

DICKSON

ANNUAL
REPORT 2025

Stock Code: 0113



DICKSON CONCEPTS (INTERNATIONAL) LIMITED

迪生創建(國際)有限公司

(incorporated in Bermuda with limited liability)

ANNUAL REPORT 2025

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Board of Directors :

Group Executive Chairman :

Dickson Poon

Executive Directors :

Poon Dickson Pearson Guanda

(Chief Operating Officer)

Chan Hon Chung, Johnny Pollux

Lau Yu Hee, Gary

Independent Non-Executive Directors :

Bhanusak Asvaintra

Nicholas Peter Etches

Fung Yue Ming, Eugene Michael

Lam Sze Wan Patricia

Company Secretary :

Or Suk Ying, Stella

Audit Committee :

Nicholas Peter Etches **(Chairman)**

Bhanusak Asvaintra

Fung Yue Ming, Eugene Michael

Nomination Committee :

Dickson Poon **(Chairman)**

Bhanusak Asvaintra

Nicholas Peter Etches

Lam Sze Wan Patricia

Remuneration Committee :

Bhanusak Asvaintra **(Chairman)**

Chan Hon Chung, Johnny Pollux

Nicholas Peter Etches

Investment Committee :

Dickson Poon **(Chairman)**

Poon Dickson Pearson Guanda

Chan Hon Chung, Johnny Pollux

Independent Auditor :

KPMG

Certified Public Accountants

Public Interest Entity Auditor

registered in accordance with the

Financial Reporting Council Ordinance

Head Office and Principal Place of Business :

4th Floor, East Ocean Centre,

98 Granville Road,

Tsimshatsui East,

Kowloon, Hong Kong.

Registered Office :

Clarendon House,

2 Church Street,

Hamilton HM 11,

Bermuda.

Principal Bankers :

BNP Paribas

Crédit Agricole Corporate and Investment Bank

Standard Chartered Bank (Hong Kong) Limited

The Hongkong and Shanghai Banking Corporation Limited

Branch Share Registrar in Hong Kong :

Tricor Investor Services Limited#

17/F, Far East Finance Centre,

16 Harcourt Road,

Hong Kong.

Share Registrar in Bermuda :

Conyers Corporate Services (Bermuda) Limited

Clarendon House,

2 Church Street,

Hamilton HM 11,

Bermuda.

Place of Share Listing :

The Stock Exchange of Hong Kong Limited

Stock Code :

The Stock Exchange of Hong Kong Limited : 0113

Website :

<http://www.dickson.com.hk>

with effect from 28th February, 2025



For the financial year ended 31st March, 2025, the Group achieved a turnover of HK\$1,921.8 million, a decrease of 19.9 per cent..

Net profit attributable to equity shareholders was HK\$198.0 million (2024 : HK\$350.8 million), a decrease of 43.5 per cent..

The decrease in profit is mainly the result of a decrease in the Group's sales turnover in Hong Kong.

Financial Results and Final Dividend

Turnover for the financial year ended 31st March, 2025 was HK\$1,921.8 million, a decrease of 19.9 per cent. compared to HK\$2,400.1 million in the previous year.

Profit attributable to shareholders was HK\$198.0 million, a decrease of 43.5 per cent. compared to HK\$350.8 million in the previous year.

In light of the current privatisation proposal of the Company and the cancellation price payable to the scheme shareholders thereunder, the Board considers it appropriate not to recommend a final dividend for the year ended 31st March, 2025.

Review of Operations

As a result of the rapidly changing retail landscape, with local travelers prioritising destinations offering the best value over shopping locally, and with shopping no longer a priority for Chinese tourists visiting Hong Kong, the consumer sentiment in Hong Kong remains extremely weak. Meanwhile, China has also extended its instant tax refund policy for foreign visitors from selected cities to nationwide, thereby making Hong Kong less attractive. All in all, the Group recorded a decrease in sales turnover of 29.0 per cent. in Hong Kong for the year ended 31st March, 2025.

In Taiwan, as a result of continued weak consumer sentiment there, the Group recorded a 0.4 per cent. decrease in sales turnover versus a 10.5 per cent. growth last year in local currency terms. The Group will continue to exercise aggressive control of operating cost and inventory.

In China, sales of the Group's retail and e-commerce business grew by 9.2 per cent. in local currency terms following the Group's strategy to consolidate its wholesale network while growing the Group's retail network.

The Group adopted the most conservative approach in managing its retail network. Today, the Group's retail network totals 63 stores, comprising 5 stores in Hong Kong, 32 in China and 26 in Taiwan.

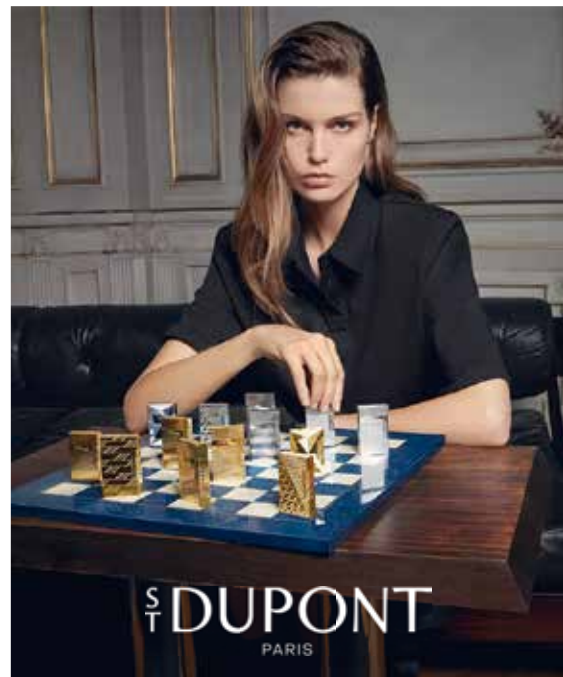
Geographically, Hong Kong contributed 63.0 per cent. of sales, Taiwan 29.8 per cent. and other territories 7.2 per cent..

In terms of sales mix, watches and jewellery represented 49.9 per cent., cosmetics and beauty products 18.0 per cent., fashion and accessories 26.1 per cent. and securities trading 6.0 per cent..

The investment market remained volatile. The Group managed its investment portfolio cautiously and achieved a profit of HK\$59.3 million. None of the carrying value of any individual investment held by the Group accounted for 5 per cent. or more of the Group's total assets as at 31st March, 2025.



Fashionwear at Harvey Nichols.
於「Harvey Nichols」的時裝。



S.T. Dupont lighters.
「都彭」打火機。



*Beauty Avenue flagship store at Bank Centre, Mongkok.
位於旺角銀行中心的「Beauty Avenue」旗艦店。*



*Handbag by Tod's.
「Tod's」手袋。*

Board of Directors and Employees

I would like to take this opportunity to thank my fellow Directors and all the Group's employees for their commitment and contribution during the year. Without their hard work and dedication, we would not have achieved the results this year.

Future Prospects and Corporate Strategy

The consumers sentiment in Hong Kong is extremely weak. Leading luxury brands now own and operate their international network of retail shops directly while simultaneously reducing their network of wholesale partners to increase control over pricing and margins. This shift is especially disadvantageous for multi-brand retailers like Harvey Nichols in Hong Kong, where many luxury brands established their own stores in the same mall as Harvey Nichols. This limits their availability to Harvey Nichols which in turn reduces the overall appeal of Harvey Nichols' brands mix and offering. At the same time, post-pandemic shifts in consumer behaviour have further impacted the Group's core business, with travelers prioritising destinations offering the best value over shopping locally. Mainland China has also extended its instant tax refund policy for foreign visitors, from selected cities to nationwide thereby allowing all its cities to apply for offering instant tax refunds. With this benefit, leading luxury brands like Louis Vuitton, Dior, Moncler, etc., will all have products cheaper in Mainland China than in Hong Kong. All in all, these measures will make Hong Kong less attractive to foreign tourists and the narrowed price gaps between Mainland China and Hong Kong pre-tax rebate have also made shopping in Hong Kong less attractive to Chinese tourists. To revive the Hong Kong retail market, a comprehensive restructuring at all levels of costs will be required.

In Taiwan, consumers sentiment has also been negatively impacted by the volatility of the stock market as a result of geopolitics, uncertainties brought by the tariffs policies of the United States and the appreciation of the Taiwan currency. The Taiwan market will remain challenging as local consumers there have also been travelling in Japan where retail prices of luxury goods are cheaper.

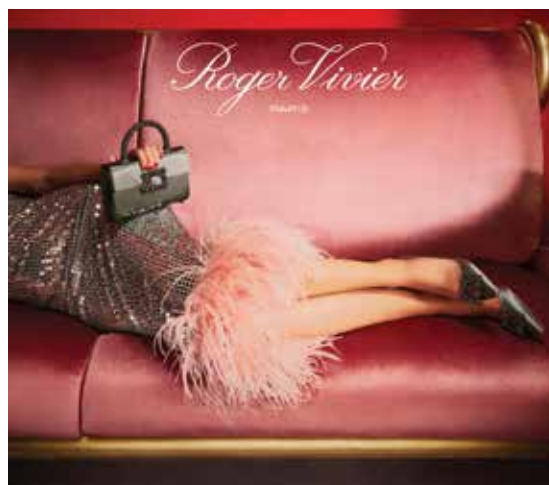
In China, given soft consumer sentiment and spending, the Group has a cautious near-term outlook. However, the Group remains positive on the long term outlook of China and will seek to continue growing its presence in this market.

The Group will continue to employ the most conservative approach to manage its retail network and cautiously manage its investment portfolio, as well as rigorously control costs at all levels of operation.

With the rapidly changing retail landscape and shifting consumer spending behaviour, it is unrealistic to expect the Group to return to its historical growth trajectory in terms of sales and profitability. To pursue growth, the Group must actively identify new strategic investments which can extend beyond its current scope of business. These initiatives will inevitably require significant investments, reducing the company's cash position together with profit dilution. This will ultimately affect the Group's stable dividend history, as losses would be expected at the development stage for any new business initiatives but it is necessary for the Group to return to long term growth.



Chopard watch.
「蕭邦」腕錶。



Handbag and shoes by Roger Vivier.
「Roger Vivier」手袋及鞋履。



Dickson Poon
Group Executive Chairman

Hong Kong, 2nd June, 2025

The board of directors (the “**Board**”) has pleasure in presenting the annual report together with the audited financial statements for the year ended 31st March, 2025.

Group Activities

The Company’s activity is that of investment holding. The principal activities of the Group are the sale of luxury goods and securities investment.

The analysis of the principal activities and geographical locations of the operations of the Group during the financial year are set out in Note 2 on the financial statements.

Business Review

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The Group adopted the most conservative approach in managing its retail network. Today, the Group’s retail network totals 63 stores, comprising 5 stores in Hong Kong, 32 in China and 26 in Taiwan.

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Principal risks and uncertainties facing the Group

The Group recognises that external events may occur which affect the economic and investment environment in which the Group operates. The business is managed by an experienced management team who have a close involvement in the day to day running of the business, which ensures that the Group is prepared for, and can react quickly by adapting its business and investment strategies to changes in the economic and investment environment.

Compliance with relevant laws and regulations

During the year under review, as far as the Board and management are aware, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has a significant impact on the businesses and operations of the Group.

Relationships with employees, customers and suppliers

The Group values its employees and recognises the importance of personal development of employees. The Group strives not only to provide a safe and healthy workplace for employees but also to create a positive working environment that balances the needs of the business with the needs of individual employees. The Group provides competitive remuneration packages to attract and motivate employees, and reviews these regularly to ensure the remuneration packages conform to the market standard.

The Group understands the importance of maintaining good customer relationships. Through the maintenance of customer databases, the Group is able to provide customers with information on updated fashion trends, new products and promotion events. The Group is also able to get feedback from customers and better understand customer needs and demands.

The Group also understands the importance of maintaining good relationships with suppliers and business partners to achieve long-term business goals. Accordingly, directors and senior management have kept good communication, promptly exchanged ideas and shared business updates with them when appropriate.

Environmental policy

The Group is committed to building an environmentally-friendly corporation. Green office practices such as paperless internal communications, double-sided printing and copying, setting up recycling bins, promoting using recycled paper and reducing energy consumption by switching off idle lighting and electrical appliances are encouraged in the operation of the Group's businesses. The Group will review its environmental practices from time to time and will consider implementing further eco-friendly measures and practices to enhance environmental sustainability. The Group's Environmental, Social and Governance Report will be published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.dickson.com.hk at the same time as the publication of this annual report.

Financial statements

The results of the Group for the year ended 31st March, 2025 and the financial position of the Company and the Group at that date are set out in the financial statements on pages 53 to 117.

Dividends

An interim dividend of HK10 cents (2024 : HK10 cents) per ordinary share was paid on 21st January, 2025.

The Board has resolved not to recommend the payment of a final dividend (2024 : HK35 cents per ordinary share) in respect of the year ended 31st March, 2025.

Details of the dividend policy of the Company are set out in the Corporate Governance Report on pages 45 to 46.

Share Capital and Reserves

Movements in share capital and reserves during the year are set out in Notes 20 and 21 on the financial statements respectively.

Share Option Scheme

The Share Option Scheme of the Company (the "Share Option Scheme") was expired on 17th July, 2023 and the Company did not adopt any new share option scheme since then.

Share Purchase, Sale and Redemption

Details of ordinary shares repurchased by the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) during the year ended 31st March, 2025 are set out in Note 20 on the financial statements.

Save as disclosed in Note 20, there was no purchase, sale or redemption by the Company, or any of its subsidiary companies, of the Company’s ordinary shares during the year ended 31st March, 2025 and up to the date of this report. There is no treasury shares held by the Company.

Pre-emptive Rights

There is no provision for pre-emptive rights under the Company’s Amended and Restated Bye-laws (the “**Bye-laws**”) although there is no restriction against such rights under the laws of Bermuda.

Charitable Donations

Donations made by the Group during the year amounted to HK\$971,000.

Property, plant and equipment

Movements in property, plant and equipment during the year are set out in Note 10 on the financial statements.

Borrowings

Bank loans are set out in Note 16 on the financial statements.

Retirement Schemes

Retirement schemes operated by the Group during the year are outlined in Notes 1(n), 4, 14, 17 and 24 on the financial statements.

Principal Subsidiary Companies

Particulars of the Company’s principal subsidiary companies are set out on pages 114 to 117.

Management Contracts

No contracts concerning the management and / or administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Employment and Remuneration Policies

As at 31st March, 2025, the Group had 623 (2024 : 683) employees. Total staff costs (including directors' emoluments) amount to HK\$261.7 million (2024 : HK\$300.6 million). Remuneration policies are reviewed regularly by the Board and by the Remuneration Committee in respect of directors and senior management. Remuneration packages are structured to take into account the level and composition of pay and the general market conditions in the respective countries and businesses in which the Group operates.

Liquidity and Financial Resources

The Group's net liquid financial resources as at 31st March, 2025 stood at HK\$2,670.5 million (2024 : HK\$2,670.5 million), represented by cash and bank balances of HK\$3,275.8 million (2024 : HK\$3,469.6 million) less short-term bank borrowings of HK\$605.3 million (2024 : HK\$799.1 million).

The Group also maintains substantial uncommitted short-term loan facilities with selected international banks for day-to-day requirements and funding flexibility.

Foreign Currency Exposure and Financial Management

Merchandise purchased by the Group is mainly denominated in United States Dollars, Euros, Pounds Sterling and Swiss Francs. Where appropriate, forward foreign exchange contracts are utilised to purchase the relevant currency to settle amounts due and it is the Group's policy that such foreign exchange contracts or foreign currency purchases are strictly limited to approved purchase budget amounts or actual purchase commitments.

Exposure to fluctuations in the exchange rate of regional currencies in respect of the Group's overseas operations is minimised by utilising local currency borrowings, where necessary, to fund working capital and capital expenditure requirements with repayment from funds generated from local sales.

Financial risk management for the Group is the responsibility of the treasury department based in Hong Kong which implements the policies and guidelines issued by the Board. Surplus cash is held mainly in United States Dollars, New Taiwan Dollars, Hong Kong Dollars and Renminbi with the majority placed on short-term deposits with established international banks.

As at 31st March, 2025, the Group's current ratio, being current assets divided by current liabilities, was 4.0 times (as at 31st March, 2024 : 3.3 times). The Group has maintained a net surplus cash position throughout the financial year under review and its gearing ratio, being total bank borrowings net of cash balances as a percentage of consolidated capital and reserves is Nil (as at 31st March, 2024 : Nil).

Financial Summary

The results, assets and liabilities of the Group for the last five years are summarised on page 118.

Major Customers and Suppliers

During the year, the Group sold less than 30 per cent. of its goods and services to its five largest customers.

The percentages of purchases for the year attributable to the Group's major suppliers are as follows :-

The largest supplier	37 per cent.
Five largest suppliers in aggregate	81 per cent.

Directors

The directors during the year were :-

Dickson Poon	(Group Executive Chairman)
Poon Dickson Pearson Guanda	(Chief Operating Officer and Executive Director)
Chan Hon Chung, Johnny Pollux	(Executive Director)
Lau Yu Hee, Gary	(Executive Director)
Bhanusak Asvaintra	(Independent Non-Executive Director (“INED”))
Nicholas Peter Etches	(INED)
Fung Yue Ming, Eugene Michael	(INED)
Lam Sze Wan Patricia	(INED)

In accordance with Bye-law 84(1) of the Company's Bye-laws, Sir Dickson Poon (the Group Executive Chairman and an Executive Director), Mr. Lau Yu Hee, Gary (an Executive Director) and Mr. Nicholas Peter Etches (an INED) shall retire from office by rotation at the forthcoming annual general meeting of the shareholders of the Company (the “**2025 AGM**”). All these three retiring directors, being eligible, have offered themselves for re-election. None of the directors offering themselves for re-election has a service contract with the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Indemnity of Directors

Pursuant to the Bye-law 164(1) of the Company's Bye-laws and subject to the statutes, the directors of the Company shall be indemnified and secured harmless out of the assets and profits 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 duty, or supposed duty, in their respective offices. The Company has the relevant Directors' and Officers' Liability and Company Reimbursement Insurance in place and maintained throughout the year, which provides cover for the directors of the Company, and its subsidiary companies.

Directors' Biographies

Sir Dickson Poon *(Group Executive Chairman)*

Sir Dickson Poon, aged 68, is the founder and a substantial shareholder of the Group. He is also the chairman of each of the Nomination Committee and the Investment Committee of the Company. Sir Dickson Poon established the Dickson group business in 1980 and was appointed an Executive Director of the Company in November 1991 and has been the Group Executive Chairman since February 1992. He provides leadership for the Board and ensures that the Board discharges its responsibilities effectively and efficiently. Sir Dickson Poon is the chairman and non-executive director of Harvey Nichols Group Limited (“**HNGL**”) and also a director of one of its subsidiary companies (together the “**HN Group**”). The HN Group is the related company of the Company. He is the father of Mr. Poon Dickson Pearson Guanda, the Chief Operating Officer, an Executive Director and a substantial shareholder of the Company. The relationship between Sir Dickson Poon and Dickson Investment Holding (PTC) Corporation (“**DIHPTC**”) which has a notifiable interest in the Company under the provisions of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”) is mentioned in the “Directors’ Interests” and “Substantial Shareholders’ and Other Persons’ Interests” sections of this report.

Mr. Poon Dickson Pearson Guanda *(Chief Operating Officer and Executive Director)*

Mr. Pearson Poon, aged 30, joined the Group as a General Manager in October 2016, and appointed as an Executive Director in December 2018 and the Chief Operating Officer in September 2022 respectively. His current responsibilities include overseeing the Group’s retail business in Hong Kong and Mainland China, while he is also a substantial shareholder of the Group and a member of the Investment Committee of the Company. Prior to joining the Group, he worked at the investment banking division of Goldman Sachs (Asia) LLC, where he was part of the consumer and retail, technology, media, and telecommunications team in Hong Kong, focusing on the China internet sector. Mr. Pearson Poon holds a Bachelor of Arts in Economics from the University of Cambridge. He is the Vice Chairman and a director of HNGL and also a director of certain of the subsidiary companies of the HN Group. Mr. Pearson Poon is also the Chairman of the supervisory board of S.T. Dupont S.A. (“**STDSA**”), the securities of which are listed on the Euronext Paris in France. Both the HN Group and STDSA are the related companies of the Company. Mr. Pearson Poon is a son of Sir Dickson Poon, the Group Executive Chairman and a substantial shareholder of the Company. The relationship between Mr. Pearson Poon and DIHPTC which has a notifiable interest in the Company under the provisions of the SFO is mentioned in the “Directors’ Interests” and “Substantial Shareholders’ and Other Persons’ Interests” sections of this report.

Mr. Chan Hon Chung, Johnny Pollux *(Executive Director)*

Mr. Johnny Chan, aged 65, joined the Group in October 1983 and was appointed an Executive Director in September 2011. He is also a member of each of the Remuneration Committee and the Investment Committee of the Company. Mr. Johnny Chan is a Fellow of The Hong Kong Institute of Certified Public Accountants and a Fellow of The Institute of Chartered Accountants in England and Wales, and is in charge of the financial reporting function of the Group. Prior to joining the Group, he acquired extensive audit experience in an international audit firm in Hong Kong.

Mr. Lau Yu Hee, Gary *(Executive Director)*

Mr. Gary Lau, aged 71, joined the Group in June 1990 and was appointed an Executive Director in January 2008. Educated in Hong Kong, Mr. Gary Lau started his career as a journalist and later moved on to work for a French company distributing luxury goods in the region before joining the Group. He is currently in charge of the Group’s business in Taiwan.

Mr. Bhanusak Asvaintra (INED)

Mr. Asvaintra, aged 80, was appointed an INED in September 2004. He is also the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee of the Company. A graduate of the University of Pennsylvania and the University of Chicago, he held senior executive positions with the Chase Manhattan Bank group in New York, Hong Kong and Singapore in the 1970s. Mr. Asvaintra joined the Charoen Pokphand group of companies in 1980 and retired as its chief executive officer in 1998. He is also an INED of MS Group Holdings Limited (Stock Code : 1451), the securities of which are listed on the Stock Exchange.

Mr. Nicholas Peter Etches (INED)

Mr. Nicholas Etches, aged 76, was appointed an INED in June 2004. He is also the chairman of the Audit Committee and a member of each of the Nomination Committee and the Remuneration Committee of the Company. Mr. Nicholas Etches has over 34 years auditing experience with clients in a range of industries, also specialising in the fields of banking and finance as well as insolvency and corporate recovery practice. He is a Fellow of The Institute of Chartered Accountants in England and Wales and a Fellow of the Hong Kong Institute of Certified Public Accountants of which he was the President in 1995. Mr. Nicholas Etches joined one of the leading international accounting firms in London in 1967, transferred to the firm's Hong Kong office in 1975 and became a partner in 1978 until his retirement in 2002.

Mr. Fung Yue Ming, Eugene Michael (INED)

Mr. Michael Fung, aged 68, was appointed an INED and a member of the Audit Committee of the Company in August 2019. He graduated from Tufts University. Mr. Michael Fung is the chairman and principal of SouthBay Investment Advisors Limited ("SIAL"). Prior to joining SIAL, he worked for J.P. Morgan from 2001 to 2015 as the managing director and chairman of Private Bank Asia. Mr. Michael Fung was a member of the Financial Services Development Council, Hong Kong from 2013 to 2017. He is also an INED of Shanghai Commercial Bank Limited (its US\$350,000,000 Tier 2 Subordinated Notes due 2033 (Stock Code : 5713) is listed on the Stock Exchange), the Executive Committee of Hong Kong Arts Festival Society Limited and the Court of The Hong Kong University of Science and Technology.

Ms. Lam Sze Wan Patricia (INED)

Ms. Patricia Lam, aged 58, was appointed as an INED and a member of the Nomination Committee of the Company with effect from 15th June, 2023. She received her Bachelor's Degree in Monetary Economics from the London School of Economics in 1990 and Post Graduate Diploma in Asian Arts - Chinese, Japanese and Korean Arts at the Sotheby's School of Oriental and African Studies, University of London in 1991. Ms. Patricia Lam is currently an INED of each of Hang Seng Bank Limited (Stock Code : 11) and MGM China Holdings Limited (Stock Code : 2282), the securities of both companies are listed on the Stock Exchange. She is also a member of the Board of Governors of the Hang Seng University of Hong Kong, a member of M Plus Museum Limited (M+ Board) and the co-founder and partner of Patti Wong & Associates Limited. Ms. Patricia Lam retired from Sotheby's in December 2022 where she was the Senior International Chairman. She previously held the post of Head of Sotheby's Private Client Services Department in London before her appointment as chairman of Sotheby's Asia in 2004. Ms. Patricia Lam was also appointed as chairman of Sotheby's Diamonds, a retail joint venture established in December 2005 between Sotheby's and Diacore.

Disclosure of Interests

Directors' Interests

As at 31st March, 2025, the interests and short positions of the directors in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Directors’ Model Code**”) as set out in Appendix C3 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange were as follows :-

Dickson Concepts (International) Limited

Name of Director	Capacity	Personal Interests	Ordinary Shares of HK\$0.30 each			Total	Percentage⁽ⁱⁱ⁾
			Family Interests	Corporate Interests	Other Interests		
Dickson Poon	Beneficial owner and trust founder	17,361	–	–	233,464,065 ⁽ⁱ⁾	233,481,426	60.48
Poon Dickson Pearson Guanda	Beneficial owner and beneficiary of a discretionary trust	83,000	–	–	233,464,065 ⁽ⁱ⁾	233,547,065	60.50

Notes :-

(i) These shares are held through two trusts.

(ii) Percentage which the aggregate long position in shares represents to the issued share capital of the Company.

In addition, Sir Dickson Poon and Mr. Poon Dickson Pearson Guanda are deemed to be interested in the share capital of all the subsidiary and associated companies of the Company by virtue of their interest in the Company.

Save as referred to above, as at 31st March, 2025, none of the directors had any interest or short position in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which are recorded in the register required to be kept by the Company under Section 352 of the SFO or which are notified to the Company and the Stock Exchange pursuant to the Directors’ Model Code.

Save as disclosed in the “Continuing Connected Transactions” section of this report, no contracts of significance in relation to the Group’s business to which the Company or any of its subsidiary companies was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

The Share Option Scheme was expired on 17th July, 2023 and the Company did not adopt any new share option scheme since then.

Save as disclosed above, at no time during the year was the Company or any of its subsidiary companies a party to any arrangements to enable the directors or any of their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Substantial Shareholders' and Other Persons' Interests

As at 31st March, 2025, the interests and short positions of the persons (other than the directors) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows :-

Dickson Concepts (International) Limited

Name of Shareholder	Ordinary shares of HK\$0.30 each	Percentage ⁽ⁱⁱⁱ⁾	Capacity
Yu Kwai Chu, Pearl	233,481,426 ⁽ⁱ⁾	60.48	Interest of spouse
Dickson Investment Holding (PTC) Corporation (“ DIHPTC ”)	233,464,065 ⁽ⁱⁱ⁾	60.47	Trustee
Paicolex Trust Company (BVI) Limited (“ Paicolex BVI ”)	233,464,065 ⁽ⁱⁱ⁾	60.47	Trustee
Paicolex Trust Management AG (“ Paicolex AG ”)	233,464,065 ⁽ⁱⁱ⁾	60.47	Trustee

Notes :-

- (i) These shares refer to the family interest attributable to Sir Dickson Poon, the spouse of Ms. Yu Kwai Chu, Pearl.
- (ii) These shares refer to the same block of shares. DIHPTC, Paicolex BVI and Paicolex AG are trustees of two trusts. These shares are also included in the 233,464,065 shares which were disclosed as “Other Interests” of Sir Dickson Poon and Mr. Poon Dickson Pearson Guanda in the “Directors’ Interests” section of this report. Sir Dickson Poon is a director of DIHPTC.
- (iii) Percentage which the aggregate long position in shares represents to the issued share capital of the Company.

Save as disclosed above and in the “Directors’ Interests” section of this report, the Company has not been notified by any person who had an interest or short position in the shares or underlying shares of the Company as at 31st March, 2025 which is required to be notified to the Company pursuant to Part XV of the SFO or which is recorded in the register required to be kept by the Company under Section 336 of the SFO.

Continuing Connected Transactions

1. During the year and up to the date of this report, the Group has on an on-going basis conducted transactions with the S.T. Dupont Group (i.e. S.T. Dupont S.A. (“**STDSA**”), a company incorporated in France with limited liability, the shares of which are listed on the Euronext Paris in France and which is owned as to 90.58 per cent. of its issued share capital by a trust (the “**Trust**”) established for the benefit of the family members of Sir Dickson Poon, the Group Executive Chairman and a substantial shareholder of the Company (Sir Dickson Poon is the father of Mr. Poon Dickson Pearson Guanda, the Chief Operating Officer, an Executive Director and a substantial shareholder of the Company, who is the chairman of the supervisory board of STDSA and a beneficiary of the Trust), together with its subsidiary companies, which are principally engaged in the manufacture and distribution of luxury lighters, writing instruments, leather goods, accessories, ready-to-wear clothing, watches and fragrances under the brand name of “S.T. Dupont”). These transactions involve sales and purchases of merchandise, provision of management and supporting services, provision of interior design services, payment of license fees and distribution of merchandise, all of which are conducted on normal commercial terms and in the ordinary and usual course of business of the Group, the details of which are set out as follows :-
 - (a) On 26th March, 2024, Dickson Concepts Limited (“**DCL**”), a member of the Group, as seller and S.T. Dupont Marketing Limited (“**STDML**”), a member of the S.T. Dupont Group, as purchaser entered into a merchandise sale and purchase renewal agreement (the “**Agreement No. 1**”) regarding the sales of certain merchandise by the Group to the S.T. Dupont Group including, but not limited to, luxury lighters, writing instruments, leather goods, accessories, ready-to-wear clothing, watches as well as fragrances under the brand name of “S.T. Dupont” or names of product lines under “S.T. Dupont” (for that merchandise manufactured in the People’s Republic of China (“**PRC**”) only) for a period of three years commencing from 1st April, 2024 and ending on 31st March, 2027. The selling prices of the obsolete merchandise are set at the Group’s purchase cost of the obsolete merchandise while the selling prices of other merchandise are equal to the retail prices less normal trade discounts (in the range of 50 per cent. to 60 per cent.), due upon shipment of the merchandise and to be settled in cash with a credit period of up to 60 days. The maximum annual caps received / receivable by the Group for the sales of merchandise to the S.T. Dupont Group under the Agreement No. 1 for the financial years ended / ending 31st March, 2025, 31st March, 2026 and 31st March, 2027 are HK\$1,000,000, HK\$1,300,000 and HK\$1,690,000 respectively. The sales of merchandise by the Group to the S.T. Dupont Group under the Agreement No. 1 during the year was HK\$87,000 which was below the maximum annual cap of HK\$1,000,000.

- (b) On 26th March, 2024, STDML as seller and DCL as purchaser entered into a merchandise sale and purchase renewal agreement (the “**Agreement No. 2**”) regarding the purchases of certain merchandise by the Group from the S.T. Dupont Group including, but not limited to, luxury lighters, writing instruments, leather goods, accessories, ready-to-wear clothing, watches as well as fragrances under the brand name of “S.T. Dupont” or names of product lines under “S.T. Dupont” (for that merchandise manufactured outside the PRC only) for a period of three years commencing from 1st April, 2024 and ending on 31st March, 2027. The purchase prices of the merchandise are equal to the retail prices less normal trade discounts (in the range of 60 per cent. to 80 per cent.), due upon shipment of the merchandise and to be settled in cash with a credit period of up to 60 days. The maximum annual caps paid / payable by the Group for the purchases of merchandise from the S.T. Dupont Group under the Agreement No. 2 for the financial years ended / ending 31st March, 2025, 31st March, 2026 and 31st March, 2027 are HK\$5,600,000, HK\$9,000,000 and HK\$13,000,000 respectively. The purchases of merchandise by the Group from the S.T. Dupont Group under the Agreement No. 2 during the year was HK\$2,668,000 which was below the maximum annual cap of HK\$5,600,000.
- (c) On 26th March, 2024, DCL as service provider and STDML as service receiver entered into a services renewal agreement (the “**Agreement No. 3(a)**”) together with a renewal agreement on personnel (the “**Agreement No. 3(b)**”) regarding (i) the provision of certain management and supporting services, centralised administrative and supporting functions including management, stock control and information technology by the Group to the S.T. Dupont Group; and (ii) the Group and the S.T. Dupont Group agreed to share the salaries of the employees (as provided by the S.T. Dupont Group and the Group) for a period of three years commencing from 1st April, 2024 and ending on 31st March, 2027. The service fee payable by the S.T. Dupont Group is calculated on a cost or cost plus 12 per cent. (as may be required by the relevant tax or other rulings or regulations) allocation basis, and this service fee shall be payable in cash on a monthly basis with a credit period of up to 30 days. The maximum annual caps received / receivable by the Group for the provision of management and supporting services to the S.T. Dupont Group under the Agreement No. 3(a) and the Agreement No. 3(b) for the financial years ended / ending 31st March, 2025, 31st March, 2026 and 31st March, 2027 are HK\$10,474,000, HK\$12,600,000 and HK\$15,100,000 respectively. The service fee received by the Group from the S.T. Dupont Group in respect of the provision of management and supporting services to the S.T. Dupont Group under the Agreement No. 3(a) and the Agreement No. 3(b) during the year was HK\$9,150,000 which was below the maximum annual cap of HK\$10,474,000.

- (d) On 26th March, 2024, Dickson Interior Design Limited (“**DIDL**”), a member of the Group, as service provider and STDML as service receiver entered into an interior design services renewal agreement (the “**Agreement No. 4**”) regarding the provision of interior design services by the Group to the S.T. Dupont Group relating to its retail outlets and sales corners for a period of three years commencing from 1st April, 2024 and ending on 31st March, 2027. The interior design service fee payable by the S.T. Dupont Group is charged at a rate of 10 per cent. (which is derived in accordance with industry practice) of the total contract sum for the building and fitting out of any of its freestanding boutiques, department store corners and retail outlets and this interior design service fee shall be payable in cash on a contract phase completion basis with a credit period of up to 30 days. The maximum annual caps received / receivable by the Group for the provision of interior design services to the S.T. Dupont Group under the Agreement No. 4 for the financial years ended / ending 31st March, 2025, 31st March, 2026 and 31st March, 2027 are HK\$1,000,000, HK\$2,000,000 and HK\$2,500,000 respectively. The service fee received by the Group from the S.T. Dupont Group in respect of the provision of interior design services to the S.T. Dupont Group under the Agreement No. 4 during the year was HK\$66,000 which was below the maximum annual cap of HK\$1,000,000.
- (e) On 15th December, 2022, STDSA as licensor and Bestway Holdings Limited (“**BHL**”), a member of the Group, as a licensee entered into a shoe license agreement (the “**Agreement No. 5**”) regarding the granting of an exclusive license to the Group for the use of various “S.T. Dupont” trademarks in order to manufacture, sell, market and promote the relevant “S.T. Dupont” shoe products, and open and operate points of sale within the PRC (excluding Hong Kong) for a period of two years commencing from 1st April, 2023 and ended on 31st March, 2025 with an option to renew the Agreement No. 5 for a maximum of two two-year periods subject to compliance with the applicable Listing Rules. The license fee payable by the Group under the Agreement No. 5 is calculated based on 70 per cent. on the total shoe license royalty revenue received from third parties for the shoe products manufactured in the PRC. The license fee payable by the Group under the Agreement No. 5 shall be payable on a quarterly basis with a credit period of up to 45 days. The maximum annual cap paid by the Group for the payment of the license fee in respect of the granting of an exclusive license by the S.T. Dupont Group to the Group for the use of various “S.T. Dupont” trademarks in order to manufacture, sell, market and promote the relevant “S.T. Dupont” shoe products, and open and operate points of sale within the PRC (excluding Hong Kong) under the Agreement No. 5 for the financial year ended 31st March, 2025 is HK\$5,565,000. The license fee paid by the Group to the S.T. Dupont Group in respect of the granting of a license to the Group for the use of various “S.T. Dupont” trademarks under the Agreement No. 5 during the year was HK\$3,710,000 which was below the maximum annual cap of HK\$5,565,000.

On 25th March, 2025, STDSA as licensor and BHL as a licensee entered into a renewal shoe license agreement (the “**Renewal Agreement No. 5**”) regarding the renewal of the Agreement No. 5 upon its expiry on 31st March, 2025 for a further period of two years commencing from 1st April, 2025 and ending on 31st March, 2027 with other terms remaining unchanged. The maximum annual caps payable by the Group for the payment of the license fee in respect of the granting of an exclusive license by the S.T. Dupont Group to the Group for the use of various “S.T. Dupont” trademarks in order to manufacture, sell, market and promote the relevant “S.T. Dupont” shoe products, and open and operate points of sale within the PRC (excluding Hong Kong) under the Renewal Agreement No. 5 for the financial years ending 31st March, 2026 and 31st March, 2027 are HK\$4,882,500 and HK\$4,882,500 respectively.

- (f) On 26th March, 2024, STDSA as licensor and Bondwood Investments Limited (“**BIL**”), a member of the Group, as licensee entered into a 3rd renewal license agreement (the “**Agreement No. 6**”) regarding, inter alia, the renewal of a 2nd renewal license agreement dated 22nd March, 2023 in respect of the granting of an exclusive license by the S.T. Dupont Group to the Group to distribute ready-to-wear apparel bearing the “S.T. Dupont” name, logo or trademark solely in the PRC (excluding Hong Kong) for a period of one year commencing from 1st April, 2024 and ended on 31st March, 2025. The license fee payable by the Group under the Agreement No. 6 is calculated based on a certain percentage (in the range of 50 per cent. to 70 per cent.) on the royalties received by the Group from the sub-licensees on the sales of the relevant “S.T. Dupont” ready-to-wear apparel per year in the PRC (excluding Hong Kong). The license fee payable by the Group under the Agreement No. 6 shall be payable on a quarterly basis with a credit period of up to 30 days. The maximum annual cap paid by the Group for the payment of the license fee in respect of the granting of an exclusive license by the S.T. Dupont Group to the Group to distribute ready-to-wear apparel bearing “S.T. Dupont” name, logo or trademark solely in the PRC (excluding Hong Kong) under the Agreement No. 6 for the financial year ended 31st March, 2025 is HK\$7,134,000. The license fee paid by the Group to the S.T. Dupont Group in respect of the granting of an exclusive license by the S.T. Dupont Group to the Group to distribute ready-to-wear apparel bearing the “S.T. Dupont” name, logo or trademark solely in the PRC (excluding Hong Kong) under the Agreement No. 6 during the year was HK\$3,410,000 which was below the maximum annual cap of HK\$7,134,000.

On 28th November, 2024, STDSA as licensor and BIL as licensee entered into a 4th renewal license agreement (the “**Renewal Agreement No. 6**”) regarding the renewal of the Agreement No. 6 upon its expiry on 31st March, 2025 for a further period of eighteen months commencing from 1st April, 2025 and ending on 30th September, 2026 with other terms remaining unchanged. The maximum annual cap payable by the Group for the payment of the license fee in respect of the granting of an exclusive license by the S.T. Dupont Group to the Group to distribute ready-to-wear apparel bearing “S.T. Dupont” name, logo or trademark solely in the PRC (excluding Hong Kong) under the Renewal Agreement No. 6 for the financial years ending 31st March, 2026 and 31st March, 2027 are HK\$6,699,000 and HK\$3,696,000 (six months) respectively.

- (g) On 22nd March, 2023, STDSA as principal and BIL as distributor entered into a third renewal exclusive distribution agreement (the “**Agreement No. 7**”) regarding, inter alia, the renewal of the second renewal exclusive distribution agreement dated 15th June, 2022 (the “**Existing Exclusive Distribution Agreement**”) in respect of the appointment of the Group as an exclusive distributor for certain luxury products including, but not limited to, lighters, smokers’ articles, writing instruments, leather goods, belts as well as men’s accessories under “S.T. Dupont” and “D” trademarks in the PRC (excluding Hong Kong) with effect from 1st April, 2023 for a further period of three years ending on 31st March, 2026. The Agreement No. 7 superseded the Existing Exclusive Distribution Agreement with effect from 1st April, 2023. Both parties may agree to and renew the Agreement No. 7 for a further term of three years subject to compliance with the applicable Listing Rules. The purchase prices of the products are at the standard wholesale prices equivalent to the retail prices less normal trade discounts (in the range of 40 per cent. to 75 per cent.) as set by the S.T. Dupont Group, to be settled in cash with a credit period of up to 45 days. The maximum annual caps paid / payable by the Group for the purchases of certain luxury products from the S.T. Dupont Group for distributing the same throughout the PRC (excluding Hong Kong) under the Agreement No. 7 for the financial years ended / ending 31st March, 2025 and 31st March, 2026 are HK\$71,600,000 and HK\$76,177,000 respectively. The purchases of certain luxury products by the Group from the S.T. Dupont Group for distributing the same throughout the PRC (excluding Hong Kong) under the Agreement No. 7 during the year was HK\$40,272,000 which was below the maximum annual cap of HK\$71,600,000.
- (h) On 20th November, 2023, DCRL (as defined below), a member of the Group, as grantor and STDML, a member of the S.T. Dupont Group, as licensee entered into the licence agreement dated 20th November, 2023 (the “**Agreement No. 8**”) regarding the licensing of a sales corner with lettable area of about 654 sq. ft. in the Group’s Harvey Nichols store at Two Pacific Place, 88 Queensway, Hong Kong (the “**PP Harvey Nichols Store**”) by the Group to the S.T. Dupont Group for a period of two years commencing from 6th December, 2023 and expiring on 5th December, 2025. The maximum annual caps received / receivable by the Group under the Agreement No. 8 for the financial years ended / ending 31st March, 2025 and 31st March, 2026, based on the monthly fee of HK\$184,416, are HK\$2,212,992 and HK\$1,505,073 (eight months and five days) respectively which are less than 0.1 per cent. of each of the applicable percentage ratios of the Company, the Agreement No. 8 constitutes a de minimis continuing connected transaction of the Company and is, therefore, fully exempted from announcement, annual reporting, annual review, circular and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules. The licence fee received by the Group from the S.T. Dupont Group in respect of the licensing of the sales corner by the Group to the S.T. Dupont Group under the Agreement No. 8 during the year was HK\$2,212,992 which was the same as the maximum annual cap.

2. During the year, the Group has on an on-going basis conducted transactions with the Artland Group (i.e. Artland Watch Company Limited (“**AWCL**”) and Precision Watch Company Limited (“**PWCL**”), both of which are indirectly wholly-owned by Sir Dickson Poon, together with their subsidiary companies, which are principally engaged in the sale of watches and jewellery). These transactions involve sales and purchases of merchandise and licensing of a sales corner, all of which are conducted on normal commercial terms and in the ordinary and usual course of business of the Group, the details of which are set out as follows :-
- (a) On 26th March, 2024, Castlereagh Limited (“**Castlereagh**”), a member of the Group, as seller and AWCL and PWCL, both of which are members of the Artland Group, as purchasers entered into a merchandise sale and purchase renewal agreement (the “**Agreement No. 9**”) regarding the sales of certain merchandise by the Group to the Artland Group including, but not limited to, certain prestigious branded watches, timepieces and jewellery under various prestigious international brand names for a period of three years commencing from 1st April, 2024 and ending on 31st March, 2027. The selling prices of the merchandise are equal to the retail prices less normal trade discounts (in the range of 25 per cent. to 40 per cent.), due upon shipment of the merchandise and to be settled in cash with a credit period of up to 90 days. The maximum annual caps received / receivable by the Group for the sales of merchandise to the Artland Group under the Agreement No. 9 for the financial years ended / ending 31st March, 2025, 31st March, 2026 and 31st March, 2027 are HK\$6,500,000, HK\$8,450,000 and HK\$10,985,000 respectively. There were no transactions under the Agreement No. 9 in respect of the sales of merchandise by the Group to the Artland Group during the year.
 - (b) On 26th March, 2024, AWCL and PWCL as sellers and DCL as purchaser entered into a merchandise sale and purchase renewal agreement (the “**Agreement No. 10**”) regarding the purchases of certain merchandise by the Group from the Artland Group including, but not limited to, certain prestigious branded watches, timepieces and jewellery under various prestigious international brand names for a period of three years commencing from 1st April, 2024 and ending on 31st March, 2027. The purchase prices of the merchandise are equal to the retail prices less normal trade discounts (in the range of 25 per cent. to 40 per cent.), due upon shipment of the merchandise and to be settled in cash with a credit period of up to 30 days. The maximum annual caps paid / payable by the Group for the purchases of merchandise from the Artland Group under the Agreement No. 10 for the financial years ended / ending 31st March, 2025, 31st March, 2026 and 31st March, 2027 are HK\$7,140,000, HK\$9,282,000 and HK\$12,067,000 respectively. The purchases of merchandise by the Group from the Artland Group under the Agreement No. 10 during the year was HK\$760,000 which was below the maximum annual cap of HK\$7,140,000.
 - (c) On 15th September, 2022, Harvey Nichols (Hong Kong) Limited (“**HNHKL**”) (company name changed to “Dickson Concepts (Retail) Limited” (“**DCRL**”) with effect from 18th April, 2023), a member of the Group, as grantor and PWCL as licensee entered into a licence agreement (the “**Agreement No. 11**”) regarding the licensing of a sales corner (the “**Previous PW HN Corner**”) by the Group to the Artland Group in the PP Harvey Nichols Store with lettable area of about 2,458 sq. ft. for a period of two years commencing from 19th September, 2022 and expired on 18th September, 2024. Under the Agreement No. 11, the monthly licence fee payment in respect of the licensing of the Previous PW HN Corner in the PP Harvey Nichols Store is HK\$500,000, which is to be paid in cash within 25 working days from the end of each month in arrears. The maximum annual cap received by the Group for the licensing of the Previous PW HN Corner in the PP Harvey Nichols Store to the Artland Group under the Agreement No. 11 for the financial year ended 31st March, 2025, based on the monthly licence fee of HK\$500,000, is HK\$2,800,000 (five months and eighteen days). The licence fee received by the Group from the Artland Group in respect of the licensing of the Previous PW HN Corner to the Artland Group under the Agreement No. 11 during the year was HK\$2,800,000 which was the same as the maximum annual cap.

On 19th September, 2024, DCRL as grantor and PWCL as licensee entered into a new licence agreement (the “**New Agreement No. 11**”) regarding the licensing of a new sales corner (the “**New PW HN Corner**”) by the Group to the Artland Group in the PP Harvey Nichols Store with lettable area of about 2,815 sq. ft. for a period of two years commencing from 19th September, 2024 and expiring on 18th September, 2026, which renewed the term of the Agreement No. 11 upon its expiry on 18th September, 2024 with other terms remaining unchanged. The maximum annual caps received / receivable by the Group for the licensing of the New PW HN Corner in the PP Harvey Nichols Store to the Artland Group under the New Agreement No. 11 for the financial years ended / ending 31st March, 2025, 31st March, 2026 and 31st March, 2027, based on the monthly licence fee of HK\$500,000, are HK\$3,200,000 (six months and twelve days), HK\$6,000,000 and HK\$2,800,000 (five months and eighteen days) respectively. The licence fee received by the Group from the Artland Group in respect of the licensing of the New PW HN Corner to the Artland Group under the New Agreement No. 11 during the year was HK\$3,200,000 (six months and twelve days) which was the same as the maximum annual cap.

3. During the year, the Group has on an on-going basis conducted transactions with Dickson Marketing Limited (“**DML**”) (which is beneficially owned by Sir Dickson Poon and is principally engaged in the provision of advertising, marketing and promotion services). These transactions involve provision of advertising, marketing and promotion services, all of which are conducted on normal commercial terms and in the ordinary and usual course of business of the Group, the details of which are set out as follows :-

On 26th March, 2024, DML as new service provider and DCL as service receiver entered into a promotional services agreement (the “**Agreement No. 12**”) regarding, inter alia, the renewal of the promotional services agreement dated 27th March, 2009 entered into between Dickson Communications Limited, which is indirect wholly-owned by Sir Dickson Poon, as old service provider and DCL as service receiver as amended and renewed by various renewal agreements in respect of the provision of certain advertising, marketing and promotion services by DML to the Group upon its expiry on 31st March, 2024 for a further period of three years commencing from 1st April, 2024 and expiring on 31st March, 2027. The Group pays a monthly retainer fee and a handling service fee at a rate of 10 per cent. (which is derived in accordance with the industry practice) of the media or other costs incurred and paid by the Group to any third party media specialists, agents or independent contractors in connection with the provision of these services to the Group and this handling service fee shall be payable in cash on a monthly basis with a credit period of up to 30 days. The maximum annual caps paid / payable by the Group for the receipt of advertising, marketing and promotion services from DML under the Agreement No. 12 for the financial years ended / ending 31st March, 2025, 31st March, 2026 and 31st March, 2027 are HK\$7,214,000, HK\$8,657,000 and HK\$10,389,000 respectively. The retainer fee and the handling service fee paid by the Group to DML in respect of the receipt of advertising, marketing and promotion services from DML under the Agreement No. 12 during the year was HK\$5,390,000 which was below the maximum annual cap of HK\$7,214,000.

4. During the year, the Group has on an on-going basis conducted transactions with Harvey Nichols Group Limited (“**HNGL**”), a company incorporated in England and Wales with limited liability, which is wholly-owned by the Trust. Sir Dickson Poon is the chairman and non-executive director of HNGL as well as a director of one of its subsidiary companies, while Mr. Poon Dickson Pearson Guanda is the vice chairman and a director of HNGL as well as a director of certain of its subsidiary companies. HNGL is principally engaged in the operation of “Harvey Nichols” stores in the United Kingdom and an online store at www.harveynichols.com (the “**HN e-Commerce Website**”). These transactions are in relation to the provision of supporting services of the HN e-Commerce Website, all of which are conducted on normal commercial terms and in the ordinary and usual course of business of the Group, the details of which are set out as follows :-

On 29th September, 2023, HNGL as partner and service receiver and DCRL as partner and service provider entered into the partnership and technical services agreement dated 29th September, 2023 (the “**Agreement No. 13**”) setting out the terms and conditions in relation to the supporting services of the HN e-Commerce Website owned and operated by HNGL for a period of one year commencing from 1st October, 2023 and ended on 30th September, 2024. The maximum annual cap received by the Group from HNGL in relation to the supporting services of the HN e-Commerce Website under the Agreement No. 13 for the financial year ended 31st March, 2025 is HK\$1,095,000 (six months) which is less than 0.1 per cent. of each of the applicable percentage ratios of the Company, the Agreement No. 13 constituted a de minimis continuing connected transaction of the Company and is, therefore, fully exempted from announcement, annual reporting, annual review, circular and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules. The service fee received by the Group from HNGL in relation to the supporting services of the HN e-Commerce Website under the Agreement No. 13 during the year was HK\$278,000 (six months) which was below the maximum annual cap of HK\$1,095,000 (six months).

On 19th September, 2024, HNGL as partner and service receiver and DCRL as partner and service provider entered into the renewal agreement for partnership and technical services agreement (the “**Renewal Agreement No. 13**”) regarding the renewal of the term of the Agreement No. 13 upon its expiry on 30th September, 2024 for a further period of three years commencing from 1st October, 2024 and ending on 30th September, 2027. The maximum annual caps received / receivable by the Group from HNGL in relation to the supporting services of the HN e-Commerce Website under the Renewal Agreement No. 13 for the financial years ended 31st March, 2025, 31st March, 2026, 31st March, 2027 and 31st March, 2028 are HK\$450,000 (six months), HK\$1,035,000, HK\$1,345,000 and HK\$760,000 (6 months) which are less than 0.1 per cent. of each of the applicable percentage ratios of the Company, the Renewal Agreement No. 13 constitutes a de minimis continuing connected transaction of the Company and is, therefore, fully exempted from announcement, annual reporting, annual review, circular and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules. The service fee received by the Group from HNGL in relation to the supporting services of the HN e-Commerce Website under the Renewal Agreement No. 13 during the year was HK\$285,000 (six months) which was below the maximum annual cap of HK\$450,000 (six months).

The above continuing connected transactions have been reviewed by the directors (including the INEDs). The INEDs hereby confirm that during the year the above continuing connected transactions have been entered into :-

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or, where there is no available comparison, on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and
- (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

In accordance with the requirement of Rule 14A.56 of the Listing Rules, the Company has engaged the independent auditor of the Company to conduct certain procedures in respect of the continuing connected transactions of the Group. The work performed by the independent auditor is in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, and with reference to Practice Note 740, *Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules*, issued by the Hong Kong Institute of Certified Public Accountants. Based on the results of procedures performed and in accordance with the aforesaid Listing Rules, the independent auditor has provided a letter to the Board confirming that :-

- (i) nothing has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board;
- (ii) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;
- (iii) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (iv) with respect to the aggregate amount / amount of each of the continuing connected transactions, nothing has come to their attention that causes them to believe that the continuing connected transactions have exceeded the maximum aggregate annual cap / maximum annual cap disclosed in the announcements of the Company dated 15th September, 2022, 16th December, 2022, 22nd March, 2023, 26th March, 2024, 19th September, 2024, 28th November, 2024 and 25th March, 2025 in respect of each of the continuing connected transactions.

Director's Interest in Competing Business

The following director is considered to have interests in the following business, which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to Rule 8.10(2) of the Listing Rules :-

Sir Dickson Poon, the Group Executive Chairman, is a director of AWCL and PWCL and the ultimate shareholder of the Artland Group which is engaged in the sale of watches and jewellery. These businesses are deemed as competing with the retail business of the Group. However, the Artland Group targets its own specific customer base which is attracted by its unique history, reputation and image. Given the distinct features of the Artland Group's customer base, the Group considers that its interests are adequately safeguarded. The day-to-day operations of the Group and the Artland Group are managed by two distinct management teams except for Sir Dickson Poon who as aforementioned is one of the three board members of AWCL and one of the four board members of PWCL.

In order to further safeguard the interests of the Group, those directors not interested in this competing business review on a regular basis the businesses and operations of the Group to ensure that its businesses are run on the basis that they are independent of, and at arm's length from, the Artland Group.

Public Float

Based on the information that is publicly available to the Company and within the knowledge of the directors as at the date of this report, the Company has maintained the prescribed amount of public float as required under the Listing Rules at all times up to the date of this report.

Corporate Governance Practices

The Company is committed to maintaining high standards of corporate governance including promotion of the Company's sustainable development. It believes that high standards of corporate governance provide a framework and solid foundation for the Group to manage business risks, enhance transparency, maintain high standards of accountability and protect shareholders' interest in general. The Company recognises that corporate governance practices are fundamental to the smooth, effective and transparent operation of a company and its ability to attract investment, protect the rights of shareholders and enhance shareholder value.

The Company has applied the principles and complied with all the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules throughout the year ended 31st March, 2025 except code provision C.2.1 of the CG Code as the functions of the Chief Executive Officer are now performed by Sir Dickson Poon, the Group Executive Chairman. Furthermore, the Company has complied with all applicable requirements and provisions of the Environmental, Social and Governance Reporting Code (the "ESG Code") as set out in Appendix C2 to the Listing Rules.

Detailed information on the Company's other corporate governance practices is set out in the Corporate Governance Report on pages 29 to 47. The Environmental, Social and Governance Report will be published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.dickson.com.hk in accordance with Rule 4 of the ESG Code to the Listing Rules.

Independent Auditor

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as independent auditor of the Company is to be proposed at the forthcoming annual general meeting.

By Order of the Board



Dickson Poon
Group Executive Chairman

Hong Kong, 2nd June, 2025

This report describes the Company's corporate governance practices and explains the application of the principles in the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") throughout the year ended 31st March, 2025 and includes any significant subsequent events for the period up to the date of this report.

Corporate Governance Practices

The Company is committed to maintaining high standards of corporate governance including promotion of the Company's sustainable development. It believes that high standards of corporate governance provide a framework and solid foundation for the Company and its subsidiary companies (together the "**Group**") to manage business risks, enhance transparency, maintain high standards of accountability and protect shareholders' interest in general. The Company recognises that corporate governance practices are fundamental to the smooth, effective and transparent operation of a company and its ability to attract investment, protect the rights of shareholders and enhance shareholder value.

The Company has applied the principles and complied with all the code provisions of the CG Code throughout the year ended 31st March, 2025 except code provision C.2.1 of the CG Code as the functions of the Chief Executive Officer ("**CEO**") are now performed by Sir Dickson Poon, the Group Executive Chairman. Furthermore, the Company has complied with all applicable requirements and provisions of the Environmental, Social and Governance Reporting Code as set out in Appendix C2 to the Listing Rules.

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Directors' Model Code**") as set out in Appendix C3 to the Listing Rules as the code for securities transactions by the Directors. Amendments will be made to the Directors' Model Code from time to time in order to conform with any new amendments made to Appendix C3 to the Listing Rules.

Reminders are issued half-yearly and on ad hoc basis to all Directors to remind them not to deal in the ordinary shares of the Company during the "Black Out Period" specified in the Directors' Model Code and any specified periods set by the Company.

Having made specific enquiries of all Directors, all Directors confirmed that they have complied with the required standard as set out in the Directors' Model Code throughout the year ended 31st March, 2025.

Board of Directors

The Board of Directors (the “**Board**”) of the Company currently comprises the following Directors :-

Executive Directors

Sir Dickson Poon (*Group Executive Chairman*)

Mr. Poon Dickson Pearson Guanda (*Chief Operating Officer*)

Mr. Chan Hon Chung, Johnny Pollux

Mr. Lau Yu Hee, Gary

Independent Non-Executive Directors (“INEDs”)

Mr. Bhanusak Asvaintra

Mr. Nicholas Peter Etches

Mr. Fung Yue Ming, Eugene Michael

Ms. Lam Sze Wan Patricia

The biographical details of the Directors and the relevant relationships among them, if any, are set out in the Report of the Directors on pages 14 to 15.

The Board meets regularly and Board Meetings are held at least four times a year at approximately quarterly intervals. Regular Board Meetings of the year are scheduled in advance and at least 14 days’ notice is given to Directors so as to give them an opportunity to attend. All Directors are given an opportunity to include matters in the agenda for Board Meetings. The Directors may attend a meeting in person or may participate by means of a conference telephone or similar communication equipment by means of which all persons participating in the meeting are capable of hearing each other in accordance with the Amended and Restated Bye-laws of the Company (the “**Bye-laws**”).

Four regular Board Meetings, one ad hoc Independent Board Committee Meeting and an Annual General Meeting were held during the year ended 31st March, 2025. The attendance record of each Director at the said meetings during the year ended 31st March, 2025 is set out below :-

<u>Directors</u>	<u>Number of Meetings Attended / Held</u>		
	<u>Board Meetings</u>	<u>Independent Board Committee Meeting</u>	<u>Annual General Meeting</u>
Executive Directors			
Sir Dickson Poon (<i>Group Executive Chairman</i>)	4/4	–	1/1
Mr. Poon Dickson Pearson Guanda (<i>Chief Operating Officer</i>)	4/4	–	1/1
Mr. Chan Hon Chung, Johnny Pollux	4/4	–	1/1
Mr. Lau Yu Hee, Gary	4/4	–	1/1
INEDs			
Mr. Bhanusak Asvaintra	4/4	1/1	1/1
Mr. Nicholas Peter Etches	4/4	1/1	1/1
Mr. Fung Yue Ming, Eugene Michael	4/4	1/1	0/1
Ms. Lam Sze Wan Patricia	4/4	1/1	1/1

The Board is ultimately accountable for the activities of the Group and responsible for determining those matters which are to be retained for full Board sanction including, but not limited to, overall strategy and long-term objectives, new business activities, annual budgets, business plans and financial statements, interim and final results announcements, material acquisitions and disposals of assets, investments, capital projects and commitments, risk management and internal control systems, major treasury and funding policies as well as material connected transactions.

The Board establishes the Company's purpose, values and strategy, and satisfies itself that these and the Company's culture are aligned. It has delegated the day-to-day responsibility in respect of management and administrative functions to management including, but not limited to, implementing and achieving the strategies and objectives set by the Board as well as overseeing the performance of different business units / departments and monitoring and implementing appropriate and effective risk management and internal control systems.

To ensure Directors' contribution to the Board remains informed and relevant, the Company encourages Directors to participate in continuous professional development to develop and refresh their knowledge and skills and understanding of the business and markets in which the Group operates. Directors are also provided with monthly performance and position updates of the Group, and information such as performance and key operational highlights to enable the Board as a whole as well as each Director to discharge their duties. The Company is responsible for providing every newly appointed Director with an induction and to provide him / her with information and materials relating to his / her responsibilities under applicable statutory and regulatory requirements. In addition, the Company has provided training materials and web based learning resources on updates to regulatory matters to the Directors for the year ended 31st March, 2025.

All Directors have participated in appropriate continuous professional development and provided the Company with their records of training they received during the year ended 31st March, 2025.

The records of training the Directors received during the year ended 31st March, 2025 are as follows :-

<u>Directors</u>	<u>Attending Conferences, Forums, Seminars, Webcasts / Webinars and / or Other Professional Development</u>	<u>Reading Newspapers, Journals and / or Updates</u>
Executive Directors		
Sir Dickson Poon (<i>Group Executive Chairman</i>)	✓	✓
Mr. Poon Dickson Pearson Guanda (<i>Chief Operating Officer</i>)	✓	✓
Mr. Chan Hon Chung, Johnny Pollux	✓	✓
Mr. Lau Yu Hee, Gary	✓	✓
INEDs		
Mr. Bhanusak Asvaintra	✓	✓
Mr. Nicholas Peter Etches	✓	✓
Mr. Fung Yue Ming, Eugene Michael	✓	✓
Ms. Lam Sze Wan Patricia	✓	✓

Corporate Governance Functions

The Board is responsible for performing the corporate governance duties under the Terms of Reference of Corporate Governance Functions of the Board. Given below are the main corporate governance duties of the Board :-

- (i) to develop and review the Company's policies and practices on corporate governance and make recommendations;
- (ii) to review and monitor the Company's corporate governance policies and practices to ensure compliance with legal and regulatory requirements;
- (iii) to review the Company's compliance with the CG Code and other related rules and disclosure in the Corporate Governance Report (the "**CG Report**");
- (iv) to review and monitor the training and continuous professional development of the Directors and senior management;
- (v) to develop, review and monitor the implementation of the Shareholders' Communication Policy (a summary of which is set out in the section headed "Shareholders' Communication Policy" below) to ensure its effectiveness and make recommendations where appropriate to enhance shareholder relationship with the Company;
- (vi) to monitor and respond to emerging corporate governance issues and make recommendations where appropriate to further the Company's corporate governance performance; and
- (vii) to conform to any requirement and regulation contained in the Bye-laws or imposed from time to time by legislation.

The corporate governance duties performed by the Board for the year ended 31st March, 2025 were in accordance with the Terms of Reference of the Corporate Governance Functions of the Board and are summarised below :-

- (i) reviewed the Company's corporate governance policies (including the Anti-corruption Policy, the Inside Information Policy and the Whistleblowing Policy) and practices to ensure compliance with legal and regulatory requirements;
- (ii) reviewed the Company's compliance with (a) the CG Code and other related rules; and (b) the mandatory disclosure requirements in respect of the CG Report as set out in Appendix C1 to the Listing Rules;
- (iii) reviewed the training and continuous professional development of the Directors and senior management;
- (iv) reviewed the Shareholders' Communication Policy and its implementation to ensure its effectiveness;
- (v) reviewed the Dividend Policy of the Company; and
- (vi) reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions.

Directors' Responsibilities for Preparing Consolidated Financial Statements

The Directors acknowledge their responsibilities to prepare consolidated financial statements for each half and full financial year which give a true and fair view of the state of affairs of the Group. The Directors' responsibilities for preparing consolidated financial statements are set out in the Independent Auditor's Report on pages 48 to 52. The Directors, having made appropriate enquiries, consider that the Group has adequate resources to continue its operational existence for the foreseeable future and thus it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

Chairman and Chief Executive Officer

The roles of the Chairman and the CEO are separate and should be performed by different individuals so as to ensure a clear division between the Chairman's responsibility to manage the Board and the CEO's responsibility to manage the Company's business. A list setting out the respective responsibilities of the Chairman and the CEO has been adopted by the Company.

However, the functions of the CEO are now performed by Sir Dickson Poon, the Group Executive Chairman, following the resignation of Mr. Raymond Lee as the CEO of the Company with effect from 1st July, 2014.

Independent Non-Executive Directors

During the year ended 31st March, 2025, the Company has fully complied with Rules 3.10 and 3.10A of the Listing Rules regarding the number of INEDs and the requirement that at least one of these INEDs must have appropriate professional qualifications.

There are currently four INEDs. The terms of office of all the INEDs, subject to earlier determination or retirement by rotation and re-election at the annual general meeting of the shareholders of the Company in accordance with the Bye-laws and / or applicable laws and regulations, are fixed for one year renewable on an annual basis.

The Company has received from each of the INEDs their annual confirmation of independence for the year ended 31st March, 2025 and considered that each of the INEDs is independent as each of them has met the independence guidelines for assessing independence as set out in Rule 3.13 of the Listing Rules.

The Company has established mechanisms to ensure that independent views and input are available to the Board. Four of the eight Directors are INEDs who bring a wide range of business and financial expertise, skills and experience, diversity of perspectives and independent judgement to the Board. Through active and regular participation in the Board meetings and serving on various Board committees, the INEDs make various positive and impartial contributions to the Company. All Directors can have access to external independent professional advice in order to discharge their duties to the Company.

Remuneration Committee

The Remuneration Committee comprises three members and is chaired by Mr. Bhanusak Asvaintra, an INED, with Mr. Chan Hon Chung, Johnny Pollux, an Executive Director, and Mr. Nicholas Peter Etches, an INED, as members.

The Terms of Reference of the Remuneration Committee adopted by the Company is aligned with the code provisions of the CG Code. Given below are the main duties of the Remuneration Committee :-

- (i) to recommend to the Board the Company's policy and structure for all Directors' and senior management's remuneration;
- (ii) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (iii) to recommend to the Board the remuneration packages of individual Executive Directors and senior management;
- (iv) to recommend to the Board the remuneration of Non-Executive Directors;
- (v) to review and approve compensation payable to Executive Directors and senior management for any loss or termination of office or appointment; and
- (vi) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct.

A Remuneration Committee Meeting was held during the year ended 31st March, 2025. The attendance record of each member at the Remuneration Committee Meeting during the year ended 31st March, 2025 is set out below :-

<u>Remuneration Committee Members</u>	<u>Number of Meeting(s) Attended / Held</u>
Mr. Bhanusak Asvaintra (<i>Chairman</i>)	1/1
Mr. Chan Hon Chung, Johnny Pollux	1/1
Mr. Nicholas Peter Etches	1/1

The work performed by the Remuneration Committee for the year ended 31st March, 2025 was in accordance with the Terms of Reference of the Remuneration Committee and is summarised below :-

- (i) reviewed the existing remuneration policy (structure and procedure) for all Directors' and senior management's remuneration;
- (ii) reviewed and approved the management's and the Group's remuneration proposals with reference to the Board's corporate goals and objectives;
- (iii) assessed the performance of Executive Directors and recommended the remuneration packages of individual Executive Directors and senior management; and
- (iv) considered Directors' fees paid by comparable companies and recommended the amount of Director's fees to be paid to each Executive Director for the year ended 31st March, 2025 and reviewed the amount of Director's fees to be paid to each INED for the year ended 31st March, 2025 for shareholders' approval at the forthcoming annual general meeting of the shareholders of the Company (the "**2025 AGM**").

The primary aim of the remuneration policy is to enable the Company to motivate and retain Executive Directors and senior management by comparing their performance against corporate goals and objectives when determining appropriate compensation to them. The principal elements of the remuneration package include basic salary, discretionary bonus and retirement scheme contributions, if any. In determining guidelines for each compensation element, the Company refers to the comparable remuneration standard in the market.

INEDs are compensated with the primary aim to fairly represent their efforts and time dedicated to the Board and the Committee Meetings. The fees of INEDs are recommended by the Remuneration Committee and reviewed by the Board for shareholders' approval at the annual general meeting.

In determining the level of Director's fees of INEDs, account is taken of factors such as directors' fees paid by comparable companies, and time commitment and responsibilities of the INEDs. No equity-based remuneration with performance related elements were granted to INEDs. The level of fees payable to the INEDs is subject to independent review and shareholders' approval. The Company has a long-established practice of a combined time-based and benchmarked approach in determining the INEDs' fees which do not involve equity-based remuneration with performance-related elements.

The amount of remuneration paid to each Director for the year ended 31st March, 2025 is set out in Note 5 on the financial statements.

Nomination Committee

The Nomination Committee currently comprises four members and is chaired by Sir Dickson Poon, the Group Executive Chairman, with Mr. Bhanusak Asvaintra, Mr. Nicholas Peter Etches and Ms. Lam Sze Wan Patricia, all INEDs, as members.

The Terms of Reference of the Nomination Committee adopted by the Company is aligned with the code provisions of the CG Code. Given below are the main duties of the Nomination Committee :-

- (i) to disclose nomination policy, procedures and criteria for nomination of Directors for the Board's consideration;
- (ii) 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 implement the Company's corporate strategy;
- (iii) to identify and nominate individuals suitably qualified to become additional Directors or to fill casual vacancies of the Board and make recommendations to the Board on the selection of individuals nominated for directorships;
- (iv) to assess the independence of INEDs and review the INEDs' annual confirmations on their independence; and
- (v) to recommend to the Board the appointment or re-appointment of Directors and succession planning for Directors.

A regular Nomination Committee Meeting was held during the year ended 31st March, 2025. The attendance record of each member at the Nomination Committee Meeting during the year ended 31st March, 2025 is set out below :-

<u>Nomination Committee Members</u>	<u>Number of Meeting(s) Attended / Held</u>
Sir Dickson Poon (<i>Chairman</i>)	1/1
Mr. Bhanusak Asvaintra	1/1
Mr. Nicholas Peter Etches	1/1
Ms. Lam Sze Wan Patricia	1/1

The work performed by the Nomination Committee for the year ended 31st March, 2025 was in accordance with the Terms of Reference of the Nomination Committee and is summarised below :-

- (i) reviewed the Board Diversity Policy (a summary of which is set out in the section headed “Board Diversity Policy” below);
- (ii) reviewed the nomination policy, procedures and criteria for nomination of Directors;
- (iii) reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board to complement the Company’s corporate strategy;
- (iv) assessed the independence of INEDs and reviewed the INEDs’ annual confirmations on their independence for the year ended 31st March, 2024 and considered that each of the INEDs is independent as each of them has met the independence guidelines for assessing independence as set out in Rule 3.13 of the Listing Rules; and
- (v) noted those Directors who are required to retire from office by rotation (but eligible for re-election) at the 2025 AGM and considered succession planning for Directors.

The Company has adopted a Director Nomination Policy for the Nomination Committee setting out the approach and procedures in identifying and evaluating candidates for nomination as Directors to the Board for their consideration. According to the Director Nomination Policy, the Nomination Committee shall identify and evaluate new candidates for election to the Board where there is no qualified and available incumbent and shall solicit recommendations from persons that the Committee believes are likely to be familiar with the qualified candidates or engage a professional search firm to assist in identifying qualified candidates.

In identifying and recommending candidates for election (or for re-election) to the Board, the Nomination Committee shall place primary emphasis on (a) character, integrity, expertise, skills and knowledge relevant to the Company’s businesses and operations; (b) diversity of viewpoints, backgrounds, business / relevant experiences and other demographics; and (c) the extent to which the interplay of the candidate’s expertise, skills, knowledge and experience with that of other members of the Board to constitute an active and responsive Board in achieving goals and implementing corporate strategy of the Company.

As to each qualified candidate, the Nomination Committee shall also consider (a) if there is any potential conflicts of interest that might impede the proper performance of the responsibilities of a Director; (b) his / her ability to apply sound and independent business judgement; (c) the contribution that the candidate can be expected to make to the overall functioning of the Board; and (d) the extent to which the membership of the candidate on the Board will promote diversity of experiences among the Directors.

Based on all available information and relevant considerations, the Nomination Committee shall select a candidate who, in the view of the Nomination Committee, is most suited for membership on the Board.

Board Diversity Policy

The Company has adopted and reviewed the Board Diversity Policy. The policy aims to set out the approach to Board diversity and to ensure that there is broad experience and diversity on the Board.

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to, gender, age, cultural and educational background, regional and business / professional experience, skills, knowledge and length of service. All Board appointments will be based on merit against objective criteria with due regard for the benefits of diversity on the Board.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to, gender, age, cultural and educational background, regional and business / professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit in the context of the Company's businesses and strategies, and contribution which the selected candidates will bring to the Board.

The Board currently has one female Director and in compliance with Board gender diversity requirement under Rule 13.92 of the Listing Rules. We will continue to strive to enhance female representation and achieve an appropriate balance of gender diversity with reference to the Board Diversity Policy.

The Nomination Committee will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

The Group adopted the following measures to develop a pipeline of potential successors to the Board to achieve gender diversity: (i) engage human resources agencies to identify potential successors; (ii) proactively provide training to our management who we consider as being potential successors to the Board; and (iii) take into account the factor of gender diversity when recruiting suitable candidates for our senior management.

The Group aims to provide a diversified working environment. Set out below is a table summarising the gender ratio in our workforce (including senior management) :-

All staff (including senior management)	As at 31st March, 2025	
	Total Number of Staff	Proportion
Male	210	34%
Female	<u>413</u>	<u>66%</u>
Total	<u><u>623</u></u>	<u><u>100%</u></u>

Set out below is a table summarising the gender ratio of our senior management :-

Senior management	As at 31st March, 2025	
	Total Number of Staff	Proportion
Male	43	49%
Female	<u>44</u>	<u>51%</u>
Total	<u>87</u>	<u>100%</u>

As at 31st March, 2025, we have a higher female representation of 66 per cent. in our workforce as female employees for the time being dominate the retail sector especially in fashion and cosmetic in Hong Kong. The Group is committed to achieving gender diversity in our workforce by, among other things, standardising our recruitment and interview process, providing equal learning and development opportunities, and emphasising work-life balance. The Group also proactively provide training to our employees who we consider as being potential successors to our senior management, and take into account the factor of gender diversity when recruiting suitable candidates for our senior management.

Audit Committee

The Audit Committee comprises three members and is chaired by Mr. Nicholas Peter Etches, an INED, with Mr. Bhanusak Asvaintra and Mr. Fung Yue Ming, Eugene Michael, both INEDs, as members.

The Terms of Reference of the Audit Committee adopted by the Company is aligned with the code provisions of the CG Code. Given below are the main duties of the Audit Committee :-

- (i) to recommend to the Board the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and to answer any questions of resignation or dismissal of those auditors;
- (ii) to monitor the integrity of the Company's financial statements, annual report and accounts and half-year report and to review any significant financial reporting judgements contained therein before submission to the Board, with particular focus on :-
 - any changes in accounting policies and practices;
 - major judgemental areas;
 - significant adjustments resulting from audit;
 - the going concern assumptions and any qualifications;
 - compliance with accounting standards; and
 - compliance with the Listing Rules and legal requirements in relation to financial reporting;
- (iii) to review the contents of the representation letter to the external auditor prior to submission to the Board;
- (iv) to review the Company's financial controls, risk management and internal control systems;
- (v) to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- (vi) to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness; and
- (vii) to review the Group's financial and accounting policies and practices.

Four Audit Committee Meetings were held during the year ended 31st March, 2025. The attendance record of each member at the Audit Committee Meetings during the year ended 31st March, 2025 is set out below :-

<u>Audit Committee Members</u>	<u>Number of Meetings Attended / Held</u>
Mr. Nicholas Peter Etches (<i>Chairman</i>)	4/4
Mr. Bhanusak Asvaintra	4/4
Mr. Fung Yue Ming, Eugene Michael	4/4

The work performed by the Audit Committee for the year ended 31st March, 2025 was in accordance with the Terms of Reference of the Audit Committee and is mainly summarised below :-

- (i) reviewed and discussed with Messrs. KPMG, the Independent Auditor of the Company (the “**Independent Auditor**”), before submission to the Board, the Company’s Annual Report and accounts, Interim Report and any significant financial reporting judgements contained therein together with the relevant draft Letters of Representation addressed to the Independent Auditor;
- (ii) reviewed the Reports to the Audit Committee for the year ended 31st March, 2024 and for the six months ended 30th September, 2024 respectively both from the Independent Auditor;
- (iii) reviewed the Interim Review Plan to the Audit Committee for the six months ended 30th September, 2024 from the Independent Auditor;
- (iv) reviewed the Audit Plan and Strategy for the year ended 31st March, 2025 from the Independent Auditor;
- (v) reviewed the announcements of the Company regarding (i) the Group’s final results for the year ended 31st March, 2024; and (ii) the Group’s interim results for the six months ended 30th September, 2024;
- (vi) reviewed the Company’s quarterly operating results and financial highlights for the three months ended 30th June, 2024 and nine months ended 31st December, 2024 respectively;
- (vii) reviewed the effectiveness of the internal control systems of the Group covering all material controls, including financial, operational, compliance controls and risk management;
- (viii) considered the Compliance Certificates for the year ended 31st March, 2024 received from the heads of business units / departments and countersigned by the Head of Internal Audit Department;
- (ix) considered the CG Report for the year ended 31st March, 2024 as endorsed by the Head of Internal Audit Department;
- (x) considered the quarterly reports from the Head of Internal Audit Department;
- (xi) considered the internal audit plan for the next financial year ending 31st March, 2026 from the Head of Internal Audit Department;
- (xii) reviewed the draft 2023-2024 Environmental, Social and Governance Report;
- (xiii) reviewed the quarterly reports of the Investment Committee;
- (xiv) reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company’s accounting, internal audit and financial reporting functions;
- (xv) reviewed the Non-assurance Services Pre-approval Policy of the Company;
- (xvi) considered matters relating to the renewals of the continuing connected transactions with the private group companies; and
- (xvii) reviewed / noted the action plan in respect of the new amendments to the CG Code and related Listing Rules (effective 1st July, 2025).

Investment Committee

The Investment Committee currently comprises three members and is chaired by Sir Dickson Poon, the Group Executive Chairman, with Mr. Poon Dickson Pearson Guanda and Mr. Chan Hon Chung, Johnny Pollux, both Executive Directors, as members.

The Company has reviewed and updated the Terms of Reference of the Investment Committee. The purpose of the Investment Committee is to assist the Board by overseeing and monitoring the Group's investments and ensuring compliance with all relevant rules and regulations and governance and audit requirements in relation to the Group's investment activities. In particular, the Investment Committee is to assist the Board in :-

- (i) reviewing and approving the acquisition, holding and disposal of investments of the Company within the authority delegated by the Board;
- (ii) reviewing performance and valuation of the Group's investments and advising the Board on its investment of cash, cash equivalents and financial assets;
- (iii) reviewing investment policies and guidelines and recommending changes it considers appropriate for the Board's approval; and
- (iv) ensuring compliance with all relevant rules and regulations, including as regards price sensitive information and disclosure or approval in relation to any acquisitions, realisations or other transactions relating to any investments of the Group.

Four regular Investment Committee Meetings were held during the year ended 31st March, 2025. The attendance record of each member at the Investment Committee Meetings during the year ended 31st March, 2025 is set out below :-

<u>Investment Committee Members</u>	<u>Number of Meetings Attended / Held</u>
Sir Dickson Poon (<i>Chairman</i>)	4/4
Mr. Poon Dickson Pearson Guanda	4/4
Mr. Chan Hon Chung, Johnny Pollux	4/4

The work performed by the Investment Committee for the year ended 31st March, 2025 was in accordance with the Terms of Reference of the Investment Committee and is summarised below :-

- (i) reviewed the acquisition, holding and disposal of investments of the Group;
- (ii) reviewed the investment strategies of the Group and the performance and valuation of the investment portfolio on quarterly basis;
- (iii) reviewed the investment policies and guidelines of the Group regarding (a) listed shares; (b) bonds and certificates of deposit; (c) unlisted investments; and (d) bank deposits;
- (iv) reviewed the risk management, policies and procedures, information flows, reporting lines and lines of defence relating to investments;
- (v) requested and received all relevant information relating to investments of the Group;
- (vi) reviewed the valuations of investments to be adopted in the year end financial statements including the basis, available information and judgements adopted therein; and
- (vii) reviewed the Terms of Reference and recommended any changes as appropriate for the Board's approval.

Auditor's Remuneration and Auditor Related Matters

During the year ended 31st March, 2025, the fees charged to the consolidated statement of profit or loss of the Group for the audit services provided to the Group by the independent auditor amounted to HK\$4,197,000 (2024 : HK\$4,516,000), and in addition, HK\$8,000 (2024 : HK\$7,000) for other non-statutory audit services such as advisory services.

Independent Auditor's Reporting Responsibilities

The reporting responsibilities of the Independent Auditor are set out in the Independent Auditor's Report on pages 48 to 52.

Risk Management and Internal Control

The Board is responsible for evaluating and determining the nature and extent of the risks (including material risks relating to Environmental, Social and Governance (“ESG”) as detailed in the ESG Report) it is willing to take in achieving the Company’s strategic objective, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems (including for ESG-related risks) and reviewing their effectiveness to safeguard the shareholders’ investment and the Group’s assets.

The Group’s risk management and internal control systems are designed to provide reasonable assurance against that material misstatement or loss can be avoided, and to manage and minimise risks of failure in operational systems.

Apart from annual review of the effectiveness of the Group’s risk management and internal control systems by the Board, it delegates such responsibility of reviewing the effectiveness of the Group’s risk management and internal control systems to the Audit Committee which monitors the Group’s risk management and internal control systems through the Internal Audit Department. An ESG working group comprising senior management of the Group is responsible for setting and reviewing policies and guidelines to address environmental and social matters and reported regularly to the Audit Committee and the Board. The Anti-corruption Policy and the Whistleblowing Policy have been reviewed and adopted by the Company which shall be reviewed annually.

The Internal Audit Department performs regular independent reviews of all material controls, including financial, operational and compliance controls and risk management functions of the Group and evaluates their adequacy and effectiveness on a continuing basis. The annual audit plan is discussed and agreed by the members of the Audit Committee at the Audit Committee Meeting every year. A report of major audit findings is submitted quarterly to the members of the Audit Committee for discussion at the Audit Committee Meeting. The audit reports are then followed-up by the Internal Audit Department to ensure corrective actions have been taken in respect of findings previously identified and that they have been properly resolved. Internal audits are designed to provide the Board with reasonable assurance that appropriate and effective risk management and internal control systems of the Group are implemented for protecting the Group’s assets and identifying business risks.

Apart from the regular independent reviews by the Internal Audit Department, there is an annual compliance review by all the business units / departments of the Company. For the year under review, various Compliance Certificates were received from the heads of business units / departments of the Company countersigned by the Head of Internal Audit Department confirming that the internal control systems have been assessed and compliance reviews have been conducted by the relevant business units / departments (with the relevant disclosure of matters arising and remedial action taken, if any) and reviewed by the Internal Audit Department. These Certificates also included confirmation that the internal control procedures of the relevant business units / departments have been complied with and their internal control systems with the relevant risk assessment are effective and in compliance with all the relevant statutory requirements and regulations.

A model code for securities transactions by relevant employees (the “**Relevant Employees’ Model Code**”) has been adopted by the Company which sets out the securities dealing and confidentiality requirements for compliance by all Relevant Employees (as defined in the Relevant Employees’ Model Code) of the Company which is on no less exacting terms than the Directors’ Model Code. Amendments will be made to the Relevant Employees’ Model Code from time to time in order to conform with any new amendments made to Appendix C3 to the Listing Rules. Among the requirements under the Relevant Employees’ Model Code, the Relevant Employees who have knowledge of unpublished inside information should take extra care and treat such information in the strictest confidence. Moreover, the Inside Information Policy has been adopted by the Company which sets out guidelines to the employees of the Group to ensure inside information is to be disseminated to the public in equal, timely and effective manner in accordance with the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the Listing Rules and all other applicable rules and regulations. In addition, the Company will issue memoranda half-yearly and through the head of each business unit / department to remind the Relevant Employees of the Company to observe the said securities dealing and confidentiality requirements under the Relevant Employees’ Model Code and the Inside Information Policy respectively.

The Board has reviewed the effectiveness of the Group’s risk management and internal control systems covering all material controls, including financial, operational, compliance controls for the year ended 31st March, 2025. The review also covered the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company’s accounting, internal audit and financial reporting functions, as well as those relating to the Company’s ESG performance and reporting. In view of the above, the Board considered that the Group’s risk management and internal control systems are effective, adequate and in compliance with the code provisions on risk management and internal control of the CG Code.

Dividend Policy

The Board has reviewed the Dividend Policy for the Company that aims at enhancing transparency of the Company and facilitating the shareholders of the Company and investors to make informed investment decisions relating to the Company.

The Dividend Policy is to allow shareholders to participate in the Company's profits whilst retaining adequate reserves for the Company's future growth. The Company considers stable and sustainable returns to shareholders to be its goal and endeavours to maintain its stable Dividend Policy.

In deciding whether to propose any dividend payout and / or determining the amount of any dividend to be paid, the Board shall take into account a number of factors, including but not limited to :-

- (i) the current and expected financial performance of the Group;
- (ii) the retained earnings and distributable reserves of the Company and each of the members of the Group;
- (iii) the expected working capital requirements, capital expenditure requirements and future expansion plans of the Group;
- (iv) the liquidity position and any future commitments of the Group at the time of declaration of dividend;
- (v) the dividend payout history of the Company;
- (vi) the general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business, financial performance and position of the Group; and
- (vii) the other factors that the Board may consider relevant.

The recommendation of the payment of dividend is subject to the sole discretion of the Board, and any declaration of the final dividend for the year will be subject to the approval of the shareholders.

The payment of dividend by the Company is also subject to compliance with all applicable laws and regulations including, but not limited to, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Laws of Bermuda, and the Company's Memorandum of Association ("**M&A**") and Bye-laws.

The Board shall review the Dividend Policy from time to time and reserves the right in its sole and absolute discretion to update, amend and / or modify the Dividend Policy at any time. There is no assurance that dividends will be proposed or declared in respect of any given periods.

Shareholders' Rights

Pursuant to Bye-law 58 of the Bye-laws, shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, on a one vote per fully-paid share basis, shall at all times have the right, by written requisition (the "**Written Requisition**"), specifying the proposed resolution (the "**Proposed Resolution**") accompanied by a statement in respect of the matter referred to in the Proposed Resolution, to the Board or the Company Secretary of the Company at its Head Office, to request the Board to include the Proposed Resolution in the agenda for the annual general meeting of the shareholders or to require a special general meeting of the shareholders (the "**SGM**") of the Company to be called by the Board for the transaction of any business or resolution specified in such Written Requisition; and such SGM of the Company shall be held in the form of a physical meeting only and within two (2) months after deposit of such Written Requisition.

Shareholders and other stakeholders may at any time send their written enquiries and concerns by post, fax or email to the Board by addressing them to the Company Secretary of the Company at its Head Office as follows :-

The Company Secretary
Dickson Concepts (International) Limited
4th Floor, East Ocean Centre,
98 Granville Road,
Tsimshatsui East,
Kowloon,
Hong Kong.
Fax No.: +852 2301 0315
Email Address: enquire@dickson.com.hk

Investor Relations and Communication with Shareholders

The Company has established a range of communication channels to ensure fair disclosure and comprehensive and transparent reporting of its performance and activities. These include announcements and notices, Interim Reports, Annual Reports and circulars which are sent to the shareholders from time to time. Moreover, institutional investors and / or analysts briefings and / or one-on-one meetings are arranged as appropriate to keep them abreast of the Company's development. In order to promote effective communication, the Company maintains its website at www.dickson.com.hk on which press releases, announcements and notices, M&A and Bye-laws, procedures for shareholders to put forward proposals for election of a person (other than the Retiring Director) as a Director, financial and other information relating to the Company and its businesses are disclosed.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. The Chairman of the general meeting will therefore demand a poll for each resolution to be proposed at the general meeting. The poll results will be published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.dickson.com.hk (the "Websites") in accordance with Rule 2.07C of the Listing Rules as soon as possible after conclusion of the general meeting, but in any event not later than the time that is 30 minutes before the earlier of either the commencement of the morning trading session or any pre-opening session on the business day following the general meeting. The Directors and the Independent Auditor will also attend the annual general meetings of the shareholders of the Company to answer shareholders' questions, if any.

Shareholders' Communication Policy

The Company has adopted and updated the Shareholders' Communication Policy. The policy aims to promote effective communication with shareholders and other stakeholders, to ensure effective and timely dissemination of information to shareholders, and enable shareholders to exercise their rights as shareholders effectively. Shareholders are encouraged to attend the general meetings of the Company or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meeting. Shareholders should direct their enquiries relating to the Company to the Board by mail to the Company's Head Office for the attention of the Company Secretary, and should direct their questions about their shareholdings to the Company's Hong Kong Branch Share Registrar. The Board considers the policy and its implementation are effective because the policy provides effective channels for shareholders to communicate their views with the Company and the Company has complied with principles and required practices set out in the policy.

Constitutional Documents

The Company's M&A and Bye-laws, in both English and Chinese, are available on the Websites. There was no change to the M&A and Bye-laws of the Company during the year ended 31st March, 2025.

By Order of the Board



Dickson Poon
Group Executive Chairman

Hong Kong, 2nd June, 2025



To the Shareholders of Dickson Concepts (International) Limited

(Incorporated in Bermuda with limited liability)

Opinion

We have audited the consolidated financial statements of Dickson Concepts (International) Limited (“the Company”) and its subsidiaries (“the Group”) set out on pages 53 to 117, which comprise the consolidated statement of financial position as at 31st March, 2025, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31st March, 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards 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”) together with any ethical requirements that are relevant to our audit of the consolidated financial statements in Bermuda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 period. 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.

Valuation of inventories	
<i>Refer to note 13 to the consolidated financial statements and the accounting policies in note 1(h) to the consolidated financial statements.</i>	
The key audit matter	How the matter was addressed in our audit
<p>Sales of inventories of luxury goods, including apparel and watches, can be volatile due to changing fashion trends, consumer demand and retail market sentiment, in particular under the current economic environment in Hong Kong.</p> <p>The Group primarily sells luxury goods through its retail and distribution network in Hong Kong and Taiwan. The changing tastes and patterns of consumption of customers require the Group to periodically review its inventory portfolio and dispose of off-season inventories at a markdown from their original prices to maintain the strength of the brand and make room for new season inventories in its stores. Accordingly, the actual future selling prices of certain items of inventory may fall below their purchase costs.</p>	<p>Our audit procedures to assess the valuation of inventories included the following:</p> <ul style="list-style-type: none"> • assessing the Group’s policy for making provision for inventories with reference to the requirements of the prevailing accounting standards; • assessing whether the inventory provision at the reporting date was consistent with the Group’s inventory provisioning policy by recalculating the inventory provision based on the percentages of inventory cost and other parameters in the Group’s inventory provisioning policy;

The Executive Directors and senior members of the sales team review the full inventory list regularly to identify inventories which may need to be discounted in order to increase their chances of being sold. Key data used in this review process includes (i) sales volume history in the various regions; (ii) ageing patterns of inventories; (iii) physical condition of inventories reported by the store managers; and (iv) recommended selling prices set by brand owners.

We identified the valuation of inventories as a key audit matter because of the significant judgement required to be exercised by management in determining an appropriate level of inventory provision, which involves predicting the amounts of inventories which will be unsold at the end of each reporting period and the discounts necessary to offer in order to sell such off-season inventories through outlets and other channels in the following years. Both of these factors can be inherently uncertain.

- assessing, on a sample basis, whether items in the inventory ageing report were classified within the appropriate ageing bracket by comparing individual items with the underlying packing lists;
- comparing the carrying amount of the inventories at the reporting date to their net realisable value through review of sales of inventories subsequent to the reporting date;
- assessing the historical accuracy of management's assessment of inventory write-downs and whether there is any indication of management bias by examining the sales or release of the inventory write-downs recorded at the end of the previous financial year during the year;
- assessing the Group's inventory provisioning policy by comparing management's forecasts of the amounts of inventories within each age bracket which will be unsold at the end of each reporting period with historical sales data for the current and prior years; and
- comparing inventory balances by season or ageing, where applicable, with respective balances in prior years and movements by season or ageing, where applicable, against historical movements to identify inventories which are relatively slow moving.

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

Refer to notes 10, 11 and 29(b) to the consolidated financial statements and the accounting policies in note 1(g)(ii).

The key audit matter

The cost of renting retail store premises is a significant component of the Group's operating cash flows. The non-cancellable operating leases for the retail store premises typically run for an initial period of one to eight years.

The current economic environment in Hong Kong has impacted customer numbers and spending power, causing fluctuations in sales of the Group's retail stores during the lease term. Therefore, there is a risk that the carrying value of right-of-use assets and property, plant and equipment of certain retail stores may not be recoverable in full through the future cash flows to be generated from the operations of those retail stores.

Management reviews the performance of individual retail stores at the end of each reporting period to identify if any retail store displays negative performance indicators which could indicate impairment.

How the matter was addressed in our audit

Our audit procedures to assess the potential impairment of right-of-use assets and property, plant and equipment of retail stores included the following:

- evaluating management's identification of impairment indicators and cash-generating units as well as considering whether the discounted cash flow forecasts on a store-by-store basis supported the carrying value of the relevant assets. We also considered whether the Group's impairment assessment indicated that a reversal of a past impairment loss was required;
- assessing the methodology adopted by management in its impairment assessments with reference to the requirements of the prevailing accounting standards;
- evaluating the discounted cash flow forecast prepared by management by comparing the most significant inputs used in the discounted cash flow forecasts, including future revenue, gross profit margins, staff costs and rental payments, with the historical performance of these retail stores;

We identified the impairment of right-of-use assets and property, plant and equipment of retail stores to be a key audit matter because estimates of future cash flows and profits of the retail stores are inherently uncertain and determining the recoverable amounts of the right-of-use assets and property, plant and equipment of the retail stores, if any, involves a significant degree of management judgement.

- evaluating the discount rates used in the discounted cash flow forecasts by benchmarking against other similar listed retailers and taking into consideration location and company specific risk premiums;
- performing a sensitivity analysis of discount rates and considering the resulting impact on the impairment charge and whether there is any indication of management bias;
- enquiring of the Executive Directors and senior members of the sales team about any plans for retail store closures; and
- assessing the reasonableness of the Group's disclosures in the consolidated financial statements in respect of impairment testing of right-of-use assets and property, plant and equipment of retail stores, with reference to the requirements of the prevailing accounting standards.

Information other than the consolidated financial statements and auditor's report thereon

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

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

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

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

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards 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.

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, 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 HKSA's 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 HKSA's, we exercise professional judgement and maintain professional scepticism 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 disclosures 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units activities within the Group as a basis for forming to express an opinion on the group consolidated financial statements. We are responsible for the direction, supervision and review performance of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Cheng Pui Ngar (practising certificate number : P05280).



KPMG

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

Hong Kong, 2nd June, 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31ST MARCH, 2025



		2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
	NOTE		
Revenue	2	1,921,768	2,400,137
Cost of sales		<u>(1,062,672)</u>	<u>(1,302,226)</u>
Gross profit		859,096	1,097,911
Other income	3	54,302	79,728
Selling and distribution expenses		(451,632)	(572,860)
Administrative expenses		(163,083)	(150,512)
Other operating expenses		<u>(30,194)</u>	<u>(32,351)</u>
Operating profit		268,489	421,916
Finance costs		<u>(39,719)</u>	<u>(66,543)</u>
Profit before taxation	4	228,770	355,373
Taxation	7	<u>(30,758)</u>	<u>(4,606)</u>
Profit for the year attributable to equity shareholders of the Company		<u>198,012</u>	<u>350,767</u>
Earnings per share (basic and diluted)	9	<u>50.4 cents</u>	<u>89.0 cents</u>

The notes on pages 59 to 117 form part of these financial statements. Details of dividends payable to equity shareholders of the Company are set out in Note 8.

	2025 HK\$'000	2024 HK\$'000
Profit for the year	198,012	350,767
Other comprehensive income for the year :		
Item that will not be reclassified to profit or loss :		
Remeasurement of net defined benefit assets	552	(20)
Item that may be reclassified subsequently to profit or loss :		
Exchange differences on translation of financial statements of subsidiary and associated companies outside Hong Kong (Note)	(19,066)	(22,250)
Other comprehensive income for the year	(18,514)	(22,270)
Total comprehensive income for the year attributable to equity shareholders of the Company	179,498	328,497

Note :-

There is no tax effect relating to the above component of the other comprehensive income.

The notes on pages 59 to 117 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31ST MARCH, 2025



		2025	2024
	NOTE	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment	10	55,928	63,083
Right-of-use assets	11	125,709	212,017
Deposits and prepayments	14	51,647	60,969
Other financial assets	12	336,476	476,751
		<u>569,760</u>	<u>812,820</u>
Current assets			
Inventories	13	177,733	199,716
Debtors, deposits and prepayments	14	103,119	208,073
Tax recoverable	7(c)	15,281	13,583
Other financial assets	12	742,019	654,628
Cash and bank balances	15	3,275,825	3,469,605
		<u>4,313,977</u>	<u>4,545,605</u>
Current liabilities			
Bank loans	16	605,309	799,093
Creditors, accruals and provisions	17	258,514	369,121
Lease liabilities	18	155,974	163,647
Taxation	7(c)	69,823	49,271
		<u>1,089,620</u>	<u>1,381,132</u>
Net current assets		<u>3,224,357</u>	<u>3,164,473</u>
Total assets less current liabilities		<u>3,794,117</u>	<u>3,977,293</u>
Non-current liabilities			
Creditors and provisions	17	38,055	37,156
Lease liabilities	18	202,043	347,993
Deferred tax liabilities	19(a)	20,208	20,408
Total non-current liabilities		<u>260,306</u>	<u>405,557</u>
Net assets		<u>3,533,811</u>	<u>3,571,736</u>
Capital and reserves			
Share capital	20	115,818	118,261
Reserves	21	3,417,993	3,453,475
Total equity attributable to equity shareholders of the Company		<u>3,533,811</u>	<u>3,571,736</u>

Approved and authorised for issue by the Board of Directors on 2nd June, 2025.

Dickson Poon
Group Executive Chairman

Chan Hon Chung, Johnny Pollux
Executive Director

The notes on pages 59 to 117 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2025

	Attributable to equity shareholders of the Company				
	Share capital HK\$'000 (Note 20)	Share premium HK\$'000 (Note 21(a)(i))	Exchange reserve HK\$'000 (Note 21(a)(ii))	Retained profits HK\$'000	Total HK\$'000
Balance at 1st April, 2024	118,261	502,561	79,287	2,871,627	3,571,736
Dividends approved / paid in respect of prior year (Note 8(b))					
– by means of cash	–	–	–	(137,971)	(137,971)
Dividends declared / paid in respect of the current year (Note 8(a))					
– by means of cash	–	–	–	(39,387)	(39,387)
Repurchases of shares of the Company (Note 20)	(2,443)	(37,622)	–	–	(40,065)
Profit for the year	–	–	–	198,012	198,012
Other comprehensive income for the year	–	–	(19,066)	552	(18,514)
Balance at 31st March, 2025	<u>115,818</u>	<u>464,939</u>	<u>60,221</u>	<u>2,892,833</u>	<u>3,533,811</u>

	Attributable to equity shareholders of the Company				
	Share capital HK\$'000 (Note 20)	Share premium HK\$'000 (Note 21(a)(i))	Exchange reserve HK\$'000 (Note 21(a)(ii))	Retained profits HK\$'000	Total HK\$'000
Balance at 1st April, 2023	118,261	502,561	101,537	2,666,735	3,389,094
Dividends approved / paid in respect of prior year (Note 8(b))					
– by means of cash	–	–	–	(106,435)	(106,435)
Dividends declared / paid in respect of the current year (Note 8(a))					
– by means of cash	–	–	–	(39,420)	(39,420)
Profit for the year	–	–	–	350,767	350,767
Other comprehensive income for the year	–	–	(22,250)	(20)	(22,270)
Balance at 31st March, 2024	<u>118,261</u>	<u>502,561</u>	<u>79,287</u>	<u>2,871,627</u>	<u>3,571,736</u>

The notes on pages 59 to 117 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2025



		2025		2024	
	NOTE	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit before taxation		228,770		355,373	
Adjustments for :-					
Depreciation – property, plant and equipment	4	28,331		31,536	
Depreciation – right-of-use assets	4	77,259		100,516	
Impairment loss on property, plant and equipment recognised	4	1,510		5,000	
Impairment loss on right-of-use assets recognised	4	22,890		40,000	
Interest income	3	(83,823)		(94,813)	
Interest on bank loans	4, 22	26,931		48,617	
Interest on lease liabilities	4, 22	12,788		17,926	
Loss / (gain) on disposal of property, plant and equipment	3	149		(978)	
Net gain on disposal of right-of-use assets and lease liabilities		(75)		–	
Net impairment loss on listed debt securities measured at amortised cost recognised	3	1,477		1,620	
Net realised loss on listed debt securities measured at amortised cost	3	–		878	
Net foreign exchange loss on listed debt securities measured at amortised cost		5,119		3,809	
Net realised and unrealised loss on unlisted equity and non-equity securities	3	123		1,697	
Operating profit before changes in working capital		321,449		511,181	
Decrease / (increase) in inventories		16,821		(18,955)	
Decrease / (increase) in debtors, deposits and prepayments		114,056		(44,413)	
Increase in other financial assets					
– investment in securities held for trading		(516,529)		–	
Decrease in creditors, accruals and provisions		(109,255)		(40,421)	
Effect of foreign exchange rate changes		(3,955)		(1,776)	
Cash (used in) / generated from operations		(177,413)		405,616	
Hong Kong profits tax paid (net)		(528)		(10,890)	
Tax paid outside Hong Kong (net)		(10,961)		(9,082)	
Net cash (used in) / generated from operating activities			(188,902)		385,644

		2025		2024	
	NOTE	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Investing activities					
Payment for purchase of property, plant and equipment		(24,929)		(24,422)	
Payment for purchase of other financial assets		(93,353)		(47,100)	
Proceeds from disposal of property, plant and equipment		1,184		1,045	
Net proceeds from sale / redemption of other financial assets		656,313		472,208	
Interest received		83,823		94,813	
Decrease in bank deposits with original maturity over three months		—		109,900	
Net cash generated from investing activities			623,038		606,444
Financing activities					
Payment for repurchases of shares		(40,065)		—	
Net repayment of bank loans	22	(193,784)		(206,460)	
Capital element of lease rentals paid	22	(166,906)		(248,794)	
Interest element of lease rentals paid	22	(13,101)		(17,185)	
Interest paid	22	(26,931)		(48,617)	
Dividends paid		(177,358)		(145,855)	
Net cash used in financing activities			(618,145)		(666,911)
Net (decrease) / increase in cash and cash equivalents			(184,009)		325,177
Cash and cash equivalents at 1st April			3,469,605		3,157,983
Effect of foreign exchange rate changes			(9,771)		(13,555)
Cash and cash equivalents at 31st March	15		<u>3,275,825</u>		<u>3,469,605</u>

The notes on pages 59 to 117 form part of these financial statements.

1. MATERIAL ACCOUNTING POLICIES

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

The HKICPA has issued certain amendments to HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented in these financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see Note 32).

(a) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31st March, 2025 comprise the Company and its subsidiary companies (together referred to as the “**Group**”).

The measurement basis used in the preparation of the financial statements is the historical cost basis except as otherwise stated in the accounting policies set out below.

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

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

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 29.

1. MATERIAL ACCOUNTING POLICIES *(cont'd)*

(b) Subsidiary companies and non-controlling interests

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

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

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

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

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

When the Group loses control of a subsidiary company, it is accounted for as a disposal of the entire interest in that subsidiary company, with a resulting gain or loss being recognised in the consolidated statement of profit or loss. Any interest retained in that former subsidiary company at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 1(d)) or, when appropriate, the cost on initial recognition of an investment in an associated company (see Note 1(c)).

In the Company's statement of financial position, an investment in a subsidiary company is stated at cost less impairment losses (see Note 1(g)).

1. MATERIAL ACCOUNTING POLICIES *(cont'd)*

(c) Associated company

An associated company is an entity in which the Group or the Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associated company is accounted for in the consolidated financial statements under the equity method. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post-acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see Note 1(g)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associated company, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associated company.

Unrealised profits and losses resulting from transactions between the Group and its associated company are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in the consolidated statement of profit or loss.

When the Group ceases to have significant influence over an associated company, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in the consolidated statement of profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 1(d)).

1. MATERIAL ACCOUNTING POLICIES *(cont'd)*

(d) Other investments in debt and equity securities

The Group's policies for investments in debt and equity securities, other than investments in subsidiary companies and an associated company are set out below.

Investments in debt and equity securities are recognised / derecognised on the date the Group commits to purchase / sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 28. These investments are subsequently accounted for as follows, depending on their classification.

Investments other than equity investments

Non-equity investments held by the Group are classified into one of the following measurement categories :-

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method (see Note 1(q)(iii)).
- fair value through other comprehensive income ("FVOCI") – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses ("ECLs"), interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

1. MATERIAL ACCOUNTING POLICIES *(cont'd)*

(d) Other investments in debt and equity securities *(cont'd)*

Equity investments

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purpose and on initial recognition of the investment the Group makes an election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as revenue in accordance with the policy set out in Note 1(q)(v).

(e) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in the consolidated statement of profit or loss.

1. MATERIAL ACCOUNTING POLICIES *(cont'd)*

(f) Property, plant and equipment, right-of-use assets and depreciation

Property, plant and equipment and right-of-use assets (see Note 1(i)) are stated at cost less aggregate depreciation and impairment losses (see Note 1(g)).

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows :-

Leasehold land and buildings	50 years or the remaining lease term whichever is shorter
Leasehold improvements	4 - 10 years or the remaining lease term whichever is shorter
Furniture, fixtures, equipment and others	3 - 10 years
Right-of-use assets	over the remaining lease term

Both the useful life of an asset and its residual value, if any, are reviewed annually.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in the consolidated statement of profit or loss on the date of retirement or disposal.

1. MATERIAL ACCOUNTING POLICIES *(cont'd)*

(g) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for ECLs on financial assets measured at amortised cost (including cash and bank deposits, held-to-maturity debt securities, trade and other receivables).

Other financial assets measured at fair value, including equity securities measured at FVPL and derivative financial assets, are not subject to the expected credit loss (“ECL”) assessment.

Measurement of ECLs

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

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

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

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

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

ECLs are measured on either of the following bases :-

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

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

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

1. MATERIAL ACCOUNTING POLICIES *(cont'd)*

(g) Credit losses and impairment of assets *(cont'd)*

(i) Credit losses from financial instruments *(cont'd)*

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. 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 since initial recognition :-

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instruments' credit risk since initial recognition. Any change in the ECLs amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

1. MATERIAL ACCOUNTING POLICIES *(cont'd)*

(g) Credit losses and impairment of assets *(cont'd)*

(i) Credit losses from financial instruments *(cont'd)*

Basis of calculation of interest income

Interest income recognised in accordance with Note 1(q)(iii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

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

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

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

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

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

1. MATERIAL ACCOUNTING POLICIES (*cont'd*)

(g) Credit losses and impairment of assets (*cont'd*)

(ii) Impairment of other non-current assets

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

- property, plant and equipment;
- right-of-use assets; and
- investments in subsidiary companies and an associated company in the Company's statement of financial position.

If any such indication exists, the recoverable amount of the asset is estimated.

— Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

— Recognition of impairment losses

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

— Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the consolidated statement of profit or loss in the year in which the reversals are recognised.

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(g) Credit losses and impairment of assets (cont'd)

(iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see Notes 1(g)(i) and (ii)).

(h) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out (FIFO) method or weighted average method as appropriate and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the year in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the year the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the year in which the reversal occurs.

(i) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, 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. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use assets and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily office equipment. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

1. MATERIAL ACCOUNTING POLICIES (*cont'd*)

(i) Leased assets (*cont'd*)

(i) As a lessee (*cont'd*)

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Note 1(g)(ii)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities separately in the consolidated statement of financial position.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

1. MATERIAL ACCOUNTING POLICIES *(cont'd)*

(j) Trade and other receivables

Trade and other receivables are recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Trade and other receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see Note 1(g)(i)).

(k) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see Note 1(s)).

(l) Trade and other payables

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

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECL in accordance with the policy set out in Note 1(g)(i).

(n) Employee benefits

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

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement schemes, including those payable in Mainland China, Taiwan and Hong Kong under relevant legislation, and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

1. MATERIAL ACCOUNTING POLICIES *(cont'd)*

(n) Employee benefits *(cont'd)*

(ii) Defined benefit retirement scheme obligations

The Group has the following two categories of defined benefit retirement schemes :-

- defined benefit retirement schemes which cover certain employees of the Group's Taiwan operation;
- LSP under the Hong Kong Employment Ordinance.

The Group's net obligation in respect of defined benefit retirement schemes is calculated separately for each scheme by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years; that benefit is discounted to determine the present value and the fair value of any scheme assets is deducted. The estimated amount of future benefit for LSP obligations is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

The calculation is performed by an independent qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the scheme or reductions in future contributions to the scheme.

Service cost and net interest expense (income) on the net defined benefit liability (asset) are recognised in profit or loss and allocated by function as part of "selling and distribution expenses" or "administrative expenses". Current service cost is measured as the increase in the present value of the defined benefit obligation resulting from employee service in the current period. Net interest expense (income) for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the net defined benefit liability (asset). The discount rate is the yield at the end of the reporting period on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

When the benefits of a scheme are changed, or when a scheme is curtailed, current service cost for the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised as an expense in profit or loss at the earlier of when the scheme amendment or curtailment occurs and when related restructuring costs or termination benefits are recognised.

Remeasurements arising from defined benefit retirement schemes are recognised in other comprehensive income and reflected immediately in retained earnings. Remeasurements comprise actuarial gains and losses, the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability (asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

(iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

1. MATERIAL ACCOUNTING POLICIES *(cont'd)*

(o) Income tax

- (i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the consolidated statement of profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly to equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.
- (ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.
- (iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases respectively. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (providing they are not part of a business combination), and temporary differences relating to investments in subsidiary companies to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

1. MATERIAL ACCOUNTING POLICIES *(cont'd)*

(o) Income tax *(cont'd)*

(iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met :-

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either :-
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(p) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the “**Holder**”) for a loss the Holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within creditors and accruals. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm’s length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group’s accounting policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in the consolidated statement of profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in the consolidated statement of profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with Note 1(p)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee; and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in creditors and accruals in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

1. MATERIAL ACCOUNTING POLICIES *(cont'd)*

(p) Financial guarantees issued, provisions and contingent liabilities *(cont'd)*

(ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The Group makes provision for the costs of meeting the contractual obligations, net of economic benefits expected to be received. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

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

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

(q) Revenue recognition

Income is classified by the Group as revenue when it arises from the sales of goods or the provision of services in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax and is after deduction of any trade discounts, rebates and goods returns.

Further details of the Group's revenue and other income recognition policies are as follows :-

(i) Sales of goods and income from sale of concession and consigned goods

Revenue and income are recognised when the control of the goods are considered to have been transferred to the customers.

(ii) Net trading income of securities investment

Net trading income comprises gains less losses related to trading assets, and includes all fair value changes, interest, dividends and foreign exchange difference.

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see Note 1(g)(i)).

(iv) Royalty income

Royalty income is accrued on a time proportioned basis over the term of the royalty agreement.

1. MATERIAL ACCOUNTING POLICIES *(cont'd)*

(q) Revenue recognition *(cont'd)*

(v) Dividends

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established. Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(r) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange differences are recognised in the consolidated statement of profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to consolidated statement of profit or loss when the profit or loss on disposal is recognised.

(s) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

1. MATERIAL ACCOUNTING POLICIES *(cont'd)*

(t) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person :-
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies :-
 - (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary company is related to the others);
 - (ii) one entity is an associated company or joint venture of the other entity (or an associated company or joint venture of a member of a group of which the other entity is a member);
 - (iii) both entities 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 associated company of the third entity;
 - (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 members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

1. MATERIAL ACCOUNTING POLICIES *(cont'd)*

(u) Segment reporting

Operating segments and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(v) Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see Note 1(q)). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see Note 1(j)).

2. REVENUE / SEGMENTAL INFORMATION

(a) Revenue

The principal activities of the Group are the Sale of Luxury Goods and Securities Investment.

Revenue represents the invoiced value of goods sold less discounts and returns, net income from concession and consignment sales, fair value change on securities held for trading, dividend income, and interest income from debt securities and short-term bank deposits under Securities Investment segment.

The amount of each significant category of revenue is as follows :-

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from Sale of Luxury Goods and net income from concession and consignment sales		
Watches and jewellery	958,451	955,336
Cosmetics and beauty products	345,583	728,163
Fashion and accessories	502,153	602,026
	<u>1,806,187</u>	<u>2,285,525</u>
Revenue from Securities Investment		
Dividend income	—	671
Fair value change on securities held for trading	3,971	(2,053)
Interest income from debt securities and short-term bank deposits under Securities Investment segment	111,610	115,994
	<u>115,581</u>	<u>114,612</u>
	<u>1,921,768</u>	<u>2,400,137</u>

Information about major customers

The Group sells goods to numerous individual customers without concentration of reliance. There is no discloseable information of major customers under HKFRS 8, *Operating segments*.

2. REVENUE / SEGMENTAL INFORMATION *(cont'd)*

(b) Segment reporting

The Group manages its businesses by divisions. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purpose of resource allocation and performance assessment, the Group has presented the following two reportable segments :-

Sale of Luxury Goods business : The sale of luxury goods to retail and wholesale customers and net income from concession and consignment sales.

Securities Investment business : The investment in listed and unlisted securities.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases :-

Revenue and expenses are allocated to the reportable segments with reference to the sales generated and expenses incurred by those segments. The measure used for reporting segment profit is profit after taxation.

Segment assets include all current and non-current assets of individual assets.

Segment liabilities include creditors, accruals and provisions, lease liabilities attributable to the operation of individual segments and bank loans managed directly by the segments.

2. REVENUE / SEGMENTAL INFORMATION (cont'd)

(b) Segment reporting (cont'd)

(i) Segment results, assets and liabilities (cont'd)

Information regarding the Group's reportable segments for the years ended 31st March, 2025 and 31st March, 2024 respectively is set out below.

	Sale of Luxury Goods		Securities Investment		Total	
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	1,806,187	2,285,525	115,581	114,612	1,921,768	2,400,137
Reportable segment revenue	<u>1,806,187</u>	<u>2,285,525</u>	<u>115,581</u>	<u>114,612</u>	<u>1,921,768</u>	<u>2,400,137</u>
Reportable segment profit	138,669	297,780	59,343	52,987	198,012	350,767
Reportable segment assets	3,233,852	3,573,987	2,442,866	2,529,389	5,676,718	6,103,376
Additions to non-current segment assets during the year	45,854	103,332	–	–	45,854	103,332
Reportable segment liabilities	744,591	987,458	1,398,316	1,544,182	2,142,907	2,531,640
	Sale of Luxury Goods		Securities Investment		Total	
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reportable segment profit included :						
Interest income	83,823	94,813	111,610	115,994	195,433	210,807
Interest expenses						
– bank loans	–	–	(26,931)	(48,617)	(26,931)	(48,617)
– lease liabilities	(12,788)	(17,926)	–	–	(12,788)	(17,926)
Depreciation						
– property, plant and equipment	(28,331)	(31,536)	–	–	(28,331)	(31,536)
– right-of-use assets	(77,259)	(100,516)	–	–	(77,259)	(100,516)
(Loss) / gain on disposal of property, plant and equipment	(149)	978	–	–	(149)	978
Net realised and unrealised loss on unlisted equity and non-equity securities	–	–	(123)	(1,697)	(123)	(1,697)
Impairment loss recognised						
– property, plant and equipment	(1,510)	(5,000)	–	–	(1,510)	(5,000)
– right-of-use assets	(22,890)	(40,000)	–	–	(22,890)	(40,000)
Provision for taxation	(30,758)	(4,606)	–	–	(30,758)	(4,606)

2. REVENUE / SEGMENTAL INFORMATION (cont'd)

(b) Segment reporting (cont'd)

(ii) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

Revenue and profit

No reconciliation of revenue and profit is required as the total reportable segments' figures are equal to the Group's consolidated figures.

	2025 HK\$'000	2024 HK\$'000
Assets		
Reportable segment assets	5,676,718	6,103,376
Elimination of inter-segment receivables	(792,981)	(744,951)
Consolidated total assets	<u>4,883,737</u>	<u>5,358,425</u>
	2025 HK\$'000	2024 HK\$'000
Liabilities		
Reportable segment liabilities	2,142,907	2,531,640
Elimination of inter-segment payables	(792,981)	(744,951)
Consolidated total liabilities	<u>1,349,926</u>	<u>1,786,689</u>

(iii) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers; and (ii) the Group's property, plant and equipment and right-of-use assets. The geographical location of customers is based on the location at which the goods are delivered. The geographical location of the specified non-current assets is based on the physical location of the asset.

	Revenues from external customers		Specified non-current assets	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Hong Kong (place of domicile)	<u>1,138,546</u>	1,603,529	<u>128,646</u>	213,361
Taiwan	537,341	560,857	39,202	54,306
Other territories	<u>130,300</u>	121,139	<u>13,789</u>	7,433
	<u>667,641</u>	<u>681,996</u>	<u>52,991</u>	<u>61,739</u>
Revenue from sales of luxury goods and net income from concession and consignment sales	1,806,187	2,285,525	—	—
Revenue from securities Investment	<u>115,581</u>	114,612	—	—
Total	<u>1,921,768</u>	<u>2,400,137</u>	<u>181,637</u>	<u>275,100</u>

3. OTHER INCOME

	2025 HK\$'000	2024 HK\$'000
Net realised and unrealised loss on unlisted equity and non-equity securities	(123)	(1,697)
Net realised loss on listed debt securities measured at amortised cost	–	(878)
Net impairment loss on listed debt securities measured at amortised cost recognised	(1,477)	(1,620)
Interest income	83,823	94,813
(Loss) / gain on disposal of property, plant and equipment	(149)	978
Net foreign exchange loss	(27,772)	(11,868)
	<u>54,302</u>	<u>79,728</u>

4. PROFIT BEFORE TAXATION

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

	2025 HK\$'000	2024 HK\$'000
Auditors' remuneration		
– audit services	4,197	4,516
– other services	8	7
Cost of inventories (Note 13)	1,067,106	1,305,181
Depreciation		
– property, plant and equipment (Note 10)	28,331	31,536
– right-of-use assets (Note 11)	77,259	100,516
Impairment loss on property, plant and equipment recognised (Note 10)	1,510	5,000
Impairment loss on right-of-use assets recognised (Note 11)	22,890	40,000
Interest on bank overdrafts and loans repayable within five years (Note 22(a))	26,931	48,617
Interest on lease liabilities (Note 22(a))	12,788	17,926
Staff costs (including directors' emoluments)	261,687	300,610
Including :-		
Contributions to defined contribution retirement schemes	10,098	10,926
Income recognised in respect of defined benefit retirement scheme	(39)	(34)

5. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows :-

	Directors' fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Discretionary bonuses HK\$'000	Retirement scheme contributions HK\$'000	2025 Total HK\$'000
<i>Executive directors</i>					
Dickson Poon	10	5,001	11,000	–	16,011
Poon Dickson Pearson Guanda	10	2,232	5,000	18	7,260
Chan Hon Chung, Johnny Pollux	10	1,806	3,000	18	4,834
Lau Yu Hee, Gary	10	2,121	3,397	–	5,528
<i>Independent non-executive directors</i>					
Bhanusak Asvaintra	225	–	–	–	225
Nicholas Peter Etches	225	–	–	–	225
Fung Yue Ming, Eugene Michael	223	–	–	–	223
Lam Sze Wan Patricia	175	–	–	–	175
	<u>888</u>	<u>11,160</u>	<u>22,397</u>	<u>36</u>	<u>34,481</u>

	Directors' fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Discretionary bonuses HK\$'000	Retirement scheme contributions HK\$'000	2024 Total HK\$'000
<i>Executive directors</i>					
Dickson Poon	10	4,863	12,000	–	16,873
Poon Dickson Pearson Guanda	10	2,171	5,500	18	7,699
Chan Hon Chung, Johnny Pollux	10	1,834	3,200	18	5,062
Lau Yu Hee, Gary	10	2,082	4,069	–	6,161
<i>Independent non-executive directors</i>					
Bhanusak Asvaintra	225	–	–	–	225
Nicholas Peter Etches	225	–	–	–	225
Fung Yue Ming, Eugene Michael	225	–	–	–	225
	<u>715</u>	<u>10,950</u>	<u>24,769</u>	<u>36</u>	<u>36,470</u>

6. REMUNERATION OF THE FIVE HIGHEST PAID INDIVIDUALS

Among the five highest paid individuals, four (2024 : four) are directors whose remuneration is disclosed in Note 5. The aggregate of the remuneration of the other one (2024 : one) highest paid individual is as follows :-

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Salaries, allowances and benefits in kind	2,092	2,034
Discretionary bonuses	1,973	2,169
Retirement scheme contributions	18	18
	<u>4,083</u>	<u>4,221</u>

The remuneration of the one (2024 : one) individual falls within the following band :-

	2025 <i>Number of individuals</i>	2024 <i>Number of individuals</i>
HK\$4,000,001 – 4,500,000	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

7. TAXATION

(a) Taxation in the consolidated statement of profit or loss represents :-

	2025 HK\$'000	2024 HK\$'000
Current tax		
– Hong Kong Profits Tax	19,363	(5,359)
– Outside Hong Kong	<u>11,238</u>	<u>10,022</u>
	30,601	4,663
Deferred tax (Note 19(a))	<u>157</u>	<u>(57)</u>
Total income tax expense	<u><u>30,758</u></u>	<u><u>4,606</u></u>

The provision for Hong Kong Profits Tax for 2025 is calculated at 16.5 per cent. (2024 : 16.5 per cent.) of the estimated assessable profits for the year.

Taxation for subsidiary companies outside Hong Kong is charged at the appropriate current rates of taxation ruling in the relevant countries.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates :-

	2025 HK\$'000	2024 HK\$'000
Profit before tax	<u><u>228,770</u></u>	<u><u>355,373</u></u>
Notional tax on accounting profit calculated at applicable tax rates	39,382	61,381
Tax effect of non-deductible expenses	14,948	14,815
Tax effect of non-taxable income	(33,507)	(37,266)
Tax effect of prior years' unrecognised tax losses utilised this year	(772)	(13,208)
Tax effect of temporary differences not recognised	(15,755)	(16,485)
Tax effect of unused tax losses not recognised	7,241	896
Others	<u>19,221</u>	<u>(5,527)</u>
Actual tax expense	<u><u>30,758</u></u>	<u><u>4,606</u></u>

(c) None of the taxation payable / recoverable in the statement of financial position is expected to be settled after more than one year.

8. ***DIVIDENDS***

- (a) Dividends payable to equity shareholders of the Company attributable to the year :-

	2025 HK\$'000	2024 <i>HK\$'000</i>
Interim dividend declared and paid of HK10 cents (2024 : HK10 cents) per ordinary share	<u>39,387</u>	<u>39,420</u>
No final dividend was proposed after the end of the reporting period (2024 : HK35 cents per ordinary share)	<u>—</u>	<u>137,971</u>

The final dividend proposed after the end of the reporting period have not been recognised as liabilities at the end of the reporting period.

- (b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year :-

	2025 HK\$'000	2024 <i>HK\$'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year, of HK35 cents (2023 : HK27 cents) per ordinary share	<u>137,971</u>	<u>106,435</u>

9. ***EARNINGS PER SHARE***

The calculation of basic and diluted earnings per share is based on the profit for the year attributable to ordinary equity shareholders of the Company of HK\$198,012,000 (2024 : HK\$350,767,000) and the weighted average number of 392,810,237 ordinary shares (2024 : 394,202,808 ordinary shares) in issue during the year.

Weighted average number of ordinary shares :-

	2025 Number of shares Thousands	2024 <i>Number of shares Thousands</i>
Issued ordinary shares at 1st April	394,203	394,203
Effect of repurchase of shares	<u>(1,393)</u>	<u>—</u>
Weighted average number of ordinary shares at 31st March	<u>392,810</u>	<u>394,203</u>

Basic earnings per share are the same as diluted earnings per share for both years as the Company has no potential dilutive shares outstanding for both years.

10. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings HK\$'000	Leasehold improvements HK\$'000	Furniture, fixtures, equipment and others HK\$'000	Total HK\$'000
Cost :-				
Balance at 1st April, 2024	56,349	221,183	157,527	435,059
Exchange difference	—	(1,950)	(168)	(2,118)
Additions	—	15,036	9,893	24,929
Disposals	—	(69,722)	(49,857)	(119,579)
At 31st March, 2025	56,349	164,547	117,395	338,291
Aggregate depreciation :-				
Balance at 1st April, 2024	40,525	187,717	143,734	371,976
Exchange difference	—	(1,104)	(104)	(1,208)
Charge for the year	1,497	20,081	6,753	28,331
Impairment loss	—	—	1,510	1,510
Written back on disposals	—	(68,424)	(49,822)	(118,246)
At 31st March, 2025	42,022	138,270	102,071	282,363
Net book value :-				
At 31st March, 2025	14,327	26,277	15,324	55,928
Cost :-				
Balance at 1st April, 2023	56,349	247,094	178,711	482,154
Exchange difference	—	(3,205)	(421)	(3,626)
Additions	—	19,147	5,275	24,422
Disposals	—	(41,853)	(26,038)	(67,891)
At 31st March, 2024	56,349	221,183	157,527	435,059
Aggregate depreciation :-				
Balance at 1st April, 2023	39,028	204,657	161,863	405,548
Exchange difference	—	(1,960)	(324)	(2,284)
Charge for the year	1,497	23,055	6,984	31,536
Impairment loss	—	3,813	1,187	5,000
Written back on disposals	—	(41,848)	(25,976)	(67,824)
At 31st March, 2024	40,525	187,717	143,734	371,976
Net book value :-				
At 31st March, 2024	15,824	33,466	13,793	63,083

10. **PROPERTY, PLANT AND EQUIPMENT** *(cont'd)*

Net book value of land and buildings comprises :-

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Long-term leases in Hong Kong	<u>14,327</u>	<u>15,824</u>

The Group holds commercial buildings for its business. The Group is the registered owner of these property interests, including the part of undivided share in the underlying land. Lump sum payments were made upfront to acquire these property interests from their previous registered owners, and there are no ongoing payments to be made under the terms of the land lease, other than payments based on rateable values set by the government authority. These payments vary from time to time and are payable to the government authority.

During the year ended 31st March, 2025, management performed an impairment assessment on certain property, plant and equipment of the Group's retail stores in accordance with the accounting policy on impairment of assets. Based on the assessment, an impairment loss of HK\$1,510,000 (2024 : HK\$5,000,000) was recognised in respect of the respective property, plant and equipment and charged to the consolidated statement of profit or loss. The recoverable amounts of these property, plant and equipment were determined based on the estimated future cash flows generated from these retail stores for the remaining non-cancellable lease term of the respective retail stores at a discount rate of 11.6 per cent. (2024 : 11.6 per cent.) per annum.

11. RIGHT-OF-USE ASSETS

	NOTE	2025 HK\$'000	2024 HK\$'000
Land and buildings	(i)	125,709	212,017

The analysis of expense items in relation to leases recognised in profit or loss is as follows :-

	2025 HK\$'000	2024 HK\$'000
Depreciation charge of right-of-use assets	77,259	100,516
Impairment loss on right-of-use assets recognised	22,890	40,000
Interest on lease liabilities	12,788	17,926
Low-value assets lease expenses	81	374
Short-term lease expenses	7,876	11,008
Variable lease payments not included in the measurement of lease liabilities	64,545	62,825

During the year ended 31st March, 2025, management performed an impairment assessment on certain right-of-use assets of the Group's retail stores in accordance with the accounting policy on impairment of assets. Based on the assessment, an impairment loss of HK\$22,890,000 (2024 : HK\$40,000,000) was recognised in respect of the respective right-of-use assets and charged to the consolidated statement of profit or loss. The recoverable amounts of these right-of-use assets were determined based on the estimated future cash flows generated from these retail stores for the remaining non-cancellable lease term of the respective retail stores at a discount rate of 11.6 per cent. (2024 : 11.6 per cent.) per annum.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 22(b) and 18 respectively.

Note :-

- (i) The Group has obtained the right-of-use assets as its offices, retail stores and warehouses through tenancy agreements. The leases typically run for an initial period of 1 to 8 years. During the year, additions to right-of-use assets were HK\$20,925,000 (2024 : HK\$78,910,000).

12. OTHER FINANCIAL ASSETS

Other financial assets comprise :-

	2025 HK\$'000	2024 HK\$'000
Non-current assets		
Unlisted equity and non-equity securities designated at fair value through profit or loss	57,435	57,926
Listed debt securities measured at amortised cost net of loss allowance	<u>279,041</u>	<u>418,825</u>
	<u>336,476</u>	<u>476,751</u>
Current assets		
Unlisted equity and non-equity securities designated at fair value through profit or loss	516,529	13,200
Listed debt securities measured at amortised cost net of loss allowance	<u>225,490</u>	<u>641,428</u>
	<u>742,019</u>	<u>654,628</u>
	<u>1,078,495</u>	<u>1,131,379</u>

13. INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Finished goods	<u>177,733</u>	<u>199,716</u>

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows :-

	2025 HK\$'000	2024 HK\$'000
Carrying amount of inventories sold	1,062,672	1,302,226
Write-down of inventories	<u>4,434</u>	<u>2,955</u>
	<u>1,067,106</u>	<u>1,305,181</u>

The write-down of inventories made during the year was due to a decrease in net realisable value of certain merchandise held for sale as a result of a change in consumer preferences.

14. DEBTORS, DEPOSITS AND PREPAYMENTS

	2025 HK\$'000	2024 HK\$'000
Trade debtors	47,229	92,198
Net defined benefit assets	3,489	3,037
Other debtors, deposits and prepayments	<u>104,048</u>	<u>173,807</u>
	154,766	269,042
Less: non-current portion of deposits and prepayments	<u>(51,647)</u>	<u>(60,969)</u>
	<u>103,119</u>	<u>208,073</u>

Apart from the above non-current portion of deposits and prepayments, all of other debtors, deposits and prepayments of the Group are expected to be recovered or recognised as an expense within one year.

Ageing analysis

Included in debtors, deposits and prepayments are trade debtors (net of loss allowance) with the following ageing analysis based on due date as at the end of the reporting period :-

	2025 HK\$'000	2024 HK\$'000
Current	46,894	92,090
1 to 30 days overdue	79	108
31 to 60 days overdue	<u>256</u>	<u>—</u>
	<u>47,229</u>	<u>92,198</u>

Trade debtors are due within 30 to 90 days from the date of billing. Further details on the Group's credit policy are set out in Note 27(a).

15. CASH AND BANK BALANCES

Cash and bank balances comprise :-

	2025 HK\$'000	2024 HK\$'000
Cash and cash equivalents in the consolidated cash flow statement	<u>3,275,825</u>	<u>3,469,605</u>

16. BANK LOANS

At the end of the reporting period, the bank loans were repayable within one year and were secured as follows :-

	2025 HK\$'000	2024 HK\$'000
Secured	<u>605,309</u>	<u>799,093</u>

At the end of the reporting period, the banking facilities of subsidiary companies were secured by charges over certain debt and equity securities with aggregate carrying value of HK\$935,471,000 (2024 : HK\$1,060,253,000). The effective borrowing interest rate at the end of the reporting period for the Group was 3.88 per cent. (2024 : 5.63 per cent.) per annum.

17. CREDITORS, ACCRUALS AND PROVISIONS

	2025 HK\$'000	2024 HK\$'000
Trade creditors	107,676	150,790
Contract liabilities (Note 17(a))	8,671	31,413
Other creditors, accruals and provisions	<u>180,222</u>	<u>224,074</u>
	296,569	406,277
Less: non-current portion of creditors and provisions	<u>(38,055)</u>	<u>(37,156)</u>
	<u>258,514</u>	<u>369,121</u>

17. CREDITORS, ACCRUALS AND PROVISIONS *(cont'd)*

Included in creditors, accruals and provisions are trade creditors with the following ageing analysis based on due date as at the end of the reporting period :-

	2025 HK\$'000	2024 HK\$'000
Current	<u>107,676</u>	<u>150,790</u>

(a) Contract liabilities

	2025 HK\$'000	2024 HK\$'000
Advances received from gift certificates	2,523	21,302
Receipts in advance	<u>6,148</u>	<u>10,111</u>
	<u>8,671</u>	<u>31,413</u>

Movement of contract liabilities :-

	2025 HK\$'000	2024 HK\$'000
At 1st April	31,413	21,442
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(29,074)	(19,944)
Increase in contract liabilities as a result of issuance of gift certificates	2,061	21,301
Increase in contract liabilities as a result of increase in receipts in advance	<u>4,271</u>	<u>8,614</u>
At 31st March	<u>8,671</u>	<u>31,413</u>

As at 31st March, 2025, the amount of contract liabilities expected to be recognised as revenue after more than one year is HK\$505,000 (2024 : HK\$1,834,000).

18. LEASE LIABILITIES

At the end of the reporting period, the lease liabilities were repayable as follows :-

	2025 HK\$'000	2024 HK\$'000
Within 1 year	155,974	163,647
After 1 year but within 2 years	142,898	149,640
After 2 years but within 5 years	59,145	198,353
	202,043	347,993
	358,017	511,640

19. DEFERRED TAXATION

(a) Net deferred tax liabilities recognised in the consolidated statement of financial position are as follows :-

	2025 HK\$'000	2024 HK\$'000
Deferred tax liabilities	20,208	20,408

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

	Depreciation allowances in excess of the related depreciation HK\$'000	Undistributed profits of subsidiary companies HK\$'000	Other temporary difference HK\$'000	Total HK\$'000
Deferred tax arising from :-				
At 1st April, 2024	524	19,884	–	20,408
Exchange difference	–	(352)	(5)	(357)
Charged / (credited) to the consolidated statement of profit or loss	(57)	–	214	157
At 31st March, 2025	467	19,532	209	20,208
At 1st April, 2023	581	20,585	–	21,166
Exchange difference	–	(701)	–	(701)
Credited to the consolidated statement of profit or loss	(57)	–	–	(57)
At 31st March, 2024	524	19,884	–	20,408

19. DEFERRED TAXATION *(cont'd)*

(b) Deferred tax assets not recognised

Deferred tax assets have not been recognised in respect of the following items :-

	2025 HK\$'000	2024 HK\$'000
Deductible temporary differences	52,485	64,150
Future benefit of tax losses	192,277	180,089
	<u>244,762</u>	<u>244,239</u>

The Group has not recognised deferred tax assets in respect of accumulated tax losses of certain subsidiary companies as it is not probable that the subsidiary companies will generate sufficient future taxable profits against which the accumulated tax losses can be offset in the foreseeable future. Future benefit of tax losses of HK\$15,780,000 (2024 : HK\$16,973,000) will expire within a range of 1 to 4 years from 1st April, 2025. The remaining balance of tax losses has no expiry date under current tax legislation.

(c) Deferred tax liabilities not recognised

At 31st March, 2025, temporary differences relating to the undistributed profits of a subsidiary company amounted to HK\$330,043,000 (2024 : HK\$325,149,000). Deferred tax liabilities of HK\$69,309,000 (2024 : HK\$68,281,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of this subsidiary company and that it is probable that retained profits will not be distributed in the foreseeable future.

20. SHARE CAPITAL

	2025 Number of shares Thousands	2025 Nominal value HK\$'000	2024 Number of shares Thousands	2024 Nominal value HK\$'000
Authorised :-				
Ordinary shares of HK\$0.30 each	<u>518,000</u>	<u>155,400</u>	<u>518,000</u>	<u>155,400</u>
Issued and fully paid :-				
Ordinary shares of HK\$0.30 each				
Balance brought forward	394,203	118,261	394,203	118,261
Repurchases of shares	<u>(8,144)</u>	<u>(2,443)</u>	<u>—</u>	<u>—</u>
Balance carried forward	<u>386,059</u>	<u>115,818</u>	<u>394,203</u>	<u>118,261</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per ordinary share at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

20. SHARE CAPITAL (cont'd)

During the year ended 31st March, 2025, the Company repurchased a total of 8,143,500 ordinary shares on the Stock Exchange at an aggregate purchase price (excluding expenses) of HK\$39,904,080 and such repurchased shares were subsequently cancelled during the year ended 31st March, 2025. Details of the ordinary shares repurchased on the Stock Exchange during the year ended 31st March, 2025 are as follows :-

Month of repurchase	Number of ordinary shares repurchased	Highest purchase price per ordinary share HK\$	Lowest purchase price per ordinary share HK\$	Aggregate purchase price (excluding expenses) HK\$
December 2024	329,000	4.90	4.90	1,612,100
January 2025	4,402,500	4.90	4.90	21,572,250
February 2025	1,912,000	4.95	4.89	9,369,730
March 2025	1,500,000	4.90	4.90	7,350,000

As a result of the above share repurchases, the issued share capital of the Company was accordingly reduced by the par value of the aforesaid repurchased ordinary shares which were cancelled during the year ended 31st March, 2025. As at the date of these financial statements, the number of issued shares of the Company is 386,059,308 ordinary shares.

The directors believe that the above share repurchases are in the best interests of the Company and its shareholders and that such share repurchases would lead to an enhancement of the net assets value and / or earnings per share of the Company.

During the period from 1st April, 2023 to 17th July, 2023 (i.e. the expiry date of a share option scheme (the “**Share Option Scheme**”) which was adopted by the Company on 18th July, 2013), no share options had been granted to any of the directors or employees of the Company or any of its subsidiary companies under the Share Option Scheme. Subsequent to the expiration of the Share Option Scheme, the Company did not adopt any new share option scheme during the years ended 31st March, 2024 and 31st March, 2025 respectively.

21. CAPITAL AND RESERVES

The Group

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity on page 56.

The Company

Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below :-

	Share capital HK\$'000	Share premium HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1st April, 2024	118,261	502,561	487,527	1,108,349
Dividends approved / paid in respect of prior year (Note 8(b))				
– by means of cash	–	–	(137,971)	(137,971)
Dividends declared / paid in respect of current year (Note 8(a))				
– by means of cash	–	–	(39,387)	(39,387)
Repurchases of shares of the Company (Note 20)	(2,443)	(37,622)	–	(40,065)
Profit for the year	–	–	177,436	177,436
At 31st March, 2025	<u>115,818</u>	<u>464,939</u>	<u>487,605</u>	<u>1,068,362</u>
At 1st April, 2023	118,261	502,561	487,193	1,108,015
Dividends approved / paid in respect of prior year (Note 8(b))				
– by means of cash	–	–	(106,435)	(106,435)
Dividends declared / paid in respect of current year (Note 8(a))				
– by means of cash	–	–	(39,420)	(39,420)
Profit for the year	–	–	146,189	146,189
At 31st March, 2024	<u>118,261</u>	<u>502,561</u>	<u>487,527</u>	<u>1,108,349</u>

21. CAPITAL AND RESERVES (cont'd)

(a) Nature and purpose of reserves

(i) Share premium

The application of the share premium account is governed by the Bermuda Companies Act 1981 and the Amended and Restated Bye-laws of the Company.

(ii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in Note 1(r).

(b) Distributability of reserves

The distributable reserves of the Company at 31st March, 2025 amounted to HK\$487,605,000 (2024 : HK\$487,527,000).

(c) Capital management

The Group's objectives on managing capital are to safeguard the Group's ability to continue as a going concern as well as maximising returns for shareholders and benefits for other stakeholders.

The Group's strategy is to maintain a prudent gearing ratio and a solid base to support the operations and development of its business in the long term. No changes were made in the objectives, policies or processes during the years ended 31st March, 2025 and 31st March, 2024 respectively.

At 31st March, 2025, the Group had bank loans amounting to HK\$605,309,000 (2024 : HK\$799,093,000) The total cash balance exceed the total bank borrowings by HK\$2,670,516,000 (2024 : HK\$2,670,512,000).

The Group's capital structure is as follows :-

	The Group	
	2025	2024
	HK\$'000	HK\$'000
Total equity	<u>3,533,811</u>	<u>3,571,736</u>

Neither the Company nor any of its subsidiary companies are subject to externally imposed capital requirements.

22. OTHER CASH FLOW INFORMATION

(a) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Bank loans HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
Balance at 1st April, 2024	799,093	511,640	1,310,733
Changes from financing cash flows :-			
Net repayment of bank loans	(193,784)	–	(193,784)
Interest paid	(26,931)	–	(26,931)
Capital element of lease rentals paid	–	(166,906)	(166,906)
Interest element of lease rentals paid	–	(13,101)	(13,101)
Total changes from financing cash flows	(220,715)	(180,007)	(400,722)
Exchange adjustments	–	(1,309)	(1,309)
Other changes :-			
Increase in lease liabilities from entering into new / renewed leases during the year	–	20,826	20,826
Interest expenses	26,931	12,788	39,719
Disposal	–	(5,921)	(5,921)
	26,931	27,693	54,624
Balance at 31st March, 2025	605,309	358,017	963,326
Balance at 1st April, 2023	1,005,553	689,871	1,695,424
Changes from financing cash flows :-			
Net repayment of bank loans	(206,460)	–	(206,460)
Interest paid	(48,617)	–	(48,617)
Capital element of lease rentals paid	–	(248,794)	(248,794)
Interest element of lease rentals paid	–	(17,185)	(17,185)
Total changes from financing cash flows	(255,077)	(265,979)	(521,056)
Exchange adjustments	–	(2,409)	(2,409)
Other changes :-			
Increase in lease liabilities from entering into new / renewed leases during the year	–	72,231	72,231
Interest expenses	48,617	17,926	66,543
	48,617	90,157	138,774
Balance at 31st March, 2024	799,093	511,640	1,310,733

Further details of the bank loans are set out in Note 16.

22. OTHER CASH FLOW INFORMATION *(cont'd)*

(b) Total cash outflow for leases

Amount included in the consolidated cash flow statement for leases comprises the following :-

	2025 HK\$'000	2024 HK\$'000
Within operating cash flows	72,502	74,207
Within financing cash flows	180,007	265,979
	<u>252,509</u>	<u>340,186</u>

23. MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

All members of key management personnel are board members and their remuneration is disclosed in Note 5.

(b) Other related party transactions

The following material transactions with related parties were in the opinion of the directors carried out in the ordinary and usual course of business and on normal commercial terms :-

(i) Transactions with companies in which a director of the Company has beneficial interests :-

	2025 HK\$'000	2024 HK\$'000
Sales of goods	87	274
Purchases of goods	43,700	47,302
Income from the provision of management and supporting services	9,868	10,144
Rental income	8,213	6,708
Advertising and promotion service expenses	5,390	6,054
Commission expenses	7,120	7,342
Net proceeds from e-Commerce	<u>—</u>	<u>2,346</u>

The amounts due from these companies at 31st March, 2025 amounted to HK\$631,000 (2024 : HK\$775,000) and the amounts due to these companies at 31st March, 2025 amounted to HK\$8,130,000 (2024 : HK\$9,341,000), which are interest free, unsecured and have repayment terms ranging from 20 days to 90 days.

(ii) Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of Note 23(b)(i) above that constituted continuing connected transactions as defined in Chapter 14A of the Listing Rules and required disclosures under Chapter 14A of the Listing Rules are provided in “Continuing Connected Transactions” section of the Report of the Directors on pages 18 to 26.

24. EMPLOYEE RETIREMENT BENEFITS

(a) Defined benefit retirement scheme

The Group makes contributions to a defined benefit retirement scheme which covers certain employees of the Group's Taiwan operation. The scheme is administered by independent trustees with their assets held separately from those of the Group. The scheme is funded by contributions from the Group as determined and approved by the relevant government authorities. The latest independent actuarial valuation of the scheme was at 31st March, 2025 and was prepared by Dr. Magic Lin, Actuary, EA, A.S.A., FAIRC, Ph.D.. The Group has contributed HK\$Nil (2024 : HK\$Nil) to the scheme.

The present value of obligations under the scheme is HK\$5,415,000 (2024 : HK\$5,586,000) with HK\$8,903,000 (2024 : HK\$8,623,000) covered by plan assets carried at fair value, which are mainly composed of bank deposits.

Service income, including net interest income on the scheme, of HK\$39,000 (2024 : HK\$34,000) was credited to profit or loss, with actuarial gain (net of tax) of HK\$552,000 (2024 : actuarial loss of HK\$20,000) recognised in other comprehensive income. Discount rate of 1.4 per cent. (2024 : 1.3 per cent.) and future salary increase of 2.75 per cent. (2024 : 2.75 per cent.) are used by the Group as significant actuarial assumptions for the valuations. Sensitivity analysis on significant actuarial assumptions is not performed as the changes in actuarial assumptions would not have a material effect on the Group's result for the year.

(b) Defined contribution retirement scheme

The Group operates a Mandatory Provident Fund Scheme (the “**MPF Scheme**”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the defined benefit retirement scheme. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5 per cent. of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the scheme vest immediately.

Employees of the Group's subsidiary companies in Mainland China are required to participate in defined contribution retirement schemes which are administered and operated by the local municipal government. The Group's subsidiary companies contribute funds which are calculated on certain percentage of the payroll to the schemes to fund the retirement benefits of the employees. Contributions to the schemes vest immediately.

A subsidiary company and branches of subsidiary companies of the Group in Taiwan have a defined contribution scheme governed by the Taiwan Labor Pension Act. Under the scheme, a subsidiary company and branches of subsidiary companies of the Group in Taiwan contribute monthly to the Bureau of Labor Insurance at 6 per cent. of the payroll of the employees who choose to participate in the scheme. Contributions to the scheme vest immediately.

24. EMPLOYEE RETIREMENT BENEFITS (*cont'd*)

(c) Long service payment liabilities

Hong Kong employees that have been employed continuously for at least five years are entitled to long service payments in accordance with the Hong Kong Employment Ordinance under certain circumstances. These circumstances include where an employee is dismissed for reasons other than serious misconduct or redundancy, that employee resigns at the age of 65 or above, or the employment contract is of fixed term and expires without renewal. The amount of LSP payable is determined with reference to the employee's final salary (capped at HK\$22,500) and the years of service, reduced by the amount of any accrued benefits derived from the Group's contributions to MPF scheme (see Note 24(b)) with an overall cap of HK\$390,000 per employee. Currently, the Group does not have any separate funding arrangement in place to meet its LSP obligation.

In June 2022, the Government gazetted the Amendment Ordinance, which will eventually abolish the statutory right of an employer to reduce its LSP payable to a Hong Kong employee by drawing on its mandatory contributions to the MPF scheme. The Government has subsequently announced that the Amendment Ordinance will come into effect from the Transition Date i.e. 1st May, 2025. Separately, the Government is also expected to introduce a subsidy scheme to assist employers after the abolition.

Among other things, once the abolition of the offsetting mechanism takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory MPF contributions (irrespective of the contributions made before, on or after the Transition Date) to reduce the LSP in respect of an employee's service from the Transition Date. However, where an employee's employment commenced before the Transition Date, the employer can continue to use the above accrued benefits to reduce the LSP in respect of the employee's service up to that date; in addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date.

The Group has accounted for the offsetting mechanism and its abolition as disclosed in Note 1(n)(ii).

25. CAPITAL COMMITMENTS

Capital commitments outstanding at 31st March, 2025 not provided for in the consolidated financial statements were as follows :-

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Contracted for	7,386	7,698
Authorised but not contracted for	—	—
	<u>7,386</u>	<u>7,698</u>

26. CONTINGENT LIABILITIES

At 31st March, 2025, the Company had the following contingent liabilities in respect of :-

Guarantees of HK\$723,339,000 (2024 : HK\$727,730,000) given to banks to secure facilities granted to certain subsidiary companies. The facilities were utilised to the extent of HK\$71,838,000 (2024 : HK\$72,210,000) at the end of the reporting period.

As at the end of the reporting period, the directors do not consider it probable that a claim will be made against the Company under any of the above guarantees. No provision was therefore made in this respect at 31st March, 2025 and 31st March, 2024 respectively.

27. FINANCIAL RISK MANAGEMENT

The Group's activities exposed the Group mainly to credit, liquidity, interest rate and foreign exchange risks. The Group is also exposed to equity price risk arising from its investments in equity and debt securities. The Group's overall risk management programme seeks to minimise potential adverse effects of these financial risks on the Group's financial performance.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to deposits, trade debtors and investments in debt securities. The Group's exposure to credit risk arising from cash and bank balances is limited because the counterparties are major banks, for which the Group considers to have low credit risk. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Deposits are made to landlords with sound credit ratings and the Group has exposure limits to the amounts deposited in each of the landlords. While the deposits made to the landlords are also subject to the impairment requirements of HKFRS 9, there was no identified impairment loss as at 31st March, 2025 and 2024.

The Group made transactions with counterparties with acceptable credit quality in conformance to the Group treasury policies to minimise credit exposure. Acceptable credit ratings from reputable credit rating agencies is an important criterion in the selection of counterparties. The credit quality of counterparties will be closely monitored over the life of the transaction. The Group reviews its financial counterparties periodically in order to reduce credit risk concentrations relative to the underlying size and credit strength of each counterparty.

27. FINANCIAL RISK MANAGEMENT *(cont'd)*

(a) Credit risk *(cont'd)*

(i) Trade debtors

Credit checks are part of the normal operating process and stringent monitoring procedures are in place to deal with overdue debts. In addition, the Group reviews the recoverable amounts of trade debtors at the end of each reporting period to ensure that adequate loss allowances are made for irrecoverable amounts. Sales to retail customers are made in cash or via major credit cards.

The Group has no significant concentration of credit risk with exposure spread over a number of counterparties and customers.

Further quantitative disclosure in respect of the Group's exposure to credit risk arising from trade debtors are set out in Note 14.

The Group measures loss allowances for trade debtors at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade debtors as at 31st March, 2025 and 31st March, 2024.

	2025			2024		
	Expected loss rate	Gross carrying amount <i>HK\$'000</i>	Loss allowance <i>HK\$'000</i>	Expected loss rate	Gross carrying amount <i>HK\$'000</i>	Loss allowance <i>HK\$'000</i>
Neither past due nor impaired	0.0%	46,894	–	0.0%	92,090	–
Less than 1 month past due	0.0%	79	–	0.0%	108	–
1 to 2 months past due	0.0%	256	–	–	–	–
		<u>47,229</u>	<u>–</u>		<u>92,198</u>	<u>–</u>

Expected loss rates are based on actual loss experience over the past three years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the debtors.

Movement in the loss allowance account in respect of trade debtors during the year is as follows :-

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At 1st April	–	91
Exchange difference	–	(6)
Bad debts written off	–	(85)
At 31st March	<u>–</u>	<u>–</u>

27. FINANCIAL RISK MANAGEMENT *(cont'd)*

(a) Credit risk *(cont'd)*

(ii) Investments in debt securities

Investments in debt securities are normally in liquid securities quoted on recognised stock exchanges, issued by corporates with sound credit standing (Note 12). Given their high credit standing, management does not expect any investment counterparty to fail to meet its obligations. Nevertheless, the Group's management monitors the situation and will take further actions of any change.

At 31st March, 2025, the Group held listed debt securities measured at amortised cost of HK\$504,531,000 (2024 : HK\$1,060,253,000). Management assessed the credit risk of each of the Group's investments in debt securities with reference to the grading by market credit rating agencies, where available, and default probability analysis performed by external agencies. As at the end of the reporting period, no significant increase in credit risk was identified since the initial recognition of each investment. The loss allowance recognised during the year was limited to 12 months expected credit losses.

The Group estimated credit loss based on the respective 12 months default risk rate as at 31st March, 2025 for the issuers of listed debt securities, which were obtained from external agencies. The loss allowance for investment in debt securities measured at amortised cost was recognised in profit or loss during the year.

Movement in the loss allowance for debt securities measured at amortised cost during the year is as follows :-

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At 1st April	6,516	4,896
Impairment loss recognised	<u>1,477</u>	<u>1,620</u>
At 31st March	<u><u>7,993</u></u>	<u><u>6,516</u></u>

27. FINANCIAL RISK MANAGEMENT *(cont'd)*

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's Board when the borrowings exceed certain pre-determined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient cash and an adequate amount of credit facilities from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which is based on contractual undiscounted cash flow (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay.

	Carrying amount <i>HK\$'000</i>	Contractual undiscounted cash flow		
		Total <i>HK\$'000</i>	Within one year or on demand <i>HK\$'000</i>	More than one year but less than five years <i>HK\$'000</i>
At 31st March, 2025				
Creditors, accruals and provisions	296,569	296,569	258,514	38,055
Bank loans	605,309	605,799	605,799	–
Lease liabilities	358,017	370,451	163,884	206,567
	<u>1,259,895</u>	<u>1,272,819</u>	<u>1,028,197</u>	<u>244,622</u>
At 31st March, 2024				
Creditors, accruals and provisions	406,277	406,277	369,121	37,156
Bank loans	799,093	800,034	800,034	–
Lease liabilities	511,640	535,715	175,521	360,194
	<u>1,717,010</u>	<u>1,742,026</u>	<u>1,344,676</u>	<u>397,350</u>

27. FINANCIAL RISK MANAGEMENT *(cont'd)*

(c) Interest rate risk

Except for the short-term bank borrowings of HK\$605,309,000 (2024 : HK\$799,093,000) held at effective interest rate of 3.88 per cent. per annum (2024 : 5.63 per cent.) as at 31st March, 2025, the Group has no significant interest bearing liabilities. The short-term bank borrowings at floating rate expose the Group to cash flow interest rate risk which is insignificant to the Group. The Group's exposure to changes in interest rates also relates to bank deposits and debt securities which are fixed in interest rates, hence the Group's income and operating cash flows are substantially independent of changes in market interest rates. Management does not anticipate significant impact resulting from changes in interest rates.

(d) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from commercial transactions, recognised assets and liabilities and net investments in foreign operations.

As at the year end, the foreign exchange risk of the Group arising from commercial transactions, recognised assets and liabilities is considered to be insignificant. This is due to the Group's transactions being generally denominated in the functional currencies of the respective group entities, while balances denominated in currencies other than the functional currency of the relevant group entities are generally settled promptly leaving minimal outstanding foreign currency position as at the end of the reporting period.

To manage foreign exchange risk arising from commercial transactions, recognised assets and liabilities, companies of the Group may use forward foreign exchange contracts when major fluctuation in the relevant foreign currency is anticipated.

(e) Price risk

The Group is exposed to equity price risk because the Group have securities held for trading and financial assets designated at fair value through profit or loss.

At 31st March, 2025, if there had been a 1 per cent. (2024 : 1 per cent.) increase / decrease in the fair value of securities held for trading and financial assets designated at fair value through profit or loss with all other variables held constant, the Group's profit after tax and total equity would have increased / decreased by HK\$4,887,000 (2024 : HK\$711,000).

28. FAIR VALUE MEASUREMENT

(a) Other financial assets carried at fair value

(i) Fair value hierarchy

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

Level 1 valuations : Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

Level 2 valuations : Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

Level 3 valuations : Fair value measured using significant unobservable inputs

	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
At 31st March, 2025			
Recurring fair value measurements			
Other financial assets			
Unlisted equity and non-equity securities			
designated at fair value through profit or loss	<u>516,529</u>	<u>57,435</u>	<u>573,964</u>
At 31st March, 2024			
Recurring fair value measurements			
Other financial assets			
Unlisted equity and non-equity securities			
designated at fair value through profit or loss	<u>—</u>	<u>71,126</u>	<u>71,126</u>

Transfers between levels

During the years ended 31st March, 2025 and 31st March, 2024, there were no transfers among different levels of fair value hierarchy.

28. FAIR VALUE MEASUREMENT *(cont'd)*

(a) Other financial assets carried at fair value *(cont'd)*

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

The fair value of the Group's Level 2 financial instruments is determined based on executable quotes provided by investment fund managers, or it is based on valuation techniques taking into account the market closing prices of the underlying equity securities and / or volatilities and interest rates, which are observable market data, at the end of the reporting period.

(iii) Information about Level 3 fair value measurements

The Group's Level 3 financial instruments represent unlisted equity and non-equity securities which their fair values are based on unobservable inputs. The directors of the Group perform the valuation on Level 3 financial instruments for financial reporting purposes. Their fair value have been determined using adjusted recent financing approach, with reference to the pricing of the recent transactions, or valuation supplied by fund managers. These valuations are measured by the percentage of ownership of the net asset value, which is an unobservable input. The fund managers apply appropriate valuation techniques such as latest transaction price, discounted cash flow, or comparison with publicly-traded comparable companies and after applying a liquidity discount.

The movement during the year in the balance of these Level 3 fair value measurements is as follows :-

	2025	2024
	HK\$'000	HK\$'000
Unlisted equity securities :-		
At 1st April	71,126	365,984
Payment for purchases	–	47,100
Net realised and unrealised losses recognised in profit or loss	(490)	(2,012)
Disposals	(13,201)	(339,946)
At 31st March	<u>57,435</u>	<u>71,126</u>

28. FAIR VALUE MEASUREMENT *(cont'd)*

- (b) Fair value of other financial assets carried at other than fair value

For other financial instruments carried at amortised cost as at 31st March, 2025 and 31st March, 2024, their carrying amounts and fair value and level of fair value hierarchy are disclosed below :-

	Carrying amount as at 31st March, 2025 <i>HK\$'000</i>	Fair value as at 31st March, 2025 <i>HK\$'000</i>	Fair value measurements as at 31st March, 2025 categorised into Level 1 <i>HK\$'000</i>
Listed debt securities measured at amortised cost	504,531	447,195	447,195
	Carrying amount as at 31st March, 2024 <i>HK\$'000</i>	Fair value as at 31st March, 2024 <i>HK\$'000</i>	Fair value measurements as at 31st March, 2024 categorised into Level 1 <i>HK\$'000</i>
Listed debt securities measured at amortised cost	1,060,253	1,008,113	1,008,113

29. ACCOUNTING ESTIMATES AND JUDGEMENTS

Note 27 contains information about the assumptions and their risk factors relating to financial risk management. Other estimates and judgements are discussed below :-

- (a) Inventories

The Group evaluates the carrying value of inventories based on their estimated net realisable value. It is possible that the actual net realisable value may be different from that estimated due to changes in consumer preference and retail market environment.

- (b) Assessment of impairment of non-current assets

The Group conducts impairment reviews of other non-current assets that are subject to depreciation and amortisation whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Management assesses the recoverable amount of each non-current asset based on its value in use or on its fair value less costs of disposal (by reference to market prices), whichever is higher, depending upon the anticipated future plans for the assets. These calculations require the use of judgements and estimates.

30. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	NOTE	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Subsidiary companies		1,833,321	1,833,321
Current assets			
Debtors, deposits and prepayments		268	231
Tax recoverable		40	—
Cash and bank balances		16,140	16,113
		<u>16,448</u>	<u>16,344</u>
Current liabilities			
Creditors and accruals		239	215
		<u>239</u>	<u>215</u>
Net current assets		<u>16,209</u>	<u>16,129</u>
Total assets less current liabilities		1,849,530	1,849,450
Non-current liability			
Amount due to a subsidiary company		781,168	741,101
Net assets		<u>1,068,362</u>	<u>1,108,349</u>
Capital and reserves	21		
Share capital		115,818	118,261
Reserves		952,544	990,088
Total equity attributable to equity shareholders of the Company		<u>1,068,362</u>	<u>1,108,349</u>

Approved and authorised for issue by the Board of Directors on 2nd June, 2025.



Dickson Poon
Group Executive Chairman



Chan Hon Chung, Johnny Pollux
Executive Director

31. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in the announcement (the “**3.5 Announcement**”) jointly issued by Bestcity Assets Limited and the Company on 29th April, 2025 in relation to, among other things, the privatisation of the Company by way of a scheme of arrangement under section 99 of the Companies Act involving the cancellation of the Scheme Shares (as defined in the 3.5 Announcement) and the withdrawal of the listing of the Company’s ordinary shares on the Stock Exchange, there are no other material subsequent events which have occurred since the end of the reporting period and up to the date of this financial report.

32. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31ST MARCH, 2025

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31st March, 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group :-

Effective for accounting
periods beginning on or after

Amendments to HKAS 21, <i>The effects of changes in foreign exchange rates – Lack of exchangeability</i>	1st January, 2025
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments</i>	1st January, 2026
Annual improvements to HKFRS Accounting Standards – Volume 11	1st January, 2026
HKFRS 18, <i>Presentation and disclosure in financial statements</i>	1st January, 2027
HKFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1st January, 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements, except for HKFRS 18, where the presentation and disclosure of the Group’s consolidated financial statements are expected to change.

Name	Issued share capital / Registered capital	Effective percentage shareholding		Principal activities	Place of incorporation / operation
		Directly	Indirectly		
PRINCIPAL SUBSIDIARY COMPANIES :-					
328 Richie Rich Company Limited (company name formerly “Top Able Management Limited”)	HK\$1	–	100	Sale of watches	Hong Kong
Ambrose China Limited	US\$1	–	100	Sale of lighters, writing instruments, leather goods and fashion products	British Virgin Islands / Hong Kong
Bertolucci SA	CHF100,000	–	100	Sale of watches	Switzerland
Bestway Holdings Limited 裕宏集團有限公司	HK\$3,500,000	–	100	Investment holding, sale of watches and licensing of leather goods	Hong Kong
Bondwood Investments Limited 寶活投資有限公司	HK\$2	–	100	Sale and licensing of fashion products and accessories	Hong Kong
Castlereagh Limited	US\$2	100	–	Investment holding	British Virgin Islands / Hong Kong
Dickson Concepts Limited 迪生創建有限公司	HK\$1,000	–	100	Investment holding, provision of interior design, management consultancy and professional services and operation of warehouses	Hong Kong
Dickson Concepts Asia-Pacific Limited	US\$2	–	100	Sale of fashion products	British Virgin Islands / Taiwan

Name	Issued share capital / Registered capital	Effective percentage shareholding		Principal activities	Place of incorporation / operation
		Directly	Indirectly		
PRINCIPAL SUBSIDIARY COMPANIES <i>(cont'd)</i> :-					
Dickson Concepts (Retail) Limited	HK\$10,000,000	–	100	Sale of watches and operation of Harvey Nichols and Beauty Avenue stores	Hong Kong
Dickson Concepts (Retail 1) Limited	US\$65,000	100	–	Sale of watches	British Virgin Islands / Hong Kong
Dickson Concepts (Wholesale) Limited	HK\$10,000	–	100	Sale of watches and fashion products	Hong Kong
Dickson Enterprises Limited 迪生創建(集團)有限公司	HK\$2	–	100	Arrangement of property tenancy agreements	Hong Kong
Dickson Interior Design Limited 迪生室內設計有限公司	HK\$2	–	100	Provision of interior design services	Hong Kong
Dickson Licensing Limited	US\$1	100	–	Trademarks agency	British Virgin Islands
Dickson Trading (Asia) Company Limited 迪生貿易(亞洲)有限公司	HK\$1,000,000	–	100	Sale of watches and fashion products	Hong Kong / Taiwan
Dreams Concept Limited	HK\$2	–	100	Securities investment	Hong Kong
Ever Success Consultancy (Shenzhen) Limited	HK\$1,000,000	–	100 foreign-owned enterprise	Provision of management consultancy and professional services	People's Republic of China
Ever Success Management Limited 永盛管理有限公司	HK\$2	–	100	Provision of management consultancy and professional services	Hong Kong

Name	Issued share capital / Registered capital	Effective percentage shareholding		Principal activities	Place of incorporation / operation
		Directly	Indirectly		
PRINCIPAL SUBSIDIARY COMPANIES (cont'd) :-					
Harvey Nichols (Hong Kong) Limited	HK\$2	–	100	Sale of watches	Hong Kong
Honca Limited 廣嘉有限公司	HK\$2	–	100	Arrangement of property tenancy agreements	Hong Kong
Leading Way Apparel Shanghai Limited	US\$200,000	–	100 foreign-owned enterprise	Sale of lighters, writing instruments, leather goods and fashion products	People’s Republic of China
Kinford International Limited	US\$1	100	–	Investment holding	British Virgin Islands
Mighty Achievements Investments Limited	HK\$2	–	100	Property investment	Hong Kong
Mighty Leader Limited 霸令有限公司	HK\$2	–	100	Arrangement of property tenancy agreements	Hong Kong
Million Triumph Limited 萬旋有限公司	HK\$1,000,000	–	100	Arrangement of property tenancy agreements	Hong Kong
Oakline Limited	HK\$2	–	100	Arrangement of property tenancy agreements	Hong Kong
Palton Limited 寶敦有限公司	HK\$2	–	100	Arrangement of property tenancy agreements	Hong Kong
Pui Chak Enterprises Limited 培澤企業有限公司	HK\$24,000	–	100	Property investment	Hong Kong

Name	Issued share capital / Registered capital	Effective percentage shareholding		Principal activities	Place of incorporation / operation
		Directly	Indirectly		
PRINCIPAL SUBSIDIARY COMPANIES <i>(cont'd)</i> :-					
Raglan Resources Limited	US\$1	–	100	Investment holding	British Virgin Islands
Sunibo Limited	HK\$1,000,000	–	100	Arrangement of property tenancy agreements	Hong Kong
The Dickson Trading (Taiwan) Co., Ltd.	NTD200,000,000	–	100	Sale of watches and fashion products	Taiwan
Top Strength Ventures Limited	US\$130,000	–	100	Securities investment	British Virgin Islands / Hong Kong
联彩国际贸易 (深圳) 有限公司	RMB1,000,000	–	100 foreign-owned enterprise	Provision of import services	People's Republic of China

The issued share capital of all the above principal subsidiary companies consists of ordinary shares.

	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
CONSOLIDATED STATEMENT OF PROFIT OR LOSS					
Revenue	<u>1,921,768</u>	<u>2,400,137</u>	<u>2,130,785</u>	<u>2,020,334</u>	<u>2,275,492</u>
Profit before taxation	228,770	355,373	274,376	247,717	533,410
Taxation	<u>(30,758)</u>	<u>(4,606)</u>	<u>(21,739)</u>	<u>(46,778)</u>	<u>(71,590)</u>
Profit for the year attributable to equity shareholders of the Company	<u>198,012</u>	<u>350,767</u>	<u>252,637</u>	<u>200,939</u>	<u>461,820</u>
CONSOLIDATED STATEMENT OF FINANCIAL POSITION					
Property, plant and equipment	55,928	63,083	76,606	61,267	44,519
Right-of-use assets	125,709	212,017	275,971	260,317	148,819
Non-current deposits and prepayments	51,647	60,969	76,816	80,147	–
Other financial assets	336,476	476,751	1,284,856	1,757,112	1,318,249
Net current assets	<u>3,224,357</u>	<u>3,164,473</u>	<u>2,196,105</u>	<u>1,767,183</u>	<u>2,299,458</u>
Total assets less current liabilities	3,794,117	3,977,293	3,910,354	3,926,026	3,811,045
Non-current creditors and provisions	38,055	37,156	54,373	56,649	–
Lease liabilities	202,043	347,993	445,721	548,771	548,071
Deferred tax liabilities	<u>20,208</u>	<u>20,408</u>	<u>21,166</u>	<u>22,773</u>	<u>21,983</u>
Net assets	<u>3,533,811</u>	<u>3,571,736</u>	<u>3,389,094</u>	<u>3,297,833</u>	<u>3,240,991</u>
Share capital	115,818	118,261	118,261	118,261	118,261
Reserves	<u>3,417,993</u>	<u>3,453,475</u>	<u>3,270,833</u>	<u>3,179,572</u>	<u>3,122,730</u>
Total equity attributable to equity shareholders of the Company	<u>3,533,811</u>	<u>3,571,736</u>	<u>3,389,094</u>	<u>3,297,833</u>	<u>3,240,991</u>
OTHER FINANCIAL DATA					
Earnings per share (HK cents)	50.4	89.0	64.1	51.0	117.2
Dividend per share (HK cents)	10.0	45.0	35.0	35.0	35.0