

The Directors have pleasure in presenting their report together with the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2010.

Principal activities and segment analysis of operations

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

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

Results and appropriations

The results for the year are set out in the consolidated income statement on page 91.

An interim dividend of 3.0 HK cents (2009: 3.0 HK cents) per share and a special dividend of 6.0 HK cents (2009: 3.0 HK cents) per share were paid on 22 December 2009. The Directors recommend the payment of a final dividend of 5.0 HK cents (2009: 5.0 HK cents) per share and a special dividend of 14.0 HK cents (2009: 12.0 HK cents) per share, such dividends will be proposed at the AGM on Thursday, 26 August 2010 and are payable to shareholders whose names appear on the Register of Members of the Company on 26 August 2010. Total dividends paid and to be declared in respect of the year ended 31 March 2010 amounted to HK\$389,625,000.

Financial summary

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

	2010 HK\$'000	2009 HK\$'000	2008 HK\$'000	2007 HK\$'000	2006 HK\$'000
Key income statement items					
Turnover					
- Continuing operations	4,111,345	3,608,990	3,221,429	2,676,816	2,425,314
- Discontinued operations	–	–	231,658	212,421	195,272
	4,111,345	3,608,990	3,453,087	2,889,237	2,620,586
Operating profit/(loss)					
- Continuing operations	458,532	370,115	322,733	247,474	215,661
- Discontinued operations	–	–	3,962	(186)	(10,569)
	458,532	370,115	326,695	247,288	205,092
Profit/(loss) before taxation					
- Continuing operations	464,944	383,311	347,555	270,557	232,803
- Discontinued operations	–	–	72,775	947	(10,193)
	464,944	383,311	420,330	271,504	222,610
Income tax expenses					
- Continuing operations	(83,849)	(67,360)	(71,302)	(50,030)	(39,196)
- Discontinued operations	–	–	(815)	319	1,757
	(83,849)	(67,360)	(72,117)	(49,711)	(37,439)
Profit/(loss) for the year					
- Continuing operations	381,095	315,951	276,253	220,527	193,607
- Discontinued operations	–	–	71,960	1,266	(8,436)
	381,095	315,951	348,213	221,793	185,171

Report of the Directors

Financial summary (continued)

	2010 HK\$'000	2009 HK\$'000	2008 HK\$'000	2007 HK\$'000	2006 HK\$'000
Key statement of financial position items					
Total assets	1,582,277	1,415,182	1,443,124	1,422,580	1,371,640
Total liabilities	(386,407)	(292,433)	(334,631)	(471,990)	(457,813)
Net assets	1,195,870	1,122,749	1,108,493	950,590	913,827
Shareholders' funds					
Share capital	139,131	138,125	137,894	136,862	134,711
Reserves	1,056,739	984,624	970,599	813,728	779,116
	1,195,870	1,122,749	1,108,493	950,590	913,827
Key financial information and ratio					
Basic earnings per share (HK cents)					
- Continuing operations	27.5	22.9	20.1	16.3	14.5
- Discontinued operations	–	–	5.2	0.1	(0.6)
	27.5	22.9	25.3	16.4	13.9
Diluted earnings per share (HK cents)					
- Continuing operations	27.4	22.9	20.1	16.2	14.3
- Discontinued operations	–	–	5.2	0.1	(0.6)
	27.4	22.9	25.3	16.3	13.7
Dividend per share (HK cents)					
Basic	8.0	8.0	8.0	8.0	8.0
Special	20.0	15.0	13.0	9.0	9.0
Total	28.0	23.0	21.0	17.0	17.0
Return on equity	31.87%	28.14%	31.41%	23.33%	20.26%
Shareholders' funds at book value per share	0.86	0.81	0.80	0.69	0.68
Working capital ratio	3.57	4.31	3.76	2.64	2.61
Stock turnover days	90	84	94	90	89
Total gross retail area (Note)	298,449	244,829	225,554	205,611	181,634

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

Major customers and suppliers

The aggregate percentage of sales and purchases attributable to the Group's five largest customers and suppliers respectively are less than 30% of the total sales and purchases for the year.

Reserves

Details of the movements in reserves of the Group and the Company during the year are set out in Note 26 to the consolidated financial statements.

Property, plant and equipment

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

Share capital

Details of the movements in share capital of the Company during the year are set out in Note 25 to the consolidated financial statements.

Share options

Share option schemes

(I) 1997 Share Option Scheme

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

(II) 2002 Share Option Scheme

A summary of the 2002 Share Option Scheme is set out below:—

(a) Purpose

To provide Participants (as defined below) with the opportunity to acquire proprietary interests in the Company and to encourage Participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole.

(b) Participants

Any directors (including executive, non-executive and independent non-executive directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group who the Board or a duly authorised committee thereof considers, in its sole discretion, have contributed to the Group.

Share options *(continued)*

Share option schemes *(continued)*

(II) 2002 Share Option Scheme (continued)

(c) Total number of shares available for issue

- (i) The maximum number of shares in respect of which options may be granted under the 2002 Share Option Scheme shall not (when aggregated with any shares subject to any other share option scheme(s) of the Company) exceed 126,830,117, being 10% of the issued share capital of the Company on 29 August 2002, the date on which the 2002 Share Option Scheme was adopted (the “Scheme Mandate Limit”). Options lapsed in accordance with the terms of the 2002 Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.
- (ii) The Scheme Mandate Limit may be renewed at any time subject to prior shareholders’ approval but in any event shall not exceed 10% of the issued share capital of the Company as at the date of approval of the renewal of the Scheme Mandate Limit. Options previously granted under the 2002 Share Option Scheme or any other share option schemes (including those outstanding, cancelled, lapsed in accordance with the terms or exercised options) will not be counted for the purpose of calculating the refreshed Scheme Mandate Limit.
- (iii) The maximum number of shares in respect of which options may be granted to grantees under the 2002 Share Option Scheme and other share option schemes of the Company shall not exceed 30% of the issued share capital of the Company from time to time.
- (iv) As at 24 June 2010, the total number of shares available for issue under the 2002 Share Option Scheme was 125,230,737 shares, which represented 8.98% of the total issued share capital of the Company at that date.

(d) Maximum entitlement of each Participant

The maximum number of shares in respect of which options may be granted under the 2002 Share Option Scheme to a specifically identified single grantee shall not (when aggregated with any shares subject to any other share option scheme(s) of the Company) in any 12-month period exceed 1% of the shares of the Company in issue (the “Individual Limit”).

The Company may grant options beyond the Individual Limit to a Participant if (i) the Company has first sent a circular to shareholders containing the identity of the Participant in question, the number and terms of the options granted and to be granted and other relevant information as required under the Listing Rules; and (ii) separate shareholder’s approval has been obtained.

(e) Option Period

The period within which the shares must be taken up under an option shall be notified by the Board to each grantee at the time of making an offer which shall not expire later than 10 years from the date of grant of the relevant option.

(f) Minimum period for which an option must be held before it can be exercised

The minimum period, if any, for which an option must be held before it can be exercised shall be determined by the Board at its absolute discretion. The 2002 Share Option Scheme itself does not specify any minimum holding period.

(g) Consideration on acceptance of the option

HK\$1.00 is required to be paid by the grantee to the Company on acceptance of the option offer.

Share options (continued)

Share option schemes (continued)

(II) 2002 Share Option Scheme (continued)

(h) Basis of determining the subscription price

The subscription price shall be determined by the Board at its absolute discretion but in any event shall not be less than the higher of:–

- (i) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant;
- (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share.

(i) Remaining life of the 2002 Share Option Scheme

The 2002 Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date of adoption and will expire on 29 August 2012.

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

						Number of Share Options				
Name	Date of grant	Subscription price per share (HK\$)	Exercisable period	Vesting period (from the date of grant)	*Closing price of the shares immediately before the date on which the options were exercised (HK\$)	Outstanding as at 1 April 2009	Granted during the year	Exercised during the year	[†] Lapsed during the year	Outstanding as at 31 March 2010
Directors										
Mr LOOK Guy	26 May 2006	2.965	28 February 2007 to 25 May 2016	0.75 year	5.21 (AVG)	2,248,141	–	(2,248,141)	–	–
			29 February 2008 to 25 May 2016	1.75 years	5.18	2,248,141	–	(2,248,141)	–	–
			28 February 2009 to 25 May 2016	2.75 years	5.18	2,248,140	–	(503,718)	–	1,744,422
			note (1)	note (1)	–	2,248,141	–	–	–	2,248,141
			note (1)	note (1)	–	2,248,141	–	–	–	2,248,141
			note (1)	note (1)	–	2,248,140	–	–	–	2,248,140
	2 March 2009	2.19	28 February 2010 to 1 March 2019	1 year	–	2,250,000	–	–	–	2,250,000
			28 February 2011 to 1 March 2019	2 years	–	2,250,000	–	–	–	2,250,000
			29 February 2012 to 1 March 2019	3 years	–	2,250,000	–	–	–	2,250,000
			note (2)	note (2)	–	2,250,000	–	–	–	2,250,000
			note (2)	note (2)	–	2,250,000	–	–	–	2,250,000
			note (2)	note (2)	–	2,250,000	–	–	–	2,250,000
			29 June 2005 to 28 June 2014	1 year	5.23	1,000,000	–	(1,000,000)	–	–
Ms TAM Wai Chu Maria	29 June 2004	3.00	29 June 2005 to 28 June 2014	1 year	5.23	1,000,000	–	(1,000,000)	–	–

Report of the Directors

Share options (continued)

Share option schemes (continued)

(II) 2002 Share Option Scheme (continued)

Name	Date of grant	Subscription price per share (HK\$)	Exercisable period	Vesting period (from the date of grant)	*Closing price of the shares immediately before the date on which the options were exercised (HK\$)	Number of Share Options				
						Outstanding as at 1 April 2009	Granted during the year	Exercised during the year	*Lapsed during the year	Outstanding as at 31 March 2010
Employees	30 October 2003	1.68	30 October 2004	1 year	4.30	234,367	–	(182,699)	–	51,668
Under			to 29 October 2013	note (3)	(AVG)					
Continuous	30 October 2003	1.68	30 October 2005	2 years	4.84	671,335	–	(392,001)	–	279,334
Employment			to 29 October 2013	note (3)	(AVG)					
Contract	30 October 2003	1.68	30 October 2006	3 years	4.28	1,492,323	–	(692,661)	–	799,662
			to 29 October 2013	note (3)	(AVG)					
	30 October 2003	1.68	note (4)	note (4)	4.29	487,030	–	(234,030)	(11,000)	242,000
					(AVG)					
	30 October 2003	1.68	note (4)	note (4)	4.00	560,304	–	(261,304)	(18,000)	281,000
					(AVG)					
	30 October 2003	1.68	30 October 2006	3 years	4.11	1,889,313	–	(856,591)	(28,000)	1,004,722
			to 29 October 2013		(AVG)					
	1 March 2004	2.85	14 January 2007	3 years	3.45	183,333	–	(183,333)	–	–
			to 28 February 2014	from date of employment						
	1 March 2004	2.85	note (5)	note (5)	3.45	85,000	–	(85,000)	–	–
	3 March 2004	2.78	5 July 2007	3 years	3.45	333,333	–	(333,333)	–	–
			to 2 March 2014	from date of employment						
	3 March 2004	2.78	note (6)	note (6)	3.45	140,000	–	(140,000)	–	–
	3 March 2004	2.78	note (6)	note (6)	3.45	302,000	–	(302,000)	–	–
	1 December 2004	3.85	2 December 2004	–	5.14	278,666	–	(132,000)	–	146,666
			to 30 November 2014							
	1 December 2004	3.85	30 October 2005	2 years from	5.16	278,667	–	(132,000)	–	146,667
			to 30 November 2014	20 October 2003	(AVG)					
	1 December 2004	3.85	30 October 2006	3 years from	5.19	278,667	–	(132,000)	–	146,667
			to 30 November 2014	20 October 2003						
	1 December 2004	3.85	1 October 2007	3 years from	–	66,666	–	–	–	66,666
			to 30 November 2014	1 October 2004						
	1 December 2004	3.85	note (7)	note (7)	–	26,000	–	–	–	26,000
	1 December 2004	3.85	note (7)	note (7)	–	25,000	–	–	–	25,000
	22 December 2004	4.15	22 December 2007	3 years	–	183,333	–	–	–	183,333
			to 21 December 2014	from date of employment						
	22 December 2004	4.15	note (8)	note (8)	–	32,000	–	–	–	32,000
						35,536,181	–	(10,058,952)	(57,000)	25,420,229

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

There is no share option cancelled during the year.

Share options (continued)

Share option schemes (continued)

(II) 2002 Share Option Scheme (continued)

Notes:

- (1) The exercise of the share options is subject to certain performance targets that must be achieved by the director. The share options shall be exercised by the director not later than 25 May 2016.
- (2) The exercise of the share options is subject to certain performance targets that must be achieved by the director. The share options shall be exercised by the director not later than 1 March 2019.
- (3) On 30 October 2003, the Company granted share options to employees who had completed a minimum of 5 years of employment with the Group as at 30 September 2003 to subscribe for shares at an exercise price of HK\$1.68 per share in order to reward them for contributing to the long-term success of the business of the Group and to encourage and motivate them to continue contributing to the success of the business of the Group.
- (4) On 30 October 2003, the Company granted share options to employees of the Company who are of managerial level or above to subscribe for shares at an exercise price of HK\$1.68 per share in order to encourage and motivate them to continue contributing to the success of the business of the Group. The exercise of the share options is subject to certain performance targets that must be achieved by the employees.
- (5) The exercise of the share options is subject to certain performance targets that must be achieved by the employee. The share options shall be exercised by the employee not later than 28 February 2014.
- (6) The exercise of the share options is subject to certain performance targets that must be achieved by the employee. The share options shall be exercised by the employee not later than 2 March 2014.
- (7) The exercise of the share options is subject to certain performance targets that must be achieved by the employee. The share options shall be exercised by the employee not later than 30 November 2014.
- (8) The exercise of the share options is subject to certain performance targets that must be achieved by the employee. The share options shall be exercised by the employee not later than 21 December 2014.

Fair value of share options, measured at the grant dates of the options, are determined using the binomial lattice model that is based on the underlying assumptions of one of the commonly used employee share option pricing model. The fair values calculated are inherently subjective and uncertain due to the assumptions made and the limitations of the model used. The value of an option varies with different variables of certain subjective assumptions. Any change in variables so adopted may materially affect the estimation of the fair value of an option.

The accounting policy adopted for the share options is described in Note 25 to the consolidated financial statements.

Pre-emptive rights

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

Purchase, sale or redemption of shares

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

Subsidiaries

Details of the Company's principal subsidiaries as at 31 March 2010 are set out in Note 30 to the consolidated financial statements.

Bank loans and overdrafts

As at 31 March 2010, the Group had no bank loans or overdrafts.



Report of the Directors

Capitalised interests

No interest was capitalised by the Group during the year.

Distributable reserves

As at 31 March 2010, the reserves of the Company available for distribution amounted to HK\$736,563,000.

Donations

The Group made donations during the year totaling HK\$2,423,000, details of which are set out in the “Corporate Social Responsibility” on page 32 of this annual report.

Directors

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

Executive directors

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

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

Mr LOOK Guy (CFO)

Non-executive director

Mrs LEE LOOK Ngan Kwan Christina

- term of directorship extended for a further term of three years commencing from 24 June 2010

Mr TAN Wee Seng

- appointed on 11 March 2010

Independent non-executive directors

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

- term of directorship extended for a further term of three years commencing from 1 November 2008

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

- term of directorship extended for a further term of three years commencing from 1 January 2009

Ms TAM Wai Chu Maria, *GBS, JP*

- term of directorship extended for a further term of three years commencing from 24 June 2010

Ms KI Man Fung Leonie, *SBS, JP*

- term of directorship extended for a further term of three years commencing from 15 December 2009

Directors (continued)

Mr TAN is appointed for a term from 11 March 2010 to the date of the Company's next AGM and will be eligible for re-election pursuant to Articles of Association. All other non-executive and independent non-executive directors have been appointed for a term of three years subject to the provisions of the Articles of Association on rotation, retirement and election by shareholders.

In accordance with Article 116 of the Articles of Association, Dr KWOK Siu Ming Simon, Dr KWOK LAW Kwai Chun Eleanor and Mr LOOK Guy will retire by rotation at the forthcoming AGM and, being eligible, will offer themselves for re-election.

Confirmation of independence from INEDs

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

Directors' biographies

Biographical details of the Directors are set out on pages 44 to 47 of this annual report.

Directors' service contracts

Subsequent to his appointment as a non-executive director of the Company with effect from 11 March 2010, Mr TAN has entered into a consulting service agreement dated 12 April 2010 with the Company for a term of one year, unless terminated in accordance with the terms and conditions specified therein. Under the service agreement, Mr TAN is to provide consulting services to the Group at a basic fee of HK\$128,750 per month, which was determined with reference to Mr TAN's experience, qualifications and prevailing market conditions.

Each of the non-executive directors and independent non-executive directors has signed a letter of appointment with the Company under which he/she has agreed to act as a director of the Company for the respective term of office, unless terminated in accordance with the terms and conditions specified therein.

None of the directors offering themselves for election or re-election at the forthcoming AGM has entered into any service agreements with the Company which requires the Company to give a period of notice of more than one year or to pay compensation or make other payments equivalent to more than one year's emolument.

Report of the Directors

Directors' and chief executives' interests and short positions in shares, underlying shares and debentures

As at 31 March 2010, the interests or short positions of the Directors and chief executives in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code are set out below:

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

Name of director	Capacity	Number of shares in the Company					Approximate percentage of shareholding
		Personal interests	Family interests	Corporate interests	Other interests	Total interests	
Dr KWOK Siu Ming Simon	Interests of a controlled corporation (Note)	–	–	898,506,400	–	898,506,400	64.58%
	Beneficial Owner	20,364,000	–	–	–	20,364,000	1.46%
Dr KWOK LAW Kwai Chun Eleanor	Interests of a controlled corporation (Note)	–	–	898,506,400	–	898,506,400	64.58%
Mrs LEE LOOK Ngan Kwan Christina	Interests of a controlled corporation	–	–	148,000	–	148,000	0.01%
	Beneficial Owner	1,000,000	–	–	–	1,000,000	0.07%
Professor CHAN Yuk Shee	Beneficial Owner	1,150,000	–	–	–	1,150,000	0.08%
Ms TAM Wai Chu Maria	Beneficial Owner	1,000,000	–	–	–	1,000,000	0.07%

Note:

These shares are held as to 696,780,000 shares by Sunrise Height Incorporated and as to 201,726,400 shares by Green Ravine Limited. Both Sunrise Height Incorporated and Green Ravine Limited are owned as to 50% each by Dr KWOK Siu Ming Simon and Dr KWOK LAW Kwai Chun Eleanor.

Details of the interests of directors and chief executive in the derivatives interests in the Company for the year ended 31 March 2010 are disclosed in the Share Options section at page 79 of this report.

Directors' and chief executives' interests and short positions in shares, underlying shares and debentures (continued)

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

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

Dr KWOK Siu Ming Simon

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

Dr KWOK LAW Kwai Chun Eleanor

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

Report of the Directors

Directors' and chief executives' interests and short positions in shares, underlying shares and debentures (continued)

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

Notes:

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

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

Directors' benefits from rights to acquire shares or debentures

Save as disclosed under the Share Options section at page 79, at no time during the year was the Company, its holding company or its subsidiaries or a subsidiary of the Company's holding company, a party to any arrangements which enabled the directors of the Company (including their spouses or children under 18 years of age), to acquire benefits by means of acquisition of shares in or debenture of the Company or any other body corporate.

Interests and short positions in shares and underlying shares of shareholders

So far as is known to any director or chief executives of the Company, as at 31 March 2010, shareholders, other than a director or chief executive, who had interests and short positions in the shares and underlying shares of the Company which would have to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions), or which were recorded in the register of interests required to be kept by the Company under Section 336 of the SFO are as follows:

Long position of substantial shareholders in the shares of the Company

Name of company	Capacity	No. of shares held	Approximate percentage of shareholding
Sunrise Height Incorporated	Beneficial owner	696,780,000 (Note)	50.08%
Green Ravine Limited	Beneficial owner	201,726,400 (Note)	14.50%

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

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

Contracts of significance

No contracts of significance between the Group and its controlling shareholders or its subsidiaries and in which any director of the Company is or was materially interested, either directly or indirectly, existed during or at the end of the year.

Management contracts

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

Connected transactions

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

Public float

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

Auditor

The financial statements have been audited by PricewaterhouseCoopers who retired and, being eligible, offered themselves for re-appointment.

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

Hong Kong, 24 June 2010