRADE CREDITORS

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

	2021	2020
	HK$'000	*HK$'000*
Within 30 days	**95,350**	86,008
31-60 days	**2,055**	2,401
61-90 days	**187**	230
Over 90 days	**1,536**	852
	99,128	89,491

25. OTHER CREDITORS AND ACCRUALS

	2021	2020
	HK$'000	*HK$'000*
Accruals	**63,776**	55,704
Other payables	**33,568**	25,537
Deposits received	**834**	1,006
	98,178	82,247

26. LEASE LIABILITIES

	2021	2020
	HK$'000	*HK$'000*
Lease liabilities payable with a period of:		
Within one year	**107,888**	107,496
Over one year but less than two years	**91,297**	95,189
Over two years but less than five years	**136,917**	151,639
Over five years	**13,534**	8,272
Lease liabilities (undiscounted)	**349,636**	362,596
Discount amount	**(56,375)**	(61,637)
	293,261	300,959
Less: Amounts due within one year	**(102,731)**	(102,078)
Amounts due over one year	**190,530**	198,881

26. LEASE LIABILITIES *(Continued)*

The carrying amount of the Group's lease liabilities and the movements during the years are as follows:

	Lease liabilities
	HK$'000
Carrying amount at 31st March, 2019	—
Impacts of adopting HKFRS 16	214,137
Carrying amount at 1st April, 2019 (restated)	214,137
Additions	179,365
Interest expense	25,840
Lease payments	(104,522)
Derecognition	(7,401)
Exchange rate adjustments	(6,460)
Carrying amount at 31st March, 2020	**300,959**
Additions	**110,432**
Interest expense	**25,282**
COVID-19-related rent concessions	**(5,076)**
Lease payments	**(108,322)**
Derecognition	**(30,962)**
Exchange rate adjustments	**948**
Carrying amount at 31st March, 2021	**293,261**

	2021	2020
	HK$'000	*HK$'000*
Analysed as:		
Current	**102,731**	102,078
Non-current	**190,530**	198,881
	293,261	300,959

The Group recognised rental expenses from short-term leases of approximately HK$165,000 (2020: HK$477,000) during the year ended 31st March, 2021.

27. DEFERRED TAX LIABILITIES

The followings are the major deferred tax liabilities recognised and movements thereon during the current and prior reporting period:

	Accelerated tax depreciation
	HK$'000
At 31st March, 2019	2,576
Credit to income for the year	(166)
At 31st March, 2020	2,410
Credit to income for the year	(689)
At 31st March, 2021	**1,721**

At the end of the reporting period, the Group has unused tax losses of approximately HK$4,796,000 (2020: HK$4,193,000) 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.

28. SHARE CAPITAL

	Number of ordinary shares of HK$0.10 each	*HK$'000*
Authorised		
At 1st April, 2019, 31st March, 2020 and 31st March, 2021	**3,000,000,000**	300,000
Issued and fully paid		
At 1st April, 2019, 31st March, 2020 and 31st March, 2021	**1,697,406,458**	169,741

There was no movement in share capital during both years.

29. 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 fair value of the share options was determined using the Black-Scholes option pricing model. Where relevant, the expected life used in the model has been adjusted based on the Management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions to the option), and behavioral considerations. Expected volatility was based on the historical share price volatility over the past 1 year.

The variables and assumptions used in computing the fair value of the share options were based on the Management's best estimate. The value of an option varies with different variables of certain subjective assumptions.

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.

29. 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 requirement of a minimum period for which an option must be held before it can be exercised.

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, 2021.

30. FINANCIAL POSITION OF THE COMPANY

	Notes	2021 HK$'000	2020 HK$'000
NON-CURRENT ASSET			
Interests in subsidiaries		**891,747**	889,920
CURRENT ASSETS			
Other debtors, deposits and prepayments		**214**	214
Cash and cash equivalents		**488**	40
		702	254
CURRENT LIABILITY			
Other creditors and accruals		**—**	17
NET CURRENT ASSETS		**702**	237
		892,449	890,157
CAPITAL AND RESERVES			
Share capital	*28*	**169,741**	169,741
Reserves	*31*	**722,708**	720,416
		892,449	890,157

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 28th June, 2021 and was signed on its behalf by:

Laurent LAM Kwing Chee	**Anthony LAM Sai Ho**
Chairman	*Vice Chairman and Chief Executive Officer*

31. 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 62 to 63 of the financial statements.

The Company

	Share premium HK$'000	Contributed surplus HK$'000	Capital redemption reserve HK$'000	Dividend reserve HK$'000	Retained earnings HK$'000	Total HK$'000
At 31st March, 2019	453,192	216,596	515	20,369	27,575	718,247
Profit for the year	—	—	—	—	41,209	41,209
Prior year final dividend paid	—	—	—	(20,369)	—	(20,369)
Interim dividend paid	—	—	—	—	(18,671)	(18,671)
Final dividend proposed for the year ended 31st March, 2020	—	—	—	20,369	(20,369)	—
At 31st March, 2020	453,192	216,596	515	20,369	29,744	720,416
Profit for the year	—	—	—	—	41,332	41,332
Prior year final dividend paid	—	—	—	(20,369)	—	(20,369)
Interim dividend paid	—	—	—	—	(18,671)	(18,671)
Final dividend proposed for the year ended 31st March, 2021	—	—	—	20,369	(20,369)	—
At 31st March, 2021	453,192	216,596	515	20,369	32,036	722,708

Notes:

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;

(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.

31. RESERVES *(Continued)*

The Company *(Continued)*

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

	2021	2020
	HK$'000	*HK$'000*
Contributed surplus	**216,596**	216,596
Dividend reserve	**20,369**	20,369
Retained earnings	**32,036**	29,744
	269,001	266,709

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

32. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31st March, 2021 are as follows:

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid up share capital	Proportion of nominal value of issued share capital held by the Group		Principal activities
			2021	2020	
Affluent Woods Limited	British Virgin Islands	1 ordinary share of US$1	**100%**	100%	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

32. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid up share capital	Proportion of nominal value of issued share capital held by the Group 2021	2020	Principal activities
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 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 (Registered rice stockholder)
Golden Resources Holdings Limited	British Virgin Islands	21,268 ordinary shares of US$1 each	**100%**	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
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

32. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid up share capital	Proportion of nominal value of issued share capital held by the Group 2021	2020	Principal activities
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
GS Express Holdings Pte. Ltd.	Singapore	SGD100	**100%**	61%	Investment holding
Guangzhou Golden Resources Trading Development Co., Ltd.~~	PRC	#RMB2,500,000	**100%**	100%	Marketing, sales and distribution of rice
Kim Phong Services Company Limited@	Vietnam	Charter Capital VND250,000,000 Paid up Capital VND250,000,000	**100%**	100%	Investment 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
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

32. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid up share capital	Proportion of nominal value of issued share capital held by the Group 2021	2020	Principal activities
Paklink International Limited	British Virgin Islands	1 ordinary share of US$1	**100%**	100%	Investment 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
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
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
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)

32. 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

@ Kim Phong Services Company Limited and Nguyen Phong Services Company Limited (collectively referred to as the "Vietnam Entities") are limited liability companies established in Vietnam.

GR Vietnam International Limited ("GRV International") is a wholly-owned subsidiary of the Group. GRV International has entered into various contractual arrangements with all registered owners of the Vietnam Entities, pursuant to which GRV International has the power to control the Vietnam Entities by way of controlling the voting rights and governing their financial and operating policies, and GRV International is entitled to receive all benefits and distributions from the Vietnam Entities. Such contractual arrangements enable GRV International to exercise effective controls over the Vietnam Entities, and realizes substantially all of the economic risks and benefits of the business and operations of the Vietnam Entities. In view of the foregoing, the Vietnam Entities are accounted for as subsidiaries of GRV International and their results of operation and financial position are consolidated into the Group's financial statements.

Red Circle Company Limited ("Red Circle") is a limited liability company established in Vietnam and 100% owned by the Vietnam Entities with 50% owned by each of the Vietnam Entities individually. Red Circle is accounted for as subsidiary of the Group and its results are consolidated into the Group's financial statements.

@@ Other than Reo Developments 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.

33. PLEDGE OF ASSETS

At the end of the reporting period, the Group had pledged bank balances of approximately HK$46.5 million (2020: HK$2.5 million) and financial assets at fair value through profit or loss of approximately HK$164.9 million (2020: HK$174.5 million) to secure general credit facilities granted to subsidiaries. No facilities had been utilised at the end of both reporting periods.

34. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

	2021 HK$'000	2020 HK$'000
Fees	**400**	400
Basic salaries, allowances and benefits in kind	**10,715**	9,918
Retirement benefits scheme contributions	**430**	419
Bonus paid	**2,356**	1,105
	13,901	11,842

Name of director	Fees	Other emoluments				
		Basic salaries, allowances and benefits in kind	Retirement benefits scheme contributions	Bonus paid	2021 Total	2020 Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Executive Director						
Mr. Laurent LAM Kwing Chee	—	3,713	146	754	4,613	3,912
Mr. Anthony LAM Sai Ho	—	3,416	146	754	4,316	3,637
Madam LAM Sai Mann	—	460	18	—	478	478
Ms. Morna YUEN Mai-tong	—	1,300	53	189	1,542	1,340
Mr. TSANG Siu Hung	—	1,826	67	659	2,552	2,075
Non-executive Director						
Mr. Dennis LAM Saihong	100	—	—	—	100	100
Independent Non-executive Director						
Mr. Joseph LAM Yuen To	100	—	—	—	100	100
Mr. Michael YU Tat Chi	100	—	—	—	100	100
Mr. Ronald YAN Mou Keung	100	—	—	—	100	100
2021 Total	**400**	**10,715**	**430**	**2,356**	**13,901**	**11,842**
2020 Total	400	9,918	419	1,105	11,842	

During the year ended 31st March, 2021, no emoluments were paid by the Group to any of the Directors as an inducement to join or upon joining the Group (2020: Nil).

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

(b) Directors' termination benefits

During the year ended 31st March, 2021, there were no termination benefits received by the Directors (2020: Nil).

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

During the year ended 31st March, 2021, no consideration was paid for making available the services of the Directors of the Company (2020: 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, 2021, 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 (2020: Nil).

(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 (2020: Nil).

35. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2020: three) Directors, details of whose remunerations are set out in note 34(a) to the consolidated financial statements. The remunerations paid to the five highest paid employees are as follows:

	2021	2020
	HK$'000	*HK$'000*
Basic salaries, allowances and benefits in kind	**12,741**	11,823
Retirement benefits scheme contributions	**528**	514
Bonus paid	**2,766**	1,438
	16,035	13,775

35. FIVE HIGHEST PAID EMPLOYEES *(Continued)*

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

	Number of employees	
HK$	**2021**	2020
1,500,001 — 2,000,000	**1**	1
2,000,001 — 2,500,000	**—**	2
2,500,001 — 3,000,000	**2**	—
3,500,001 — 4,000,000	**—**	2
4,000,001 — 4,500,000	**1**	—
4,500,001 — 5,000,000	**1**	—
	5	5

During the year ended 31st March, 2021, 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 (2020: Nil).

36. RELATED PARTY TRANSACTIONS

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

	2021	2020
	HK$'000	*HK$'000*
Net amount of trade purchases from and sharing of administrative services on a cost basis with associates *(Notes a, b)*	**93,180**	81,451

Notes:

(a) The trade purchases were carried out in the ordinary course of business and at prices determined by reference to prevailing market price.

(b) The costs of administrative services were allocated to the parties involved on a cost basis.

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

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 37(c).

36. RELATED PARTY TRANSACTIONS *(Continued)*

Remuneration for key management personnel

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

	2021	2020
	HK$'000	*HK$'000*
Short-term employee benefits	**17,856**	15,409
Post-employment employee benefits	**599**	584
	18,455	15,993

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.

37. COMMITMENTS AND CONTINGENT LIABILITIES

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

(a) Contracted capital commitments

	2021	2020
	HK$'000	*HK$'000*
Acquisition of property, plant and equipment	**6,821**	15,105
Capital contribution for an investee company	**20,400**	20,400
	27,221	35,505

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.

37. COMMITMENTS AND CONTINGENT LIABILITIES *(Continued)*

(b) Operating lease commitments

The Group as lessor

Property rental income earned during the year was approximately HK$3,748,000 (2020: HK$4,347,000). 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:

	2021	2020
	HK$'000	*HK$'000*
Within one year	**2,276**	2,904
In the second year	**693**	910
In the third year	**297**	—
In the fourth year	**306**	—
In the fifth year	**155**	—
	3,727	3,814

(c) Contingent liabilities and financial guarantees issued

	2021	2020
	HK$'000	*HK$'000*
Guarantees given in respect of banking facilities made available to:		
— associate	**15,644**	15,013

At the end of both reporting periods, the Group's associate had not utilised any of the banking facilities guaranteed by the Company.

At the end of the reporting period, the Directors did not consider it probable that a claim would be made against the Group under any of the guarantees granted by the Group. The Directors consider that the fair values of these financial guarantees of the Group are insignificant and therefore no value has been recognised at the end of both reporting periods.

38. RETIREMENT BENEFITS SCHEMES

	2021	2020
	HK$'000	*HK$'000*
Retirement benefits schemes contributions	**19,293**	14,472

38. RETIREMENT BENEFITS SCHEMES *(Continued)*

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.

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.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include financial assets at fair value through profit or loss, trade debtors, other debtors, trade creditors, other creditors and accruals 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 loans at the end of both reporting periods.

(b) Currency risk management

The carrying amounts of the Group's major foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period were as follows:

	Assets		**Liabilities**	
	2021	2020	**2021**	2020
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Vietnamese Dong	**123,015**	120,357	**417,008**	417,156
Renminbi	**56,583**	51,123	**8,219**	8,043

The Group is mainly exposed to the effects of fluctuation in Vietnamese Dong and Renminbi. The following table lists out the Group's sensitivity to a 8% and 5% increase and decrease in Hong Kong dollar against Vietnamese Dong and Renminbi respectively. The above sensitivity rates are used for reporting foreign currency risk internally to key management personnel and represent Management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes outstanding foreign currency denominated monetary assets and liabilities. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(b) Currency risk management *(Continued)*

	Increase/decrease in equity for the year	
	2021	2020
	HK$'000	*HK$'000*
Impact of Vietnamese Dong	**23,519**	23,744
Impact of Renminbi	**2,418**	2,154

(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 bank and cash balances of approximately HK$462,867,000 (2020: HK$265,039,000) and no bank borrowings (2020: Nil) at the end of the reporting period.

(d) Credit risk management

The Group's credit risk is primarily attributable to trade and other debtors and loan receivables. 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.

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 a joint venture 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, 23% (2020: 21%) and 57% (2020: 62%) of the total trade debtors balance were due from the group's largest customer and the five largest customers respectively.

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. Allowance for expected credit losses of HK$166,000 has been provided for the year ended 31st March, 2021 based on the provision matrix (2020: Nil). The rate of expected credit losses applied for the calculation is approximately 0.2% (2020: Nil).

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(d) Credit risk management *(Continued)*

For trade debtors balances which are long overdue with significant amounts or known insolvencies or non-response to collection activities, they are assessed individually for impairment allowance.

The balance of allowance for expected credit losses as at 31st March, 2021 amounted to HK$756,000 (2020: HK$543,000), included HK$166,000 (2020: Nil) provided under provision matrix for trade debtors and HK$590,000 (2020: HK$543,000) provided for individually credit-impaired trade debtors.

The Directors are of the opinion that the expected credit losses on other debtors are not material as they do not have default history and the debtors have strong capacity to meet their contractual cash flow obligations in the near term.

(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, 2021, the Group's net current assets amounted to approximately HK$592,481,000 (2020: HK$472,051,000) with current ratio, calculated as current assets divided by current liabilities, at approximately 2.8 times (2020: 2.6 times). Together with bank and cash balances of approximately HK$462,867,000 (2020: HK$265,039,000), the Group is in sound financial position to meet the capital requirements of the Group's operations and developments in the near future.

	At 31st March, 2021						
	Weighted average effective interest rate	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total contractual undiscounted cash flow	Total carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Trade creditors	—	99,128	—	—	—	99,128	99,128
Other creditors and accruals	—	98,178	—	—	—	98,178	98,178
Lease liabilities	9.4%	107,888	91,297	136,917	13,534	349,636	293,261
		305,194	91,297	136,917	13,534	546,942	490,567

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(e) Liquidity risk management *(Continued)*

	At 31st March, 2020						
	Weighted average effective interest rate	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total contractual undiscounted cash flow	Total carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Trade creditors	—	89,491	—	—	—	89,491	89,491
Other creditors and accruals	—	82,247	—	—	—	82,247	82,247
Lease liabilities	9.8%	107,496	95,189	151,639	8,272	362,596	300,959
		279,234	95,189	151,639	8,272	534,334	472,697

(f) Fair value

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, 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Financial assets at fair value through profit or loss:				
Listed equity securities	**13,112**	**—**	**—**	**13,112**
Unlisted equity securities	**—**	**—**	**17,861**	**17,861**
Other unlisted securities	**—**	**164,188**	**—**	**164,188**
	13,112	**164,188**	**17,861**	**195,161**

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(f) Fair value *(Continued)*

Financial assets *(Continued)*

	At 31st March, 2020			
	Level 1	Level 2	Level 3	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Financial assets at fair value through profit or loss:				
Listed equity securities	49,002	—	—	49,002
Unlisted equity securities	—	—	16,159	16,159
Listed debt securities	29,100	—	—	29,100
Other listed securities	4,460	—	—	4,460
Other unlisted securities	—	132,613	—	132,613
	82,562	132,613	16,159	231,334

There were no transfers between Level 1, Level 2 and Level 3 during the year.

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 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 unlisted equity 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 BMI Appraisals Limited, an independent professional qualified valuer, on an annual basis based on income approach. The discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees, based on an appropriate discount rate. The significant unobservable inputs which include the discount rates are determined by the sum of risk-free rate and credit spread with reference to comparable financial products, ranging from 0.07% to 10.89%. An increase in discount rate would result in a decrease in the fair value measurement, and vice versa.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(f) Fair value *(Continued)*

Reconciliation of Level 3 fair value measurements

	2021	2020
	HK$'000	*HK$'000*
Balance at beginning of the year	**16,159**	81,267
Additions	**173,176**	107,121
Disposals	**(173,176)**	(140,230)
Fair value changes of financial assets at fair value through profit or loss	**1,657**	(31,194)
Exchange rate adjustments	**45**	(805)
Balance at end of the year	**17,861**	16,159

Total fair value gain of financial assets at fair value through profit or loss of HK$37,883,000 (2020: fair value loss of HK$50,068,000) has been recognised in the consolidated statement of profit or loss for the year, with gain of HK$1,657,000 (2020: loss of HK$31,194,000) 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, 2021, carrying values of financial assets at fair value through profit or loss which were stated at fair values amounted to approximately HK$195,161,000. 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$29,274,000.

As at 31st March, 2020, carrying values of financial assets at fair value through profit or loss which were stated at fair values amounted to approximately HK$231,334,000. 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$34,700,000.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(h) Summary of financial assets and liabilities by category

	2021	2020
	HK$'000	*HK$'000*
Financial assets:		
Trade debtors	**48,248**	72,336
Other debtors	**35,314**	37,562
Financial assets at fair value through profit or loss	**195,161**	231,334
Cash and cash equivalents	**462,867**	265,039
	741,590	606,271
Financial liabilities:		
Trade creditors	**99,128**	89,491
Other creditors and accruals	**98,178**	82,247
Lease liabilities	**293,261**	300,959
	490,567	472,697

As at 31st March, 2021, the balance of financial assets at fair value through profit or loss is measured at fair value and the balances of the remaining financial assets and liabilities are measured at amortised cost.

40. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities *HK$'000*
Carrying amount at 31st March, 2019	—
Impacts of adopting HKFRS 16	214,137
Carrying amount at 1st April, 2019 (restated)	214,137
Financing cash flows	(104,522)
Non-cash changes:	
Additions	179,365
Interest expense	25,840
Derecognition	(7,401)
Exchange rate adjustments	(6,460)
Carrying amount at 31st March, 2020	**300,959**
Financing cash flows	**(108,322)**
Non-cash changes:	
Additions	**110,432**
Interest expense	**25,282**
COVID-19-related rent concessions	**(5,076)**
Derecognition	**(30,962)**
Exchange rate adjustments	**948**
Carrying amount at 31st March, 2021	**293,261**

41. EVENT AFTER THE REPORTING PERIOD

On 26th March, 2021, Supreme Development Company Limited ("Supreme Development"), a company beneficially owned as to approximately 41.16% by the Company, entered into the Share Buy-back Agreement with Sojitz (Hong Kong) Limited ("SJHK") and Sojitz Pla-Net Corporation ("SPNC"), pursuant to which Supreme Development conditionally agreed to buy back 3,501,350 Supreme Development's shares and 1,500,150 Supreme Development's shares (representing approximately 23.34% and 10% of the total number of issued shares of Supreme Development respectively) from SJHK and SPNC respectively at a total consideration of HK$27,505,500 ("the Share Buy-Back"). The consideration was determined with reference to the consolidated net assets of Supreme Development and its subsidiaries ("the Supreme Group") and represented an approximately 28.6% discount to the consolidated net assets of the Supreme Group.

The Share Buy-back transaction is deemed to be an acquisition by the Company as the Group's percentage shareholding in Supreme Development will increase from approximately 41.16% to 61.75% upon completion.

The Share Buy-Back of Supreme Development completed on 15th April, 2021. Prior to the completion, the Supreme Group was accounted for in the Company's consolidated financial statements as Interest in Associate by using equity method of accounting. After completion, Supreme Group has become non-wholly owned subsidiaries of the Company and its financial results are consolidated into the Group's consolidated financial statements.

Supreme Group is principally engaged in the business of manufacturing and sale of tubular and plastic bags. As the consideration for the Share Buy-back represented a discount to the consolidated net assets of the Supreme Group, the Company considers that it provides the Group with a good opportunity to increase its percentage equity interest in the Supreme Group to enable the Group to benefit from the improvement in the business of the Supreme Group.

SCHEDULE OF INVESTMENT PROPERTIES

At 31st March, 2021

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., 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%

GROUP FINANCIAL SUMMARY

At 31st March, 2021

	2017	2018	2019	2020	**2021**
	Year ended 31st March,				
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
RESULTS					
REVENUE					
Convenience store operation	346,936	517,732	684,557	879,581	**829,566**
Rice operation	720,394	686,658	770,069	852,512	**781,046**
Property investment	2,848	4,226	3,797	4,347	**3,748**
	1,070,178	1,208,616	1,458,423	1,736,440	**1,614,360**
Profit/(loss) before taxation	72,040	76,488	11,778	(2,527)	**63,827**
Taxation	(16,909)	(14,041)	(7,492)	(20,020)	**(23,572)**
Profit/(loss) for the year	55,131	62,447	4,286	(22,547)	**40,255**
Profit/(loss) for the year attributable to:					
Shareholders of the Company	59,762	65,367	4,356	(22,652)	**40,212**
Non-controlling interests	(4,631)	(2,920)	(70)	105	**43**
	55,131	62,447	4,286	(22,547)	**40,255**
Dividends	40,678	40,738	39,040	39,040	**39,040**

	2017	2018	2019	2020	**2021**
	As at 31st March,				
ASSETS AND LIABILITIES	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
Total assets	1,373,032	1,427,823	1,407,597	1,683,454	**1,683,851**
Total liabilities	(111,548)	(127,098)	(149,522)	(496,065)	**(504,560)**
Non-controlling interests	(10,671)	(9,103)	(8,183)	(23,070)	**(8,542)**
Shareholders' equity	1,250,813	1,291,622	1,249,892	1,164,319	**1,170,749**