FOR THE YEAR ENDED 31 MARCH 2025

ANNUAL REPORT

STOCK CODE : 280

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king fook holdings limited
景福集團有限公司

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Corporate Information

Board of Directors (as at the date of this annual report)	*Executive Directors* Mr. Tang Yat Sun, Richard, B.Sc., M.B.A., G.B.S., J.P. *(Chairman)* Dr. Fung Yuk Bun, Patrick *Non-executive Directors* Mr. Ho Hau Hay, Hamilton Mr. Kung Lin Cheng Leo Ms. Veronica Ho *Independent Non-executive Directors* Mr. Cheng Kar Shing, Peter Mr. Cheng Kwok Shing, Anthony Ms. Hou Tan Tan Danielle Mr. Sin Nga Yan, Benedict
Authorised Representatives	Mr. Tang Yat Sun, Richard, B.Sc., M.B.A., G.B.S., J.P. Ms. Leung Pui Ling
Company Secretary	Ms. Leung Pui Ling
Auditor	BDO Limited *Certified Public Accountants*
Principal Bankers	Hang Seng Bank Limited The Bank of East Asia, Limited The Hongkong and Shanghai Banking Corporation Limited
Solicitors	Jennifer Cheung & Co.
Registered Office	9th Floor, King Fook Building 30–32 Des Voeux Road Central Hong Kong
Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712–1716, 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Stock Code	00280

Brief Biographical Details of the Directors and the Senior Management (as at the date of this annual report)

DIRECTORS

Executive Directors

Mr. Tang Yat Sun, Richard, B.Sc., M.B.A., G.B.S., J.P. ***(Chairman)***

Aged 72. A MBA graduate from The University of Santa Clara, California, USA and a holder of Bachelor of Science degree in Business Administration from Menlo College, California, USA. The chairman and managing director of Richcom Company Limited. An executive director of Miramar Hotel and Investment Company, Limited and, since January 2021 an independent non-executive director of The Wharf (Holdings) Limited (both companies are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange")). A director of various private business enterprises. An advisor of Tang Shiu Kin and Ho Tim Charitable Fund. Appointed as a director, the vice chairman and acting chairman of the Company in 1987, 1998 and 2016 respectively, and as the Chairman of the Company on 20 March 2017.

Dr. Fung Yuk Bun, Patrick

Aged 78. A MBA graduate from The University of Toronto and was awarded an Honorary Doctor of Business Administration by the Hong Kong Polytechnic University and an Honorary Doctor of Laws by the University of Toronto. A non-executive director of Miramar Hotel and Investment Company, Limited. A member of the Board of Governors of The Hang Seng University of Hong Kong. Appointed as a non-executive director of the Company on 4 May 2016 and re-designated as an executive director of the Company on 25 November 2016.

Non-executive Directors

Mr. Ho Hau Hay, Hamilton (Mr. Ho)

Aged 74. An executive director of Honorway Investments Limited and Tak Hung (Holding) Company Limited ("Tak Hung"). He was an independent non-executive director of New World Development Company Limited, a company listed on the Main Board of the Stock Exchange, until 30 November 2022. He is the father of Ms. Veronica Ho. Appointed as a director of the Company in 2004, re-designated as an independent non-executive director of the Company on 29 June 2012 and re-designated as a non-executive director of the Company on 24 April 2023.

Mr. Kung Lin Cheng Leo

Aged 68. Mr. Kung graduated from the University of Southern California majoring in business administration and joined the banking industry thereafter. He has been the Executive Vice President of Bangkok Bank Public Company Limited since 2005. Mr. Kung is a Member of The National Committee of the Chinese People's Political Consultative Conference, the chairman of the Hong Kong Palace Museum, board member of West Kowloon Cultural District Authority, a council member and the chairman of audit committee of Hong Kong Chronicles Institute Limited, Hong Kong Committee for UNICEF and a director of the Board, vice president of Hong Kong-Shanghai Economic Development Association Limited, Convener of Trustees of the Helping Hand Charitable Trust, a Trustee of The Queen Mary Hospital Charitable Trust, Honorary Vice President of The Community Chest of Hong Kong and Honorary President of Chinese Bankers Club. Appointed as a non-executive director of the Company on 29 July 2024.

Ms. Veronica Ho

Aged 42. Ms. Ho obtained her bachelor's degree in Media and Communications Management and Accelerated Food and Beverage Operations Certificate from New York University, USA, and attended Chinese Culture Studies and Media Studies at Tsinghua University in Beijing, China. She is a director of Tak Hung and the daughter of Mr. Ho. A member of the Hospital Governing Committee of Pok Oi Hospital. Appointed as a non-executive director of the Company on 24 April 2023.

DIRECTORS (Continued)

Independent Non-executive Directors

Mr. Cheng Kar Shing (Alias: Mr. Cheng Kar Shing, Peter)

Aged 72. A director of New World Development Company Limited (listed on the Main Board of the Stock Exchange), New World Hotels (Holdings) Limited, Chow Tai Fook Enterprises Limited, New World China Land Limited and Antonia Welfare Fund Limited. The deputy managing director of New World Development (China) Ltd. A chairman of Chow Tai Fook Charity Foundation. Appointed as an independent non-executive director of the Company in 1997.

Mr. Cheng Kwok Shing, Anthony

Aged 78. A Fellow and a Certified Public Accountant (Practising) of The Hong Kong Institute of Certified Public Accountants. Has over 50 years of experience in auditing and accounting field. Appointed as an independent non-executive director of the Company in 2013 and is the Chairman of the Audit Committee and Remuneration Committee of the Company.

Ms. Hou Tan Tan Danielle

Aged 40. Ms. Hou obtained a bachelor's degree in business administration from Abilene Christian University, USA in May 2008. She was the deputy art director of the Company from June 2016 to February 2020. She worked as a specialist trainee/cataloguer in the jewellery department of Sotheby's Hong Kong Limited from February 2015 to May 2016, and as an analyst in the China investment banking department of Citigroup Global Markets Asia Limited from July 2008 to August 2011. Ms. Hou had been a non-executive director of Grace Wine Holdings Limited, a company listed on GEM of the Stock Exchange, from July 2017 to May 2021. She is a director and shareholder of Fortune Rise Limited. Appointed as an independent non-executive director of the Company on 1 April 2022.

Mr. Sin Nga Yan, Benedict

Aged 61. A director and general manager of Myer Jewelry Manufacturer Limited. A fellow of CPA Australia. A solicitor of the Supreme Court of New South Wales, Australia, the Supreme Court of England and Wales and the High Court of Hong Kong. An independent non-executive director of Miramar Hotel and Investment Company, Limited and Oriental Watch Holdings Limited (both companies are listed on the Main Board of the Stock Exchange). Chairman of Trust Fund Investment Advisory Board of Customs and Excise Service Children's Education Trust Fund of Hong Kong Customs and Excise Department. A member of Committee of Overseers of Wu Yee Sun College of The Chinese University of Hong Kong and a member of College Council of The Hang Seng University of Hong Kong and a member of the Hospital Governing Committee of Hong Kong Eye Hospital & Kowloon Hospital. Appointed as a director of the Company in 2006 and re-designated as an independent non-executive director of the Company on 29 June 2012.

SENIOR MANAGEMENT

Ms. Ng Wing Han, Winnie

Aged 49. The Chief Executive Officer of the Company since 2 May 2024 responsible for the Group's overall management and business development. She had a total of 20 years of investment banking experience with J.P. Morgan in New York and Hong Kong, and Bank of America Merrill Lynch (now BofA Securities, Inc.) in Hong Kong. She graduated from University of Michigan, Ann Arbor, with a Bachelor's Degree in Business Administration and was a Certified Public Accountant (New York, USA).

Mr. Yee Kwan Yeung

Aged 60. The General Manager of King Fook Jewellery Group Limited. He has extensive management experience in the retail industry, specialising in branded watch retailing. He has been with the Group for 42 years.

Ms. Fung Suk Ming

Aged 56. The Chief Financial Officer of the Group. She graduated from the Chinese University of Hong Kong with a Bachelor's degree in Business Administration (Professional Accountancy). She also holds a Master in Science degree in Economics from the Hong Kong University of Science and Technology. She is a member of the Hong Kong Institute of Certified Public Accountants. Before joining the Group in January 2019, she had over 25 years of experience in treasury and accounting functions in several listed companies and multinational corporations.

Chairman's Statement

On behalf of the Board of Directors of the Company (the "Board"), I present the annual report of the Group for the year ended 31 March 2025 (the "Year").

REVIEW OF OPERATIONS

During the year, the global luxury retail landscape continued to evolve amidst economic uncertainties and shifting consumer behaviors. Mainland China's customers redirected their focus from luxury shopping to shopping of more basic items and immersive nature travel experiences. On the other hand, the trend of northbound travel to the Mainland China and outbound travel to various international destinations among local residents persisted, adversely affecting Hong Kong's retail sector, particularly businesses predominantly reliant on local patronage, such as ours.

The sustained, record-breaking escalation in gold prices has compelled some customers to postpone purchases or opt for lighter-weight alternatives. To accommodate this shift in gold consumption behavior, we introduced an array of lighter-weight traditional wedding products and concentrated on fashionable, in-house designed daily wear gold ornaments that resonate with local tastes. Moreover, we launched a new line of diamond-inlaid gold products and fixed-price gold items, distinguished by exceptional craftsmanship.

Over the past two years, the softening prices of GIA-certified white diamonds have engendered subdued consumer interest in conventional diamond jewellery. In response, we expanded our offerings to include colored diamonds and gemstones, strategically positioning ourselves to capitalize on challenging jewellery market opportunities and mitigate the decline in white diamond revenue. Following the opening of our new watch store in Central Building in December 2023, we continued to collaborate with esteemed independent watchmaker brands, thereby enhancing our customers' access to a broader selection of high-quality timepieces.

In celebration of our 75th anniversary, we conducted a 75-taels gold lucky draw campaign for customers who made purchases exceeding a specified amount during the period from November 2024 to February 2025. We also launched advertisements across television, radio and social media to augment our awareness among local customers. With the support of the gold lucky draw campaign and increased media exposure, we successfully expanded our customer base and result in satisfactory gold and jewellery sales.

Looking ahead, to navigate the challenging environment, we will continue our efforts to provide best customer experience, optimize our product offerings, and enhance operational excellence. We will revamp our frontline staff training program to enhance our customers' shopping experience, introduce exquisite new designs and masterful craftsmanship in gold and jewellery products, enrich our watch brand portfolio, and expand our offerings of exclusive European jewellery brands. Additionally, we will continue to monitor our inventory portfolio and exercise stringent expense control to enhance cost efficiency.

DIVIDENDS

The Board recommends the payment of a final dividend of HK2.6 cents (2024: HK2.6 cents) per ordinary share, totalling HK$23.6 million (2024: HK$23.6 million) in respect of the Year.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my appreciation to our customers, suppliers, shareholders and business partners for their continuous support and to the management and all the employees of the Group for their dedication and hard work.

Tang Yat Sun, Richard
Chairman

Hong Kong, 27 June 2025

Management Discussion and Analysis

GROUP RESULTS OVERVIEW

The results of the Group for the year ended 31 March 2025 (the "Year") and the state of affairs of the Group as at that date are set out in the consolidated financial statements on pages 29 to 83.

For the Year, the Group recorded total revenue of HK$886.0 million, representing an increase of HK$110.4 million or 14.2% from HK$775.6 million of last year. The Group achieved a consolidated profit attributable to owners of the Company for the Year of HK$88.3 million, which represents an increase of 3.6% as compared to HK$85.2 million last year. The increase in profit was primarily due to the increase in revenue and gross profit.

The Group's distribution and selling costs for the Year increased by 13.4% to HK$124.1 million as compared to HK$109.4 million for the previous year. Among the costs, there were significant increase in staff cost, marketing cost and depreciation of right-of-use assets which was mainly due to the full year effect of new stores opening in December 2023. The Group's administrative expenses for the Year increased by 7.2% to HK$56.2 million as compared to HK$52.4 million for the previous year mainly due to increase in salary and bonus payment.

BUSINESS REVIEW

Despite a year filled with challenges, including global geopolitical tensions, a persistently stagnant economy, high gold prices, and cautious consumer sentiment, the Group managed to achieve a 14.6% growth in the revenue of our retailing business. Retailing revenue rose to HK$885.7 million, up from HK$773.2 million the previous year. This increase was driven by steady growth in our gold, jewellery and watch businesses, with same-store sales growth reaching 16.9% for the full year.

During the year, we curated several high-jewellery appreciation sessions tailored to our VIP clientele and focused on introducing exclusive European jewellery brands known for their excellent craftsmanship and stylish designs. For our gold business, although record-high gold prices impacted our retail gold ornament sales, the demand for gold as an alternative investment boosted sales of gold bullion. Our 75-taels gold lucky draw campaign attracted new customers and contributed to increased sales in gold and jewellery, resulting in steady overall growth.

The watch industry continues to face challenging conditions, as brands reassess and streamline their distribution networks. In March 2024, we closed our watch store in Pacific Place. Despite this closure, we successfully redirected most customers to our watch stores in Central Building, achieving steady growth in our watch business for the Year.

The surge in gold prices resulted in a fair value loss of gold loan of HK$22.2 million for the Year, compared to a loss result from gold loan of HK$8.2 million last year. The purpose of gold loan is to counteract the effect of gold price in our gold inventory. This contributed to a decrease in operating profit before taxation, despite the increase in revenue and gross profit.

When international gold prices rise, the value of gold loan owed to bank correspondingly increases, directly proportional to fluctuations in the international gold market. Consequently, the outstanding amounts owed to bank will rise during periods of strong gold prices, resulting in either realised or unrealised fair value losses. Conversely, if gold prices decline, the value of gold loan will decrease, leading to the recognition of realised or unrealised fair value gains.

The strategic purpose of arranging gold loan is to stabilize the profit margin of our gold operations. As gold prices continue to rise, the gross profit margin of our gold business will expand, given that our selling prices are based on the gold price at the transaction date, while the cost of goods sold is determined by the purchase price, which is typically lower during periods of rising gold prices. However, this increased gross profit margin may be partially offset by the fair value losses associated with the gold loan.

Conversely, during periods of declining gold prices, the profit margin in our gold business may contract, yet this decrease is likely to be counterbalanced by the fair value gains generated from the gold loan.

During the Year, we recognised a deferred tax asset of HK$12.4 million of the unused tax losses, up from HK$2.6 million last year, which partially offset the impact of the fair value loss of gold loan. Consequently, we achieved a 3.6% increase in profit attributable to owners.

Further information on review of our business is set out in the section headed "Review of Operations" in the Chairman's Statement.

FUTURE OUTLOOK

We anticipate that the coming year will continue to present challenges. Geopolitical and economic uncertainty may persist, affecting consumer sentiment and shopping behavior. We will remain agile in response to changing market conditions and customer preferences. Our focus will be on exploring and introducing stylish designs and high-quality products to our customers, and provide the best customer experience.

Moving forward, we aim to maintain our competitiveness and profitability by nurturing and expanding our customer base, improving operational efficiencies in our watch business, enhancing the shopping experience for our customers, promoting our exclusive high-quality jewellery pieces, offering a selection of popular independent watchmaker brands, investing in our people, exercising expense control, and optimizing our inventory portfolio.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31 March 2025, the Group's current assets and current liabilities were approximately HK$899.7 million and HK$162.7 million respectively. There were time deposits and cash and cash equivalents of approximately HK$161.4 million and HK$276.8 million respectively, gold loan of approximately HK$80.3 million and no bank loan as at that date.

Based on the total borrowings of the Group of approximately HK$80.3 million and the equity attributable to owners of the Company of approximately HK$818.2 million as at 31 March 2025, the overall borrowings to equity ratio was 9.8%, which was at a healthy level.

Exposure to Fluctuation in Foreign Exchange Rates

The Group reviews its foreign currency exposure regularly and does not consider its foreign currency risk to be significant. No financial instrument had been used for hedging in the Year.

Charge on Assets

As at 31 March 2025, there was no charge on the Group's assets.

Capital Expenditure

During the year, the Group incurred capital expenditures of approximately HK$4.8 million, including the costs of leasehold improvements, furniture and equipment.

Capital Commitment and Contingent Liabilities

As at 31 March 2025, there was no capital commitment and no contingent liabilities or off-balance sheet obligations.

Financial Ratio

A list of key financial ratios is set out in the Five Year Financial Summary on page 85.

INTERNAL CONTROL

BDO Limited has obtained 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. With the assistance of the internal audit department of the Company, the audit committee continually endeavours to identify areas for improvement.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group attaches importance to balancing the needs of business development and environmental protection, and endeavours to make continuous improvements by different means such as internal training and performance evaluations. The Group has established a well-functioning environmental, social and governance reporting system and compiles an environmental, social and governance report on an annual basis in order to regularly examine and review its environmental protection performance. The environmental, social and governance report for the Year is available on the website of the Company at https://www.irasia.com/listco/hk/kingfook/index.htm and the website of The Stock Exchange of Hong Kong Limited at https://www.hkexnews.hk/index.htm.

EMPLOYEES AND EMOLUMENT POLICY

As at 31 March 2025, the Group had about 140 employees. The employees (including directors) are remunerated according to the nature of their jobs, experience and contribution to the Group. The Group has an incentive bonus scheme to reward employees based on their performance. It also provides training programs to employees to improve the standard of customer services and for their further advancement.

Report of the Directors

The board of directors of the Company (the "Board") would like to present their report together with the audited consolidated financial statements for the year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of the subsidiaries are set out in note 37 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results for the year are set out in the consolidated statement of profit or loss and other comprehensive income on page 29.

The Board has declared and paid an interim dividend of HK0.4 cent (2024: HK0.4 cent) per ordinary share of the Company for the year ended 31 March 2025 to its shareholders.

The Board has recommended a final dividend of HK2.6 cents (2024: HK2.6 cents) per ordinary share of the Company for the year ended 31 March 2025. The proposed dividend, if approved at the forthcoming annual general meeting of the Company (the "AGM") to be held on Thursday, 4 September 2025, will be payable on Friday, 3 October 2025 to shareholders whose names appear on the register of members of the Company on Wednesday, 10 September 2025.

SHARE CAPITAL

Details of the share capital of the Company during the year are set out in note 30 to the consolidated financial statements.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 32 and note 36 to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 March 2025 amounted to HK$247,431,000.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment are set out in note 17 to the consolidated financial statements.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and financial position of the Group for the last 5 financial years is set out on page 85.

MAJOR SUPPLIERS AND CUSTOMERS

The percentages of purchases and sales for the year attributable to the Group's major suppliers and customers were as follows:

Purchases	
– the largest supplier	58%
– 5 largest suppliers combined	72%
Sales	
– the largest customer	3%
– 5 largest customers combined	9%

None of the directors, their close associates or any shareholders (who to the knowledge of the Board owns more than 5% of the Company's issued share capital) had an interest in any of the major suppliers or customers noted above.

DIRECTORS

The directors during the year and up to the date of this report are:

Name of directors

Executive directors
Mr. Tang Yat Sun, Richard *(Chairman of the Board)*
Dr. Fung Yuk Bun, Patrick
Mr. Wong Wei Ping, Martin (passed away on 17 August 2024)

Non-executive directors
Mr. Ho Hau Hay, Hamilton
Mr. Kung Lin Cheng Leo (appointed on 29 July 2024)
Ms. Veronica Ho

Independent non-executive directors
Mr. Cheng Kar Shing, Peter
Mr. Cheng Kwok Shing, Anthony
Ms. Hou Tan Tan Danielle
Mr. Sin Nga Yan, Benedict

Brief biographical details of the directors are set out on pages 3 and 4.

The Company confirms that it still considers that all the independent non-executive directors are independent.

None of the directors has a service contract with the Company which is not determinable by the Company within 1 year without payment of compensation, other than statutory compensation. The Company had not entered into any contract nor had any existing contract concerning the management and administration of the whole or any substantial part of any business of the Company during the year.

A list of names of the directors who held office in the Company's subsidiaries during the year and up to the date of this report is kept at the Company's registered office and made available for inspection by the members free of charge during business hours.

DIRECTORS' INTERESTS

As at 31 March 2025, the interests of the directors of the Company in the share capital of the Company as recorded in the register maintained by the Company under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange') pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Name of directors	Number of ordinary shares held *Personal*	*Corporate*	*Total*	Percentage of shareholding
Mr. Tang Yat Sun, Richard	7,528,500	Nil	7,528,500	0.83%
Mr. Ho Hau Hay, Hamilton	Nil	*6,657,000	6,657,000	0.73%
Dr. Fung Yuk Bun, Patrick	Nil	^5,856,517	5,856,517	0.64%

* These shares were held by Tak Hung (Holding) Co. Ltd. ("Tak Hung"). As Mr. Ho has a 40% interest in Tak Hung, he is deemed to be interested in all these shares held by Tak Hung.

^ Dr. Fung is deemed to be interested in these shares owned by Po Ding Company Limited as he controls the board of such company.

Save as disclosed above, as at 31 March 2025, none of the directors or chief executive of the Company had any interests or short positions in the shares or underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

No transaction, arrangement or contract of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company or any entity connected with a director (has the meaning given by section 486 of the Companies Ordinance) had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

CONNECTED TRANSACTIONS

Save for the connected transactions (within the meaning of Chapter 14A of the Listing Rules) disclosed below, there is no contract of significance between the Group and a controlling shareholder of the Company (as defined in the Listing Rules) or any of its subsidiaries, including for the provision of services to the Group:

1. The Group (as tenant) entered into various agreements on normal commercial terms with Stanwick Properties Limited ("Stanwick") (as landlord) (a wholly owned subsidiary of Yeung Chi Shing Estates Limited ("YCSEL"), the controlling shareholder of the Company) on 24 March 2023 and 6 August 2024 respectively in respect of tenancies relating to premises in King Fook Building, 30–32 Des Voeux Road Central, Hong Kong for a term of 1 year from 16 August 2023 to 15 August 2024 and 1 year from 16 August 2024 to 15 August 2025 both at the total monthly rent of HK$818,600, exclusive of management fees and air-conditioning charges and Government rates. The management fees and air-conditioning charges are HK$91,350 per month. The leased properties are used as the key retail outlet and the headquarters of the Group.

   Pursuant to these agreements, the Group is also granted the right to use the fittings, furniture and appliances at 3rd Floor of King Fook Building (which is used by the Group as conference room) for a term of 1 year from 16 August 2023 to 15 August 2024 and a term of 1 year from 16 August 2024 to 15 August 2025 respectively both at the monthly fee of HK$25,480. Further, during the terms of these agreements, telephone set charges per month payable by the Group to the landlord is HK$27,200 (80 sets for HK$340 each per month), and additional telephone set/socket will be charged at HK$340 per unit per month.

CONNECTED TRANSACTIONS (Continued)

2. The Company entered into a licence agreement dated 7 December 1998 (the "Licence Agreement") with YCSEL pursuant to which the Company is granted an exclusive right for the design, manufacture and distribution of gold and jewellery products under the trademark of "King Fook" on a worldwide basis for a total consideration of HK$1. The Licence Agreement commenced from 7 December 1998 and may be terminated by any party by giving 3 months' written notice to the other party.

The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Set out below is information disclosed pursuant to rule 8.10(2) of the Listing Rules:

Mr. Cheng Kar Shing, Peter, an independent non-executive director of the Company, is a director of Chow Tai Fook Enterprises Limited. The gold ornament, jewellery and watch retail business of Chow Tai Fook Enterprises Limited and its subsidiaries ("Chow Tai Fook Group") may compete with similar business of the Group.

Mr. Sin Nga Yan, Benedict, an independent non-executive director of the Company, is a director and general manager of Myer Jewelry Manufacturer Limited. The manufacturing and trading of fine and costume jewellery business of Myer Jewelry Manufacturer Limited and its subsidiaries ("Myer Group") may compete with similar business of the Group.

The Group has experienced senior management independent of the above-named directors to conduct its business and is therefore capable of carrying on its business independently of, and at arm's length from the respective businesses of Chow Tai Fook Group and Myer Group.

SUBSTANTIAL SHAREHOLDER

As at 31 March 2025, the following person (other than a director or chief executive of the Company) had interest in shares of the Company, being 5% or more of the Company's issued share capital, as recorded in the register of substantial shareholders required to be kept by the Company under section 336 of the SFO:

Name of shareholder	Number of ordinary shares held	Nature of interest	Approximate percentage of total issued share capital*
Yeung Chi Shing Estates Limited	586,195,857	Beneficial owner	64.47%

* The percentage was calculated based on 909,308,465 ordinary shares of the Company in issue as at 31 March 2025.

Save as disclosed above, as at 31 March 2025, according to the register of interests required to be kept by the Company under section 336 of the SFO, there was no person who had any interest or short position in the shares or underlying shares of the Company.

PERMITTED INDEMNITY PROVISIONS

The Articles of Association of the Company provides that a director or former director of the Company may be indemnified out of the Company's assets against any liability incurred by the director to a person (other than the Company or any of its subsidiaries) in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or any of its subsidiaries (as the case may be) as provided under the Companies Ordinance. The Group has taken out and maintained directors' liability insurance throughout the year to protect the Group's directors against potential costs and liabilities arising from claims brought against them.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the year.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Details of the remuneration of directors and senior management for the year ended 31 March 2025 are set out in notes 15, 16 and 34(b) to the consolidated financial statements respectively.

BUSINESS REVIEW

Details on the analysis of the Group's performance during the year under review and the material factors underlying its results and financial position are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this annual report respectively.

PUBLIC FLOAT

Based on information publicly available to the Company and within the knowledge of the Board, not less than 25% of the issued share capital of the Company is held by the public.

AUDITOR

The consolidated financial statements for the year ended 31 March 2025 have been audited by BDO Limited ("BDO"). A resolution will be proposed at the forthcoming AGM of the Company to re-appoint BDO as auditor of the Company.

On behalf of the Board

Tang Yat Sun, Richard
Chairman

Hong Kong, 27 June 2025

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standard corporate governance practices. It had complied with all the code provisions set out in Part 2 of the Corporate Governance Code (the "Code") 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 31 March 2025 except the deviations as explained below:

Code provision C.3.3

As far as code provision C.3.3 of the Code is concerned, the Company does not have formal letters of appointment for directors setting out the key terms and conditions of their appointment. The board of directors of the Company (the "Board") decides on the key terms and conditions of the appointment of the directors of the Company from time to time which are recorded in the relevant board minutes.

Code provision F.1.1

In respect of code provision F.1.1 of the Code, the Company does not have a dividend policy or any pre-determined dividend distribution ratio. The Board will decide on the declaration/recommendation of any future dividends after taking into consideration a number of factors, including the prevailing market conditions, the Company's operating results, business plans and prospects, financial position and working capital requirements, and other factors that the Board considers relevant.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 to the Listing Rules as a code of conduct regarding its directors' securities transactions. The Company has also adopted the practice to remind all directors of the Company the commencement of each period during which they are not allowed to deal in the securities of the Company under the Model Code.

Having made specific enquiry of all directors of the Company, they have confirmed compliance with the required standard set out in the Model Code regarding directors' securities transactions during the year ended 31 March 2025.

BOARD OF DIRECTORS

The Company is governed by the Board which has the responsibility for leadership and control of the Company. The directors are collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs covering the Group's overall strategy, annual and interim results, major acquisitions and disposals, recommendations on directors' appointment or reappointment and other significant operational and financial matters.

The Board is responsible for ensuring 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 environmental, social and governance ("ESG") performance and reporting. It has delegated such responsibility to the Audit Committee.

Decisions and directions of the Board are carried out and implemented by the management of the Company, which reports directly to the chief executive and/or the Executive Committee of directors so as to assist the directors to promote the success of the Group. All directors of the Company are well informed in a timely manner of major changes that may affect the Group's businesses, including relevant rules and regulations. Management monthly updates to the Board have been provided to all directors of the Company so as to enable them to discharge their duties. Written procedures are also in place for all directors of the Company to take independent professional advice where necessary in order to perform their duties at the expense of the Company.

All directors have access to the advice and services of the company secretary of the Company (the "Company Secretary") to ensure that all Board procedures as well as rules and regulations are followed. Full minutes of Board meetings are kept by the Company Secretary and are available for inspection by any director on reasonable notice.

BOARD OF DIRECTORS (Continued)

During the year, the Board had complied with rules 3.10 and 3.10A of the Listing Rules relating to the appointment of at least 3 independent non-executive directors (representing at least one-third of the Board) and 1 of the independent non-executive directors has appropriate professional qualifications, or accounting or related financial management expertise. The Company is of the view that all independent non-executive directors meet the independence guidelines set out in rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.

There were 4 Board meetings and an annual general meeting of the Company (the "AGM") during the year ended 31 March 2025. The Board's composition and the attendances of individual directors at these meetings during such year were as follows:

Name of directors	Board meetings and attendances during term of service	AGM
Executive directors		
Mr. Tang Yat Sun, Richard *(Chairman of the Board)*	4/4	1/1
Dr. Fung Yuk Bun, Patrick	4/4	1/1
Mr. Wong Wei Ping, Martin (passed away on 17 August 2024)	N/A	N/A
Non-executive directors		
Mr. Ho Hau Hay, Hamilton	4/4	1/1
Mr. Kung Lin Cheng Leo (appointed on 29 July 2024)	2/4	1/1
Ms. Veronica Ho	4/4	0/1
Independent non-executive directors		
Mr. Cheng Kar Shing, Peter	2/4	1/1
Mr. Cheng Kwok Shing, Anthony	4/4	0/1
Ms. Hou Tan Tan Danielle	4/4	1/1
Mr. Sin Nga Yan, Benedict	4/4	1/1

Details of the directors as at the date of this annual report are disclosed in the section headed "Brief Biographical Details of the Directors and the Senior Management" on pages 3 to 5.

Mr. Ho Hau Hay, Hamilton is the father of Ms. Veronica Ho.

BOARD OF DIRECTORS (Continued)

Directors' Continuous Professional Development

In compliance with code provision C.1.4 of the Code, all directors of the Company during the year ended 31 March 2025 had participated in continuous professional development to develop and refresh their knowledge and skills, detailed as below:

Name of directors	Attend seminars and/or training programmes	Reading materials
Mr. Tang Yat Sun, Richard *(Chairman of the Board)*	✔	✔
Dr. Fung Yuk Bun, Patrick	✔	✔
Mr. Wong Wei Ping, Martin (passed away on 17 August 2024)	N/A	N/A
Mr. Ho Hau Hay, Hamilton	✔	✔
Mr. Kung Lin Cheng Leo (appointed on 29 July 2024)	✔	✔
Ms. Veronica Ho	✔	✔
Mr. Cheng Kar Shing, Peter	✔	✔
Mr. Cheng Kwok Shing, Anthony	✔	✔
Ms. Hou Tan Tan Danielle	✔	✔
Mr. Sin Nga Yan, Benedict	✔	✔

The Company arranged and funded 2 training programmes. Some of the directors participated in continuous professional development programmes organised by other organisations. The Company Secretary also provides the directors with relevant reading materials from time to time. The Company Secretary has duly complied with the relevant training requirement under rule 3.29 of the Listing Rules in taking not less than 15 hours of relevant professional training during the year.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CHIEF EXECUTIVE)

The roles of the Chairman and the Chief Executive Officer (Chief Executive) of the Company are separated, with a clear division of responsibilities. The position of Chairman is held by Mr. Tang Yat Sun, Richard while the position of Chief Executive Officer was held by Ms. Sum Mei Lin during the year and up to 1 May 2024. Thereafter the position of Chief Executive Officer has been taken up by Ms. Ng Wing Han, Winnie.

The Chairman is responsible for the leadership of the Board, ensuring its effectiveness in all aspects of its role and for setting agenda of Board meetings and taking into account any matters proposed by other directors for inclusion in the agenda. Through the Board, the Chairman is responsible for ensuring that good corporate governance practices and procedures are followed by the Group. The Chairman is also responsible for the strategic planning of the Group.

The Chief Executive Officer is responsible for the day-to-day management of the Group's business (including monitoring the Group's operational and financial performance) and implementation of the directions of the Board.

NON-EXECUTIVE DIRECTORS

All the non-executive directors of the Company are not appointed for a specific term but each of them is subject to retirement by rotation and re-election at the AGM at least once every 3 years in accordance with the Articles of Association of the Company.

REMUNERATION COMMITTEE

During the year ended 31 March 2025, the Remuneration Committee had 2 members, comprising Mr. Cheng Kwok Shing, Anthony and Mr. Cheng Kar Shing, Peter (both independent non-executive directors). The chairman of this Committee is Mr. Cheng Kwok Shing, Anthony. The terms of reference of the Remuneration Committee follow the guidelines set out in the Code.

The Remuneration Committee met once during the year. All members attended the meetings.

The Remuneration Committee has reviewed and approved the Group's remuneration policy and made recommendations to the Board on the levels of remuneration paid to the executive directors and the senior management of the Group. It has considered factors such as the performance of the executive directors and the senior management, the profitability of the Group, salaries paid by comparable companies, time commitment and responsibilities. It aims to ensure that the Group is able to attract, retain and motivate a high-calibre team which is essential to the success of the Group.

NOMINATION COMMITTEE

During the year ended 31 March 2025, the Nomination Committee had 3 members, comprising Mr. Tang Yat Sun, Richard (the Chairman of the Board), Mr. Cheng Kar Shing, Peter and Mr. Sin Nga Yan, Benedict (both independent non-executive directors). The chairman of this Committee is Mr. Tang Yat Sun, Richard. The terms of reference of the Nomination Committee follow the guidelines set out in the Code.

The Nomination Committee met 3 times during the year. All members attended the meetings.

Members of the Nomination Committee identify potential new directors and Chief Executive Officer and recommend to the Board for decision. A director appointed by the Board is subject to election by the shareholders of the Company at the first AGM after his/her appointment.

Potential new directors are selected on the basis of their qualifications, skills, experience and gender diversity which the Board considers will make a positive contribution to the performance of the Board.

Mr. Kung Lin Cheng Leo was appointed as a non-executive director on 29 July 2024.

Ms. Hou Tan Tan Danielle, an independent non-executive director, was appointed as a member of the nomination committee on 1 April 2025.

BOARD DIVERSITY POLICY

The Board has adopted a diversity policy, which was updated on 27 June 2025 to achieve diversity of Board members through consideration of relevant factors, including but not limited to gender, age, ethnicity, cultural and educational background, skill, knowledge or professional/business experience to ensure the Board has an appropriate diversity of talents to contribute to the business of the Group.

The Board aimed to have at least one female member and has achieved such objective by the appointment of Ms. Hou Tan Tan Danielle as an independent non-executive director on 1 April 2022. Further the Board appointed Ms. Veronica Ho as a non-executive director on 24 April 2023. The Board now consists of 7 men and 2 women.

The Board has reviewed the implementation and effectiveness of the Company's policy on Board diversity on an annual basis. It is satisfied with the effectiveness of such policy for the year ended 31 March 2025.

BOARD DIVERSITY POLICY (Continued)

The Company has established the following mechanisms to ensure independent views and input are available to the Board:

– the Board should consider whether any proposed director is independent in his/her view before appointment;

– the Board should encourage directors to express their views in an open and candid manner, and confidentially if circumstances require, through formal and informal means, and should establish channels for directors to express their independent views and input;

– independent non-executive directors shall have chance to meet by themselves without involving any executive director and to communicate with the Chairman directly to express their views;

– individual directors should have independent access to the senior management of the Company to make informed and independent decisions; and

– the Board should conduct periodic reviews with individual directors on the implementation and effectiveness of the mechanism.

All directors of the Company are given the opportunity to put items on the agenda for regular Board meetings. The Board has reviewed the implementation and effectiveness of such mechanisms on an annual basis. It is satisfied with the effectiveness of such policy for the year ended 31 March 2025.

CORPORATE GOVERNANCE FUNCTIONS

The Board has adopted terms of reference for corporate governance functions set out in the Code and is responsible for performing the corporate governance duties set out therein. It determines the policies and practices on the corporate governance of the Company to comply with legal and regulatory requirements. The Board has reviewed and monitored the training and continuous professional development of the directors and senior management of the Company as well as the code of conduct applicable to the directors of the Company during the year.

ACCOUNTABILITY AND AUDIT

Financial reporting

The directors acknowledge their responsibility for preparing the financial statements of the Company. As at 31 March 2025, the directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the directors have prepared the financial statements of the Company on a going-concern basis.

The responsibilities of the Company's auditor about its financial reporting are set out in the Independent Auditor's Report attached to the Company's financial statements for the year ended 31 March 2025.

Risk management and internal control

The Board acknowledges that it is responsible for the Group's risk management and internal control systems (the "Systems") and reviewing their effectiveness. This responsibility is primarily undertaken by the Audit Committee on its behalf as mentioned below. As business operations involve inherent risks, the Systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

During the year ended 31 March 2025, the Company had complied with the risk management and internal control code provisions of the Code.

ACCOUNTABILITY AND AUDIT (Continued)

Risk management and internal control (Continued)

The Company's Internal Audit Department performs internal audit function by carrying out the analysis and independent appraisal of the adequacy and effectiveness of the Systems.

As a result of the review by the Audit Committee, the Board confirms, and management has also confirmed to the Board, that the Systems are effective and adequate.

Details of the Systems, structures and policies of the Group's risk management and internal control are set out in the "Risk Management and Internal Control Report" of this Annual Report. Such report also contains details of the Group's whistleblowing policy and system for employees and those who deal with the Company (such as customers and suppliers) to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matter relating to the Company as well as policies and systems that promote and support relevant anti-corruption laws and regulations.

AUDITOR'S REMUNERATION

During the year, the remuneration paid/payable to the auditor, BDO Limited, for audit services was approximately HK$830,000 (2024: HK$830,000) and for non-audit service was approximately HK$207,000 (2024: HK$204,000).

The significant non-audit service assignments covered by these fees included the following:

Nature of service	Fee paid
Interim review	HK$190,000

AUDIT COMMITTEE

During the year ended 31 March 2025, the Audit Committee had 3 members, comprising Mr. Cheng Kwok Shing, Anthony and Mr. Sin Nga Yan, Benedict (both independent non-executive directors) and Ms. Veronica Ho (a non-executive director). The chairman of this Committee is Mr. Cheng Kwok Shing, Anthony. The terms of reference of the Audit Committee follow the guidelines set out in the Code. The primary duties of the Audit Committee include the review of the Group's interim and annual financial reports, and the nature and scope of the external and internal audits including review of the effectiveness of the Systems. The Audit Committee is also responsible for making recommendation in relation to the appointment, reappointment and removal of auditor, and reviews and monitors the auditor's independence and objectivity. In addition, the Audit Committee discusses matters raised by the auditor to ensure that appropriate recommendations are implemented.

With the assistance of the Internal Audit Department, the Audit Committee had reviewed internal control matters relating to key business of the Group during the year with the aim to identify areas for improvement. It had also conducted on behalf of the Board a review of the effectiveness of the Systems covering all materials control, including financial, operational and compliance control annually. Based on the review reports of the Internal Audit Department, the Audit Committee assessed the adequacy of resources, qualifications and experience of the staff of the Group's accounting, internal audit and financial reporting functions, and their training programmes and budget and was satisfied with the results. The result has been reported to the Board. Areas for improvement have been identified and appropriate measures taken.

During the year, the Audit Committee had also reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing and financial reporting matters, including review of the Company's interim and annual financial statements before submission to the Board. The Group's financial statements for the year ended 31 March 2025 have been reviewed by the Audit Committee, which is of the opinion that such financial statements comply with applicable accounting standards and legal requirements, and that adequate disclosures have been made.

The Audit Committee met 3 times during the year ended 31 March 2025. All members attended the meetings.

GENDER DIVERSITY IN THE WORKFORCE

As of 31 March 2025, the gender ratio within the Group's workforce as a whole was 58% female to 42% male while the female to male ratio for the Group's senior management was 2 to 1. The Board believes that the Group has a good gender diversity across its workforce (including senior management). The Group aims to maintain good gender diversity across its workforce through recruitment and providing appropriate training and career development opportunities for its female and male staff members respectively. Please also refer to the ESG Report of the Company for further information on the diversity in the Group's workforce.

COMMUNICATIONS WITH SHAREHOLDERS

The Company communicates with its shareholders through annual reports, interim reports, announcements and circulars issued by the Company from time to time. Shareholders may put enquiries to the Board in writing sent to the Company's registered office at 9th Floor, King Fook Building, 30–32 Des Voeux Road Central, Hong Kong and the Company will respond to enquiries from shareholders promptly. Shareholders may also visit the Company's website (https://www.irasia.com/listco/hk/kingfook/index.htm) for information about the Group and its activities. All shareholders are encouraged to attend general meetings of the Company to discuss matters relating to the Group. At general meetings of the Company, the directors answer questions from the shareholders.

The Company had reviewed the implementation and effectiveness of its shareholders' communication policy during the year ended 31 March 2025 and concluded that such policy was effective as the Company had not received any adverse comment from any shareholders.

The Company held an AGM on 10 September 2024 (the "Meeting"), which provided opportunities for communication between the shareholders and the Board at which all the then Board members attended. Details of the procedures for conducting a poll were explained at the commencement of the Meeting. In accordance with the Listing Rules, voting of shareholders at the Meeting was taken by poll and the poll results were announced at the Meeting and published on the websites of The Stock Exchange of Hong Kong Limited and the Company respectively after the Meeting. A separate resolution was proposed at the Meeting on each substantial issue, including the re-election of each director.

Pursuant to article 72 of the Company's Articles of Association and section 566 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Companies Ordinance"), shareholders representing at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings of the Company shall have the right to request the directors of the Company to call a general meeting of the Company by sending a request authenticated by the person(s) making it to the Company in hard copy or electronic form stating the general nature of the business to be dealt with at such meeting, including election of director(s). If within 21 days after the date the directors become required to call a general meeting they fail to proceed to convene such meeting for a day not more than 28 days after the date of the notice convening the meeting, the shareholder(s) who requested the meeting, or any of them representing more than one-half of the total voting rights of all of them, may themselves call a general meeting in accordance with the provisions of section 568 of the Companies Ordinance.

Constitutional documents

During the year ended 31 March 2025, amendment had been made to the Company's Articles of Association to the effects set out in the section headed "Amendment of Articles of Association" in the circular of the Company dated 31 July 2024.

Hong Kong, 27 June 2025

Risk Management and Internal Control Report

The Group has been continuously enhancing its risk management and internal control systems. During the year ended 31 March 2025 (the "Reporting Period"), the Group engaged an external consultant to review our risk management framework, including the risk governance structure and the risk management policy; and to facilitate, coordinate and support the risk management process. We highlight the key features of our structured risk management approach as follows:

I. RISK GOVERNANCE STRUCTURE

The Group's risk management framework is guided by the Three Lines model, as shown below:

Board of Directors (the "Board")

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic business objectives, determining the Group's risk appetite and tolerance levels, and ensuring the Group establishes and maintains appropriate and effective risk management and internal controls systems.

The Board acknowledges its responsibility for the risk management and internal control systems and the review of their effectiveness.

Audit Committee

The Audit Committee, acting on behalf of the Board, is responsible for the oversight of the Group's risk management and internal control systems. It conducts on behalf of the Board a review of the effectiveness of the Group's risk management and internal control systems covering key risks and controls, including financial, operational, compliance, and human resources, three times a year by discussing with management the risk management and internal control systems to ensure effective systems are in place, including consideration on the adequacy of resources, qualifications, and experience of the staff of the Group's accounting, financial reporting, and internal audit functions, and their training programs and budget.

Risk Management Committee

The Risk Management Committee, comprising both financial and operational executives of the Group, is responsible for designing, implementing, and monitoring the risk management and internal control systems for approval by the Board and to report to the Audit Committee and the Board on the Group's risk-related matters. Department heads are directed to implement the systems approved by the Board.

First line

At the first line, business units and departments of the Group, as the risk owners, are responsible for identifying, assessing, managing, and monitoring risks associated with each business operation.

Second line

The Risk Management Committee, as the second line, is responsible for assessing relevant risks and carrying out necessary control activities, exercising appropriate supervision to ensure the effectiveness and efficiency of control over activities within and between different departments, and assessing and presenting regular reports to the Audit Committee and the Board.

The external consultant serves as the risk management coordinator of the Group, with the responsibility to facilitate, coordinate and support the risk management process, update and maintain the risk management deliverables based on the results of discussions with the Risk Management Committee and risk owners, and performing testing on mitigation actions of top risks identified. It also provides the Board with an overall comment on the risk management systems.

I. RISK GOVERNANCE STRUCTURE (Continued)

Third line

As the third line, the Internal Audit Department of the Company performs internal audit work to ensure that the first and second lines are effective. It provides independent assurance to the Audit Committee and the Board on the adequacy and effectiveness of the internal controls of the Group.

II. RISK MANAGEMENT PROCESS

During the Reporting Period, the Group uses a blended top-down and bottom-up approach for identifying risks. Sources of risk, areas of impact, events, and their potential consequences are identified. A risk universe has been created to ensure the entire spectrum of risks (including ESG risks) is captured, covering external risks, operational risks, emerging risks and business change risks.

The Group uses a 5-by-5 risk matrix to assess risks. The risk rating is scored in terms of the consequence and likelihood of occurrence. Risks are rated according to their residual risk levels. Residual risk levels refer to the scoring of risks that exist, taking into account all existing controls. The result from the risk analysis is evaluated to determine whether or not identified risks are within predefined risk appetite and tolerance levels.

Once risks have been identified and assessed, risk treatments shall be implemented to mitigate the risks (i.e., to further reduce the risk occurrence or the risk impacts when it occurs), in particular when the risks are rated as “High”, as appropriate. The risk mitigation measures generally include risk transfer, risk avoidance, risk reduction (in terms of likelihood and consequence), and risk acceptance/retention. Each proposed risk mitigation measure has a designated risk owner and an expected completion date assigned to ensure accountability for risk mitigation, which is documented in the top risk record of the Group.

III. RISK MONITORING AND REPORTING

Risk owners are responsible for overseeing and monitoring risks, the status of key risk indicators, and the proposed risk mitigation measures for risks under their purview, setting the key risk indicators and their thresholds for the review by the Risk Management Committee and updating their respective risks on a quarterly basis. The Risk Management Committee meets quarterly to evaluate the top risks identified and other risks that may escalate as deemed necessary and are to be defined by the respective business units or departments or risk owners. The status of top risk changes (if any), key risk indicators, existing risk controls and the respective mitigation actions are reported during the Audit Committee and the Board meetings.

When senior management/department head/risk owner identifies risk from daily operations or changes in the business environment, or the key risk indicators exceed the threshold for early warning signals, which potentially leads to high-risk exposure, the risk will be brought to the attention of the Risk Management Committee for assessment of the potential risk exposure and evaluation whether additional measures should be in place to mitigate the risk in a timely manner. As appropriate, the respective risk assessment and mitigation actions will be brought to the attention of the Audit Committee and the Board.

INTERNAL CONTROL SYSTEM

The main objectives of the internal control system of the Group are to ensure effective and efficient operations, reliable financial reporting, compliance with applicable laws and regulations and a sound risk management system. The components and features of this system cover control environment, risk assessment, control activities, information and communication, and monitoring.

The key activities and associated processes of the internal control system of the Group are as follows:

- Conduct internal control self-assessment semi-annually;
- Review the departmental internal control and policies and procedures of the system periodically;

INTERNAL CONTROL SYSTEM (Continued)

- Maintain an appropriate organisational and governance structure;
- Monitor and control the operational and financial budgeting and forecasting systems closely;
- Set up the whistle-blowing system to provide a channel for reporting any possible misconducts in the Group;
- Review the inside information policies and procedures periodically; and
- The Internal Audit Department and an external consultant assist to achieve the objectives of the internal control system.

INTERNAL AUDIT

The Internal Audit Department plays an important role in providing an independent appraisal and assurance to the Audit Committee (acting on behalf of the Board) that sound risk management and internal control systems are maintained. During the Reporting Period, the Internal Audit Department performed various risk assessment exercises and risk-based audit assignments. Through different reports and meetings, significant risks or internal control issues were discussed and addressed to the management and the Audit Committee respectively. The significant deficiencies identified have been managed or in the progress of following up by the management. The Audit Committee and the Board are satisfied that there are adequate risk management and internal control systems in the Company.

ANNUAL CONFIRMATION

The Group's risk management and internal control systems are designed to provide reasonable, but not absolute assurance against material misstatement or loss; to manage rather than completely eliminate the risk of failure to achieve business objectives. They play a key role in the management of risks that are significant to the fulfilment of business objectives. The Board, through the Audit Committee and with the assistance of the Company's external consultant, conducted risk management reviews of the business operations for the Reporting Period and considered these systems to be effective and adequate during the Reporting Period. The management provided a confirmation semi-annually to the Board on the effectiveness of these systems for the Reporting Period.

HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Company has a policy with regard to the principles and procedures for handling and disseminating the inside information of the Company in compliance with the requirements under Part XIVA of the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The policy regulates the handling and dissemination of inside information, which includes:

- designated reporting channel from relevant officers in possession of potential inside information informing such information to the designated persons;
- designated persons to assess the potential inside information and provide advice, and where appropriate, to bring such information to the attention of the Board to resolve on further actions complying with applicable laws and regulations; and
- restrictive access to inside information to a limited number of employees on a need-to-know basis.

Independent Auditor's Report

Tel : +852 2218 8288
Fax: +852 2815 2239
www.bdo.com.hk

電話：+852 2218 8288
傳真：+852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

香港
干諾道中111號
永安中心25樓

TO THE MEMBERS OF KING FOOK HOLDINGS LIMITED
(incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of King Fook Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 29 to 83, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current 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.

Inventory provision
(Refer to notes 2.13, 3(iii) and 23 to the consolidated financial statements)

As at 31 March 2025, the Group had inventories of approximately HK$420,218,000 which mainly consisted of jewellery, gold ornament and bullion, watch and gift. For the year ended 31 March 2025, the associated provision for and write down of inventories was approximately HK$5,283,000. Management has made estimates based on certain assumptions related to obsolete and out-dated inventories.

The considerations of an appropriate level of provision for obsolete and out-dated inventories included inventory ageing, condition of inventories, historical experience of selling products of a similar nature and current sales information, as well as different market factors impacting the selling price of these inventories.

The determination of provision on the aged and out-dated inventories as a result of changed prevailing market conditions, requires an exercise of significant judgement of management based on historical experience. Accordingly, the provisions carried against inventory are considered to be a key audit matter.

Key audit matters (Continued)

Our response:

Our procedures in relation to inventory provision included:

- Understanding and evaluating the Group's provision policy on inventories and basis of the assessment;
- Reviewing and assessing obsolete or out-dated inventories identified by management and estimation of the net realisable value of these inventories;
- Evaluating historical accuracy of inventory provisioning by comparing historical provision made to the loss incurred for actual sales;
- Reviewing inventory ageing analysis and analysing the level of aged inventory and their associated provisions;
- Testing the carrying amount of aged and obsolete inventories on a sample basis to the source documents; and
- Reviewing and evaluating net realisable value of inventories, with reference to subsequent sales information and the external price data and performed testing on a sample basis, by tracing to the source documents.

Other information in the annual report

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities 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 as issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibilities in this regard.

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 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related 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 within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the work performed for the 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

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

BDO Limited
Certified Public Accountants
Chow Tak Sing, Peter
Practising Certificate Number P04659

Hong Kong, 27 June 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Revenue	5	**885,991**	775,573
Cost of sales		**(611,349)**	(534,788)
Gross profit		**274,642**	240,785
Other gains and income	6	**20,291**	21,900
Distribution and selling costs		**(124,073)**	(109,365)
Administrative expenses		**(56,184)**	(52,426)
Fair value gain on realisation of bullion contract		**–**	3,290
Fair value loss on gold loan designated at fair value through profit or loss		**(22,213)**	(8,158)
Provision for impairment loss on property, plant and equipment	17	**(3,689)**	–
Provision for impairment loss on right-of-use assets	17	**(7,575)**	(8,831)
Other operating expenses	7	**(540)**	(455)
Operating profit		**80,659**	86,740
Finance costs	8	**(4,793)**	(4,149)
Profit before taxation	9	**75,866**	82,591
Taxation	10	**12,400**	2,600
Profit for the year		**88,266**	85,191
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Change in fair value of debt instruments at fair value through other comprehensive income	20	**461**	–
Exchange differences on translation of foreign operations		**(132)**	(348)
Release of exchange reserve upon liquidation of a subsidiary		**–**	(2,319)
Item that will not be reclassified to profit or loss:			
Change in fair value of investments at fair value through other comprehensive income	20	**1,674**	380
Other comprehensive income for the year		**2,003**	(2,287)
Total comprehensive income for the year		**90,269**	82,904
Profit/(loss) for the year attributable to:			
— Owners of the Company		**88,288**	85,205
— Non-controlling interests		**(22)**	(14)
		88,266	85,191
Total comprehensive income for the year attributable to:			
— Owners of the Company		**90,291**	82,918
— Non-controlling interests		**(22)**	(14)
		90,269	82,904
		HK cents	HK cents
Earnings per share	13		
— Basic and diluted		**9.71**	9.37

Consolidated Statement of Financial Position

As at 31 March 2025

	Notes	**As at 31 March 2025 HK$'000**	As at 31 March 2024 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*17*	**6,390**	10,222
Right-of-use assets	*18*	**43,963**	31,575
Investment properties	*19*	**673**	744
Investments at fair value through other comprehensive income	*20*	**2,380**	706
Debt instruments at fair value through other comprehensive income	*20*	**31,772**	–
Other asset	*21*	**356**	356
Deposits	*22*	**6,401**	7,148
Deferred tax assets	*11*	**15,000**	2,600
		106,935	53,351
Current assets			
Inventories	*23*	**420,218**	414,979
Debtors, deposits and prepayments	*22*	**25,819**	24,310
Debt instrument at fair value through other comprehensive income	*20*	**15,534**	–
Investments at fair value through profit or loss	*24*	**–**	146
Time deposits	*25*	**161,377**	193,299
Cash and cash equivalents	*26*	**276,773**	231,231
		899,721	863,965
Total assets		**1,006,656**	917,316
Current liabilities			
Trade payables, deposits received and other payables	*27*	**50,510**	58,649
Gold loan	*28*	**80,322**	58,109
Lease liabilities	*18*	**31,889**	31,000
		162,721	147,758
Net current assets		**737,000**	716,207
Total assets less current liabilities		**843,935**	769,558
Non-current liabilities			
Provision for long service payments	*29*	**2,042**	2,000
Lease liabilities	*18*	**23,619**	12,274
		25,661	14,274
Net assets		**818,274**	755,284

Consolidated Statement of Financial Position (Continued)

As at 31 March 2025

	Notes	As at 31 March 2025 HK$'000	As at 31 March 2024 HK$'000
CAPITAL AND RESERVES			
Share capital	*30*	**393,354**	393,354
Other reserves	*31*	**34,344**	32,341
Retained profits	*31*	**390,534**	329,525
Equity attributable to owners of the Company		**818,232**	755,220
Non-controlling interests		**42**	64
Total equity		**818,274**	755,284

The consolidated financial statements on pages 29 to 83 were approved and authorised for issue by the Board of Directors on 27 June 2025 and were signed by:

Tang Yat Sun, Richard
Chairman

Fung Yuk Bun, Patrick
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Equity attributable to owners of the Company						Non-controlling interests	Total
	Share capital (note 30)	Capital reserve (note 31)	Exchange reserve	Financial assets at fair value through other comprehensive income reserve	Retained profits	Total		
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2023	393,354	24,753	9,938	(63)	338,917	766,899	78	766,977
2022/23 final dividend (note 12)	–	–	–	–	(18,186)	(18,186)	–	(18,186)
2022/23 special dividend (note 12)	–	–	–	–	(72,745)	(72,745)	–	(72,745)
2023/24 interim dividend (note 12)	–	–	–	–	(3,637)	(3,637)	–	(3,637)
Repurchase of ordinary shares	–	–	–	–	(29)	(29)	–	(29)
Transactions with owners	–	–	–	–	(94,597)	(94,597)	–	(94,597)
Profit for the year	–	–	–	–	85,205	85,205	(14)	85,191
Other comprehensive income:								
Exchange differences on translation of foreign operations	–	–	(348)	–	–	(348)	–	(348)
Release of exchange reserve upon liquidation of a subsidiary	–	–	(2,319)	–	–	(2,319)	–	(2,319)
Change in fair value of investments at fair value through other comprehensive income	–	–	–	380	–	380	–	380
Other comprehensive income for the year	–	–	(2,667)	380	–	(2,287)	–	(2,287)
Total comprehensive income for the year	–	–	(2,667)	380	85,205	82,918	(14)	82,904
At 31 March 2024	393,354	24,753	7,271	317	329,525	755,220	64	755,284
At 1 April 2024	**393,354**	**24,753**	**7,271**	**317**	**329,525**	**755,220**	**64**	**755,284**
2023/24 final dividend (note 12)	**–**	**–**	**–**	**–**	**(23,642)**	**(23,642)**	**–**	**(23,642)**
2024/25 interim dividend (note 12)	**–**	**–**	**–**	**–**	**(3,637)**	**(3,637)**	**–**	**(3,637)**
Transactions with owners	**–**	**–**	**–**	**–**	**(27,279)**	**(27,279)**	**–**	**(27,279)**
Profit for the year	**–**	**–**	**–**	**–**	**88,288**	**88,288**	**(22)**	**88,266**
Other comprehensive income:								
Exchange differences on translation of foreign operations	**–**	**–**	**(132)**	**–**	**–**	**(132)**	**–**	**(132)**
Change in fair value of investments at fair value through other comprehensive income	**–**	**–**	**–**	**1,674**	**–**	**1,674**	**–**	**1,674**
Change in fair value of debt instruments at fair value through other comprehensive income	**–**	**–**	**–**	**461**	**–**	**461**	**–**	**461**
Other comprehensive income for the year	**–**	**–**	**(132)**	**2,135**	**–**	**2,003**	**–**	**2,003**
Total comprehensive income for the year	**–**	**–**	**(132)**	**2,135**	**88,288**	**90,291**	**(22)**	**90,269**
At 31 March 2025	**393,354**	**24,753**	**7,139**	**2,452**	**390,534**	**818,232**	**42**	**818,274**

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit before working capital changes	*32(a)*	**139,918**	128,479
Increase in inventories		**(10,549)**	(35,784)
(Increase)/decrease in debtors, deposits and prepayments		**(657)**	33,287
(Decrease)/increase in trade payables, deposits received and other payables		**(8,459)**	11,868
Net cash generated from operations		**120,253**	137,850
Dividends received from investments at fair value through profit or loss		**–**	8
Proceeds from disposal of investments at fair value through profit or loss		**167**	–
Interest received		**17,874**	16,167
Long service payments paid		**(23)**	(91)
Net cash generated from operating activities		**138,271**	153,934
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from investments at fair value through other comprehensive income		**41**	27
Purchase of property, plant and equipment		**(4,789)**	(9,506)
Purchase of debt instruments a fair value through other comprehensive income		**(47,009)**	–
Placement of time deposits with maturity over 3 months		**(451,492)**	(306,840)
Release of time deposits with maturity over 3 months		**483,414**	184,692
Net cash used in investing activities		**(19,835)**	(131,627)
CASH FLOWS FROM FINANCING ACTIVITIES	*32(b)*		
Dividends paid		**(27,182)**	(94,228)
Proceeds from gold loan		**–**	52,797
Repayment of gold loan		**–**	(2,846)
Payment of repurchase of ordinary shares		**–**	(29)
Payment of principal element of lease liabilities		**(41,163)**	(43,715)
Interest paid on gold loan		**(1,216)**	(600)
Payment of interest element of lease liabilities		**(3,393)**	(3,459)
Net cash used in financing activities		**(72,954)**	(92,080)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**45,482**	(69,773)
Cash and cash equivalents at the beginning of the year		**231,231**	301,060
Effect of foreign exchange rates changes, net		**60**	(56)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**276,773**	231,231
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		**74,599**	20,935
Cash at a financial institution		**527**	357
Short term bank deposits with maturity within 3 months		**201,647**	209,939
		276,773	231,231

1. GENERAL INFORMATION

King Fook Holdings Limited (the "Company") is a limited liability company incorporated and domiciled in Hong Kong. Its registered office is located at 9th Floor, King Fook Building, 30–32 Des Voeux Road Central, Hong Kong and its principal place of business is in Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The directors of the Company (the "Directors") consider the ultimate holding company to be Yeung Chi Shing Estates Limited ("YCSEL"), a company incorporated in Hong Kong.

The principal activity of the Company is investment holding. Details of the place of operation and the principal activities of its subsidiaries are set out in note 37.

The consolidated financial statements are presented in Hong Kong Dollars ("HK$"), which is also the functional currency of the Company.

Change in presentation of items in consolidated statement of profit or loss and other comprehensive income

In prior years, fair value gain on realisation of bullion contract, fair value loss on gold loan designated at fair value through profit or loss ("FVTPL"), provision for impairment loss on property, plant and equipment and provision for impairment loss on right-of-use assets were included in "other gains and income" or "other operating expenses". From current year onwards, the Group changed to present these gains or losses on the face of consolidated statement of profit or loss and other comprehensive income, as management believed such presentation provides users of the consolidated financial statements with a better understanding of the Group's business and performance and is consistent with how management reviews the operation of the Group. These changes have been made retrospectively to the consolidated financial statements.

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements on pages 29 to 83 have been prepared in accordance with HKFRS Accounting Standards, which is a collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and have been prepared in compliance with the Hong Kong Companies Ordinance.

The material accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of revised HKFRSs are disclosed in note 2.2.

These consolidated financial statements have been prepared on the historical cost basis except for gold bullion stocks held for trading, gold loan, financial assets at FVTPL and financial instruments classified as FVTPL and fair value through other comprehensive income ("FVTOCI") which are stated at fair values. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in the preparation of these consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these consolidated financial statements, are disclosed in note 3.

2. MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Adoption of revised HKFRSs

In the current year, the Group has applied for the first time the following revised HKFRS Accounting Standards as issued by the HKICPA, which are relevant to and effective for the Group's consolidated financial statements for the annual period beginning on 1 April 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

None of these amended HKFRS Accounting Standards has a material impact on the Group's results and financial position for the current or prior period and financial statements disclosures.

2.3 New or revised HKFRS Accounting Standards that have been issued but are not yet effective

The Group has not early applied the following new or revised HKFRS Accounting Standards that have been issued but are not yet effective. The Group anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement.

Amendments to HKAS 21	Lack of Exchangeability[1]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual periods beginning on or after 1 January 2027
4 Effective for annual periods beginning on or after a date to be determined

HKFRS 18: *Presentation and Disclosure in Financial Statements*

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and it will replace HKAS 1 Presentation of Financial Statements. The new HKFRS Accounting Standard introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. HKFRS 18 will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is not expected to have material impact on the financial performance and financial position of the Group but is expected to affect the disclosures and presentation in the future financial statements.

2. MATERIAL ACCOUNTING POLICIES (Continued)

2.3 New or revised HKFRS Accounting Standards that have been issued but are not yet effective (Continued)

Amendments to HKFRS 9 and HKFRS 7: *Amendments to the Classification and Measurement of Financial Instruments*

The amendments clarify that a financial liability is derecognised on the settlement date and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date. It also clarifies the classification of financial assets with Environmental, Social and Governance linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments. Additional disclosures are introduced for financial instruments with contingent features and equity instruments classified at FVTOCI. The amendments are effective for annual periods beginning on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for contingent features only. The Group is currently assessing the impact of these amendments.

Except as disclosed above, the Directors do not anticipate that the application of the amendments and revisions in the future will have an impact on the Group's financial performance and financial position.

The Directors anticipate that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement.

2.4 Basis of consolidation and business combination

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (see note 2.5 below) made up to 31 March 2025.

2.5 Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Investments in subsidiaries are included in the Company's statement of financial position, at cost less any impairment loss. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

2.6 Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is after deduction of any trade discounts.

(i) Gold ornament, jewellery, watch and gift retailing, bullion trading and diamond wholesaling

Customers obtain control of the goods when the goods are delivered to and have been accepted. Revenue is thus recognised upon when the customers accepted the goods. There is generally only one performance obligation. Invoices are usually payable upon transfer of control of goods.

Some of the Group's contracts with customers on sales of certain jewellery products provide a right of return (a right to exchange another product) to customers. These rights of return allow the returned goods to be refunded in cash or other goods with equivalent values. Right of return gives rise to variable consideration. The variable consideration is estimated at contract inception and constrained until the associated uncertainty is subsequently resolved. The application of the constraint on variable consideration increases the amount of revenue that will be deferred. In addition, a refund liability and a right to recover returned goods assets are recognised.

2. MATERIAL ACCOUNTING POLICIES (Continued)

2.6 Revenue recognition (Continued)

(i) Gold ornament, jewellery, watch and gift retailing, bullion trading and diamond wholesaling (Continued)

The Group launches a customer loyalty program, which allows customers to redeem the award credits for gifts or cash coupons before a specified period of time. An option to acquire additional goods or services gives rise to a separate performance obligation if the option provides a material right that the customers would not receive without entering into that contract, resulting in allocation of transaction price to separate performance obligations and to recognise contract liabilities for the performance obligations that will be satisfied in the future and revenue for the option when the award credits are utilised by customers for goods or services or when the option expires.

(ii) Other income

Rental income under operating leases is recognised on a straight line basis over the term of the relevant leases.

Dividends are received from investments at FVTPL and FVTOCI. Dividend income is recognised when the right to receive the dividend is established.

2.7 Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods to customers for which the Group has received consideration (or an amount of consideration is due) from the customers.

2.8 Property, plant and equipment

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

Depreciation is provided to write off the cost less their expected residual values over their estimated useful lives, using the straight line method, at the following rates per annum:

Leasehold improvements	15% or over the remaining period of the lease, whichever is shorter
Plant and machinery, furniture and equipment	15%
Motor vehicles	15%

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

An asset is written down immediately to its recoverable amounts if its carrying amount is higher than the assets estimated recoverable amount.

The gain or loss arising on retirement or disposal is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2. MATERIAL ACCOUNTING POLICIES (Continued)

2.9 Investment properties

Investment properties are land and buildings held under a leasehold interest to earn rental income and/or for capital appreciation or for both, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

On initial recognition, investment property is measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment property is stated at cost less accumulated depreciation and any accumulated impairment loss. Depreciation is provided so as to write off the cost of buildings held as investment properties using the straight line method over their expected useful lives of 50 years or over the lease term, if shorter. Leasehold land held as investment property is depreciated over the lease term.

2.10 Impairment of non-financial assets

Property, plant and equipment, investment properties, right-of-use assets, other asset and investments in subsidiaries stated at cost are subject to impairment testing. These assets are tested for impairment at the end of each reporting period if there are indications that the assets' carrying amount may not be recoverable. Impairment indications included certain retail stores fell short of the expected performance.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of 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 assessment of time value of money and the risk specific to the asset.

Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates and assumptions about future events, which are subject to uncertainty and might materially differ from actual result. In making these key estimates and judgements, the Directors take into consideration assumptions that are based on market condition existing at the end of the reporting period and appropriate market and discounts rates. These estimates are regularly compared to actual market data and actual transactions entered into by the Group.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash generating unit ("CGU")). Corporate assets are allocated to individual CGU on a reasonable and consistent basis. As a result, some assets are tested individually for impairment and some are tested at CGU level.

Impairment losses recognised for a CGU are charged pro rata to the assets in the CGU, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal, or value-in-use, if determinable.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised. A reversal of an impairment loss is recognised as income immediately.

2. MATERIAL ACCOUNTING POLICIES (Continued)

2.11 Leases

Accounting as a lessee

All leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the consolidated statement of financial position as right-of-use assets and lease liabilities.

Right-of-use assets

The right-of-use assets should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liabilities (see below for the accounting policy to account for lease liabilities); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group measures the right-of-use assets at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight line basis over the shorter of its estimated useful life and the lease term.

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

The Group's leasehold land and buildings that were held for rental or capital appreciation purpose would continue to be accounted for under HKAS 40 as investment properties and would also continue to be carried at cost less accumulated depreciation and impairment loss.

Refundable rental deposits

Refundable rental deposits paid are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

The lease liabilities should be recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments shall be discounted using the Group's incremental borrowing rate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period in which the event or condition that triggers the payment occurs.

Subsequent to the commencement date, a lessee shall measure the lease liabilities by: (i) increasing the carrying amount to reflect interest on the lease liabilities; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

2. MATERIAL ACCOUNTING POLICIES (Continued)

2.11 Leases (Continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if: (i) the modification increases the scope of the lease by adding the right to use one or more underlying assets and (ii) the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that does not involve a decrease in scope of the lease and is not accounted for as a separate lease, the Group remeasures the lease liabilities based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification. The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets.

2.12 Financial instruments

(i) Financial assets

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade debtor without a significant financing component is initially measured at the transaction price.

The regular way purchases and sales of financial assets are recognised on the settlement date.

Financial assets with embedded derivatives are considered in their entirely when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Debt instruments are subsequently measured at amortised costs as these assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method.

FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Debt instruments at FVTOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at FVTOCI are measured at fair value. Dividend income is recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

2. **MATERIAL ACCOUNTING POLICIES** (Continued)

2.12 Financial instruments (Continued)

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on trade debtors and financial assets measured at amortised cost and debt instruments measured at FVTOCI. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the end of the reporting period; or (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade debtors using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are calculated based on the 12 months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

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

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

The Group considers a financial asset to be credit-impaired when: (1) 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 (2) the financial asset is more than 90 days past due.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets, interest income is calculated based on the gross carrying amount.

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.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

2. MATERIAL ACCOUNTING POLICIES (Continued)

2.12 Financial instruments (Continued)

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at FVTPL are initially measured at fair value and financial liabilities at amortised cost are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL include financial liabilities designated upon initial recognition as at FVTPL.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at FVTPL, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial liabilities may be designated upon initial recognition as at FVTPL if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded (including the Group's gold loan).

Subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise, except for the gains and losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the consolidated statement of profit or loss and other comprehensive income. The net fair value gain or loss recognised in the consolidated statement of profit or loss and other comprehensive income does not include any interest charged on these financial liabilities. The interest charges were recognised separately as finance cost of the Group.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade payables, other payables and accruals and provisions are subsequently measured at amortised cost, using the effective interest method. The related interest charge is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

2. MATERIAL ACCOUNTING POLICIES (Continued)

2.13 Inventories

Inventories, other than gold bullion held for trading, are stated at the lower of cost and estimated net realisable value. Cost is determined on an actual cost basis. Net realisable value represents 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. It is the Group's policy to determine the net realisable value by reference to management estimates based on prevailing market conditions.

Gold bullion held for trading are stated at fair value less costs to sell. Changes in fair value are recognised in profit or loss in the year of the change.

2.14 Accounting for income taxes

Income tax for the year comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, tax authorities relating to the current or prior reporting period, that are unpaid at the end of reporting period. They are calculated according to the tax rates and tax laws applicable to the tax years to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated based on temporary differences at the end of reporting period between the carrying amounts of assets and liabilities in the consolidated financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax loss available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax loss and unused tax credits can be utilised.

The Group presents deferred tax assets and deferred tax liabilities on a net basis if, and only if:

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

 (i) the same taxable entity; or

 (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. MATERIAL ACCOUNTING POLICIES (Continued)

2.15 Employee benefits

(i) Defined contribution plans

The Group operates a number of defined contribution retirement schemes in Hong Kong. Contributions are made based on certain percentages of the employee's relevant payroll costs.

The employees of the Group's subsidiaries which operate in the People's Republic of China, except Hong Kong (the "PRC"), are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme.

Contributions are recognised as expense in profit or loss as employees render services during the year. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

Hong Kong

The Group participates in defined contribution schemes which are registered under the Hong Kong Occupational Retirement Scheme Ordinance (the "ORSO Scheme") and the Mandatory Provident Fund ("MPF") Scheme established under the MPF Schemes Ordinance (the "MPFSO") in December 2000. The assets of the schemes are held, separately from those of the Group, in funds under the control of independent trustees. Employees who were members of the ORSO Scheme prior to the establishment of the MPF Scheme were offered a choice of staying within the ORSO Scheme or switching to the MPF Scheme, whereas all new employees joining the Group on or after 1 December 2000 are required to join the MPF Scheme. The pension costs of defined contribution retirement schemes charged to the consolidated statement of profit or loss and other comprehensive income represent contributions paid/payable to the funds by the Group at rates specified in the rules of the schemes. For members of the MPF Scheme, the Group contributes 5% (2024: 5%) of relevant payroll costs to the MPF Scheme, which contributions are matched by the employees. The maximum monthly amount of contributions is limited to HK$1,500 (2024: HK$1,500) per employee.

(a) ORSO Scheme

The ORSO Scheme is funded by monthly contributions from the employees at 5% (2024: 5%) and the Group at pre-determined rates ranging from 5% to 10% (2024: 5% to 10%) based on the employees' years of services of relevant payroll costs.

The Company and a subsidiary make monthly contributions which are a percentage of relevant payroll costs, subject to a vesting scale with the benefit fully vested upon completion of 10 years' service. The Company and a subsidiary reinvest forfeited contributions for staff who leave the Company or a subsidiary prior to qualifying for 100% disbursement of the contributions into the total pool of contributions that will be shared by the existing members in the scheme at the end of the scheme year. There was no amount forfeited during the year (2024: Nil).

(b) MPF Scheme

The Group has participated in a master trust MPF Scheme since December 2000 and made contributions to the MPF Scheme in accordance with the statutory requirements of the MPFSO.

2. MATERIAL ACCOUNTING POLICIES (Continued)

2.15 Employee benefits (Continued)

(i) *Defined contribution plans* (Continued)

PRC

The eligible employees of the Company's subsidiaries in the PRC are members of pension schemes operated by local government of the PRC. The subsidiaries in the PRC are required to contribute a percentage of 7% (2024: 7%) of relevant payroll costs of these employees to the pension schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes.

The Group's contributions under the above-mentioned defined contribution plans in Hong Kong and the PRC are expensed as incurred and not reduced by contributions forfeited by those employees who leave the defined contribution plans prior to vesting fully in the contributions.

(ii) *Short term employee benefits*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of reporting period.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

2.16 Provision for reinstatement costs

Provision for reinstatement costs is recognised when a contractual obligation under the terms of a lease arrangement has arisen to reinstate a leased property at the end of the lease. Reinstatement costs are provided at the value of the expected costs to settle the obligation at the end of the reporting period using estimated cash flows and an equivalent asset is recognised and included in right-of-use assets at initial recognition and depreciated over the term of the lease arrangement. The estimated future costs of reinstatement are reviewed, and adjusted if appropriate, at least at the end of each reporting period.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of property, plant and equipment and right-of-use assets

The Group assesses impairment at the end of each reporting period by evaluating conditions that may lead to impairment of property, plant and equipment and right-of-use assets. Where an impairment condition exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates and assumptions about future events, which are subject to uncertainty and might materially differ from actual results. In making these key estimates and judgements, the Directors take into consideration assumptions that are based on market condition existing at the end of reporting period and appropriate market and discounts rates. These estimates are regularly compared to actual market data and actual transactions entered into by the Group. For the details of the impairment of property, plant and equipment and right-of-use assets, please refer to note 17.

(ii) Incremental borrowing rate of leases

The Group applies incremental borrowing rate as the discount rate of lease liabilities, which require financing spread adjustments and lease specific adjustments based on the relevant market rates. The assessments of the adjustments in determining the discount rates involved management's judgement, which may significantly affect the amount of lease liabilities and right-of-use assets.

(iii) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. These estimates are based on the current market conditions, inventory ageing, condition of inventories, historical experience of selling products of a similar nature and current sales information, as well as different market factors impacting the selling price of these inventories. Management reassesses these estimations at the end of reporting period to ensure inventory is stated at the lower of cost and net realisable value. During the year, the provision for and write down of inventories of approximately HK$5,283,000 (2024: HK$7,894,000) was recognised in profit or loss.

(iv) Income taxes

Determining income tax provisions involves significant judgement in determining the amount of the provision and the timing of payment. There are many transactions and calculations for which the ultimate tax expense is uncertain during the ordinary course of business. The Group recognises taxes based on estimates of the likely outcome with reference to current tax laws and practices. Where the final tax outcome of these transactions is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made. Deferred tax assets relating to certain deductible temporary differences and tax losses will be recognised when management considers it is probable that future taxable profit will be available against which the deductible temporary differences or tax losses can be utilised. Where the expectation is different from the originally estimate, such differences will impact the income tax expense in the period in which such estimate is changed.

4. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the Group's top management including executive directors and chief executive for their decisions about resources allocation to the Group's business components and for their review of these components' performance. The business components in the internal financial information reported to the top management are determined according to the Group's major product and service lines.

Based on the above, the Group's top management determined that the Group has only one single reportable segment, which is retailing, bullion trading and diamond wholesaling. Accordingly, no separate segment of analysis is presented.

No geographical information was presented for the years ended 31 March 2024 and 2025 respectively as more than 90% of the Group's revenue was derived from activities in Hong Kong (place of domicile). Also, most of the Group's non-current assets are located in Hong Kong.

For the years ended 31 March 2024 and 2025 respectively, no revenue from a single customer accounted for 10% or more of the total revenue of the Group.

5. REVENUE

The Group is principally engaged in gold ornament, jewellery, watch and gift retailing, bullion trading and diamond wholesaling. Revenue of the Group recognised during the year comprised the following:

	2025 **HK$'000**	2024 HK$'000
Revenue from contracts with customers:		
Gold ornament, jewellery, watch and gift retailing	**788,641**	733,364
Bullion trading	**97,114**	39,863
Diamond wholesaling	**236**	2,346
Total revenue	**885,991**	775,573
Timing of revenue recognition:		
At a point in time	**885,991**	775,573

6. OTHER GAINS AND INCOME

	2025 **HK$'000**	2024 HK$'000
Dividend income	**41**	35
Fair value change of investments at fair value through profit or loss	**21**	–
Gain on release of exchange reserve upon liquidation of a subsidiary	**–**	2,319
Interest income from debt instruments at fair value through other comprehensive income	**1,298**	–
Interest income from financial assets at amortised cost	**16,937**	17,031
Interest income from rental deposits	**833**	686
Rental income on investment properties	**1,075**	1,220
Others	**86**	609
	20,291	21,900

7. OTHER OPERATING EXPENSES

	2025 HK$'000	2024 HK$'000
Fair value change of investments at fair value through profit or loss	–	27
Foreign exchange differences, net	495	394
Loss arising from termination of a lease	–	17
Loss on write off/disposal of property, plant and equipment	45	17
	540	455

8. FINANCE COSTS

	2025 HK$'000	2024 HK$'000
Interest charges on:		
Gold loan	1,400	690
Lease liabilities	3,393	3,459
	4,793	4,149

9. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	2025 HK$'000	2024 HK$'000
Auditors' remuneration	850	844
Cost of inventories sold, including	610,030	533,645
— provision for and write down of inventories to net realisable value	5,283	7,894
Depreciation of investment properties	71	72
Depreciation of property, plant and equipment	4,887	4,006
Depreciation of right-of-use assets	34,561	30,763
Outgoings in respect of investment properties	233	320
Rental expenses for variable lease payments	–	17
Rental expenses on short term lease in respect of car parking space	67	19
Rental expenses on short term lease in respect of furniture and fixtures	1	1

10. TAXATION

	2025 HK$'000	2024 HK$'000
Deferred tax — Hong Kong, net (note 11)	**12,400**	2,600
Taxation credit	**12,400**	2,600

No Hong Kong profits tax has been provided for the years ended 31 March 2024 and 2025 respectively as the Group has sufficient tax loss brought forward to set off against the estimated assessable profit.

No overseas profits tax has been provided for the years ended 31 March 2024 and 2025 respectively as the Group has no estimated assessable profit.

Reconciliation between accounting profit and taxation credit at applicable tax rates is as follows:

	2025 HK$'000	2024 HK$'000
Profit before taxation	**75,866**	82,591
Tax on profit before taxation, calculated at the rates applicable to profit in the relevant tax jurisdictions	**12,435**	13,549
Tax effect of non-taxable income	**(3,563)**	(3,265)
Tax effect of non-deductible expenses	**846**	242
Temporary differences not recognised	**100**	(223)
Tax losses not recognised	**794**	501
Tax effect of prior years' unrecognised tax losses utilised this year	**(10,612)**	(10,804)
Recognition of previously unrecognised deferred tax assets	**(12,400)**	(2,600)
Taxation credit	**(12,400)**	(2,600)

11. DEFERRED TAX ASSETS

The following are the major deferred tax assets recognised by the Group and movements thereon during the year:

Tax losses	2025 HK$'000	2024 HK$'000
At the beginning of the year	2,600	–
Utilised and charged to profit or loss for the year upon utilisation of tax losses (note 10)	(2,600)	–
Credit to profit or loss for the year (note 10)	15,000	2,600
At the end of the year	15,000	2,600

The Group has tax losses arising in Hong Kong of HK$224,910,000 (2024: HK$286,963,000) that are available indefinitely and tax losses arising in the PRC of HK$18,753,000 (2024: HK$4,065,000) that will expire in 1 to 5 years, for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets of approximately HK$15,000,000 (2024: HK$2,600,000) have been recognised in respect of tax losses of approximately HK$90,909,000 (2024: HK$15,758,000) where the Directors believe it is probable that these assets will be recovered.

No deferred tax assets have been recognised in respect of remaining tax losses due to the unpredictability of future profit streams against which the tax losses can be utilised.

At the end of the reporting period, the Group has deductible temporary differences of HK$26,075,000 (2024: HK$24,299,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

12. DIVIDENDS

	2025 HK$'000	2024 HK$'000
Dividends recognised as distribution during the year:		
2023/24 final dividend of HK2.6 cents (2022/23 final dividend: HK2.0 cents) per ordinary share	23,642	18,186
2023/24 special dividend of Nil (2022/23 special dividend: HK8.0 cents) per ordinary share	–	72,745
2024/25 interim dividend of HK0.4 cent (2023/24 interim dividend: HK0.4 cent) per ordinary share	3,637	3,637
	27,279	94,568

At a meeting held on 27 June 2025, the Board of Directors recommended a final dividend of HK2.6 cents (2024: HK2.6 cents) per ordinary share for the year ended 31 March 2025 which are subject to approval by the shareholders of the Company at the forthcoming annual general meeting (the "AGM"). The proposed final dividend is not reflected as dividend payable as at 31 March 2025 in these consolidated financial statements.

13. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the consolidated profit for the year attributable to owners of the Company of HK$88,288,000 (2024: HK$85,205,000) and the weighted average number of 909,308,465 (2024: 909,326,908) ordinary shares in issue during the year, calculated as follows:

	2025 HK$'000	2024 HK$'000
Profit attributable to owners of the Company	**88,288**	85,205

	2025	2024
Weighted average number of ordinary shares		
Issued ordinary shares at 1 April	**909,308,465**	909,358,465
Effect of ordinary shares repurchased and cancelled (note)	**–**	(31,557)
Weighted average number of ordinary shares at 31 March	**909,308,465**	909,326,908

Note: No ordinary share was repurchased and cancelled during the year ended 31 March 2025. The weighted average number of ordinary shares outstanding during the year ended 31 March 2024 was adjusted for the effect of 50,000 ordinary shares repurchased and cancelled multiplied by a time-weighting factor.

(b) Diluted earnings per share

Diluted earnings per share and basic earnings per share for the years ended 31 March 2024 and 2025 respectively are the same as there were no dilutive potential ordinary shares in issue during both years.

14. EMPLOYEE BENEFIT EXPENSE

	2025 HK$'000	2024 HK$'000
Wages, salaries and other benefits	**81,676**	72,367
Pension costs — defined contribution retirement schemes	**2,416**	2,387
Provision for long service payments (note 29)	**462**	2,044
Reversal of provision for long service payments (note 29)	**(397)**	(19)
	84,157	76,779

Employee benefit expense as shown above includes directors' and chief executives' emoluments (note 15).

15. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS AND MATERIAL INTERESTS OF DIRECTORS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Directors' and chief executives' emoluments disclosed pursuant to section 383 of the Hong Kong Companies Ordinance and the Companies (Disclosure of Information about Benefits of the Directors) Regulation (Cap. 622G) are as follows:

	Directors' fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Pension costs — defined contribution retirement schemes HK$'000	Total HK$'000
2025				
Executive directors				
Mr. Tang Yat Sun, Richard	180	7,200	18	7,398
Dr. Fung Yuk Bun, Patrick	180	760	–	940
Mr. Wong Wei Ping, Martin (passed away on 17 August 2024)	54	289	–	343
Non-executive directors				
Mr. Ho Hau Hay, Hamilton	140	60	–	200
Ms. Veronica Ho	170	60	–	230
Mr. Kung Lin Cheong Leo (appointed on 29 July 2024)	94	41	–	135
Independent non-executive directors				
Mr. Cheng Kar Shing, Peter	180	60	–	240
Mr. Sin Nga Yan, Benedict	190	60	–	250
Mr. Cheng Kwok Shing, Anthony	460	60	–	520
Ms. Hou Tan Tan Danielle	160	60	–	220
Chief executives				
Ms. Ng Wing Han, Winnie (appointed on 2 May 2024)	–	4,104	17	4,121
Ms. Sum Mei Lin (resigned on 1 May 2024)	–	227	2	229
	1,808	12,981	37	14,826

15. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS AND MATERIAL INTERESTS OF DIRECTORS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS (Continued)

	Directors' fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Pension costs — defined contribution retirement schemes HK$'000	Total HK$'000
2024				
Executive directors				
Mr. Tang Yat Sun, Richard	160	6,226	18	6,404
Dr. Fung Yuk Bun, Patrick	160	625	–	785
Mr. Wong Wei Ping, Martin	120	625	–	745
Non-executive directors				
Mr. Ng Ming Wah, Charles (retired by rotation at the AGM on 7 September 2023)	66	–	–	66
Mr. Ho Hau Hay, Hamilton (re-designated as a non-executive director on 24 April 2023)	120	25	–	145
Ms. Veronica Ho (appointed on 24 April 2023)	127	25	–	152
Independent non-executive directors				
Mr. Cheng Kar Shing, Peter	160	25	–	185
Mr. Sin Nga Yan, Benedict	170	25	–	195
Mr. Cheng Kwok Shing, Anthony	420	25	–	445
Ms. Hou Tan Tan Danielle	130	25	–	155
Chief executive				
Ms. Sum Mei Lin	–	4,104	18	4,122
	1,633	11,730	36	13,399

During the year, no emoluments were paid by the Group to the directors/chief executive as an inducement to join or upon joining the Group, or as compensation for loss of office (2024: Nil).

None of the other directors/chief executive has waived or agreed to waive any emoluments for the year ended 31 March 2025 (2024: Nil).

In August 2024, the Company entered into two lease agreements with Stanwick Properties Limited ("Stanwick") which is a wholly owned subsidiary of YCSEL for the lease of the fittings, furniture and appliances at 3rd Floor, telephone sets/sockets and Basement and Ground Floor, Mezzanine Floor, 3rd Floor, 5th Floor, 7th Floor to 10th Floor of the premises in King Fook Building, 30–32 Des Voeux Road Central, Hong Kong. The Directors are of the opinion that the rental was determined with reference to the market prices and the lease period of 1 year.

Moreover, the Company entered into a licence agreement dated 7 December 1998 (the "Licence Agreement") with YCSEL to obtain an exclusive right for the design, manufacture and distribution of gold and jewellery products under the trademark of "King Fook" on a worldwide basis for a total consideration of HK$1. The Licence Agreement commenced from 7 December 1998 and may be terminated by any party by giving 3 months' written notice to the counterparty.

Except as disclosed above, no transactions, arrangements or contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company or an entity connected with a director had a material interest, whether directly or indirectly, were entered into or subsisted during or at the end of the financial year.

16. FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT'S EMOLUMENTS

The 5 individuals whose emoluments were the highest in the Group for the year included 1 director and 1 chief executive (2024: 1 director and 1 chief executive) whose emoluments are reflected in the analysis as presented in note 15. The emoluments of the remaining 3 (2024: 3) highest paid individuals are as follows:

	2025	2024
	HK$'000	HK$'000
Salaries, allowances and benefits in kind	**7,415**	7,066
Pension costs — defined contribution retirement schemes	**187**	173
	7,602	7,239

The emoluments of the remaining 3 (2024: 3) highest paid individuals, fell within the following emolument bands:

	Number of individuals	
	2025	2024
HK$1,500,001 — HK$2,000,000	**1**	1
HK$2,000,001 — HK$2,500,000	**–**	1
HK$2,500,001 — HK$3,000,000	**1**	1
HK$3,000,001 — HK$3,500,000	**1**	–

During the year, no emoluments were paid by the Group to the 5 highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office (2024: Nil).

The emoluments of the members of senior management excluding directors (executive and non-executive) and chief executive, fell within the following emolument bands:

	Number of individuals	
	2025	2024
HK$2,000,001 — HK$2,500,000	**–**	1
HK$2,500,001 — HK$3,000,000	**1**	1
HK$3,000,001 — HK$3,500,000	**1**	–

17. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Plant and machinery, furniture and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
At 31 March 2023 and 1 April 2023				
Cost	24,224	10,144	656	35,024
Accumulated depreciation	(8,623)	(6,232)	(656)	(15,511)
Impairment loss	(12,627)	(2,146)	–	(14,773)
Net book amount	2,974	1,766	–	4,740
Net book amount				
At 1 April 2023	2,974	1,766	–	4,740
Additions	8,465	916	125	9,506
Write off/disposals	(9)	(8)	–	(17)
Depreciation	(3,549)	(451)	(6)	(4,006)
Exchange differences	–	(1)	–	(1)
At 31 March 2024	7,881	2,222	119	10,222
At 31 March 2024 and 1 April 2024				
Cost	**32,032**	**10,740**	**781**	**43,553**
Accumulated depreciation	**(11,524)**	**(6,377)**	**(662)**	**(18,563)**
Impairment loss	**(12,627)**	**(2,141)**	**–**	**(14,768)**
Net book amount	**7,881**	**2,222**	**119**	**10,222**
Net book amount				
At 1 April 2024	**7,881**	**2,222**	**119**	**10,222**
Additions	**4,121**	**668**	**–**	**4,789**
Write off/disposals	**–**	**(45)**	**–**	**(45)**
Depreciation	**(4,307)**	**(561)**	**(19)**	**(4,887)**
Impairment loss	**(3,338)**	**(351)**	**–**	**(3,689)**
At 31 March 2025	**4,357**	**1,933**	**100**	**6,390**
At 31 March 2025				
Cost	**33,551**	**11,105**	**781**	**45,437**
Accumulated depreciation	**(15,449)**	**(6,829)**	**(681)**	**(22,959)**
Impairment loss	**(13,745)**	**(2,343)**	**–**	**(16,088)**
Net book amount	**4,357**	**1,933**	**100**	**6,390**

Depreciation expense of HK$4,638,000 (2024: HK$3,755,000) was included in distribution and selling costs and HK$249,000 (2024: HK$251,000) was included in administrative expenses for the year ended 31 March 2025.

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

Due to the on-going weak consumer sentiment on certain jewellery and watches, some of the Group's retail stores fell short of the expected performance which was considered to be an impairment indicator. The Group had performed an impairment assessment on property, plant and equipment and right-of-use assets (note 18) in accordance with HKAS 36, *Impairment of Assets*. Based on the assessment, provision for impairment losses on right-of-use assets of HK$7,575,000 (2024: HK$8,831,000) (note 18) and property, plant and equipment of HK$3,689,000 (2024: Nil) were recognised and charged to the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2025. The impairment provision was made against a renewal of lease agreement on one CGU representing a retail store, which was entered into during the year. The recoverable amounts of these property, plant and equipment and right-of-use assets using value-in-use calculation were determined by the discounted cash flows generated from each of the retail stores based on the management budget plan covering a three-year period and a pre-tax discount rate of 10% (2024: 10%), with major assumptions such as change in revenue (based on projected sales estimated by management which is dependent on the historical sale pattern, gross profit and product mix), change in operating cost (based on historical information and estimated changes related to the Group's various cost saving measures and central administration cost absorption) and change in gross profit and product mix (based on the historical data and adjusted for the possible changes in gross profit and product mix due to the change in market and operational environment).

18. LEASES

Nature of leasing activities

The Group has obtained the right to use properties and furniture and equipment as its office premises and retail stores under non-cancellable operating lease agreements, which comprise of fixed payments and variable payments that are based on sales over the lease terms.

Variable lease payments

For the year ended 31 March 2024, lease of certain retail stores includes fixed lease payments and variable lease payments that are based on 4.5% to 15.0% of monthly sales and such payments are settled monthly. The payment terms are common in the retail stores where the Group operates. The amounts of fixed and variable lease payments paid/payable to certain relevant lessors for the year ended 31 March 2024 were:

	Number of store	Fixed payments HK$'000	Variable payments HK$'000	Total payments HK$'000
Retail stores with variable payments	1	4,692	17	4,709

The overall financial effect of using variable payment terms is that higher rental costs are incurred by stores with higher sales. No variable lease payment was paid/payable for the year ended 31 March 2025.

18. LEASES (Continued)

Right-of-use assets

The analysis of the net book value of the Group's right-of-use assets by class of underlying asset at the end of the reporting period is as follows:

	2025	2024
	HK$'000	HK$'000
Properties	**43,281**	30,691
Furniture and equipment	**682**	884
	43,963	31,575

During the year, additions of right-of-use assets of HK$10,407,000 (2024: HK$10,766,000) represented the capitalised lease payments payable under new lease agreements.

Movement of right-of-use assets during the year is as follows:

	Properties	**Furniture and equipment**	**Total**
	HK$'000	**HK$'000**	**HK$'000**
As at 1 April 2023	22,298	1,702	24,000
Additions	10,766	–	10,766
Depreciation	(29,961)	(802)	(30,763)
Impairment loss (note 17)	(8,831)	–	(8,831)
Lease modifications	36,419	–	36,419
Loss arising from termination of a lease	–	(16)	(16)
As at 31 March 2024 and 1 April 2024	**30,691**	**884**	**31,575**
Additions	**10,407**	**–**	**10,407**
Depreciation	**(33,752)**	**(809)**	**(34,561)**
Impairment loss (note 17)	**(7,575)**	**–**	**(7,575)**
Lease modifications	**43,510**	**607**	**44,117**
As at 31 March 2025	**43,281**	**682**	**43,963**

18. LEASES (Continued)

Lease liabilities

The remaining contractual maturities of the Group's lease liabilities at the end of the reporting period are as follows:

	2025		2024	
	Present value of the minimum lease payments HK$'000	**Total minimum lease payments HK$'000**	Present value of the minimum lease payments HK$'000	Total minimum lease payments HK$'000
Within 1 year	**33,695**	**34,979**	31,000	33,037
After 1 year but within 2 years	**19,887**	**22,406**	9,711	10,190
After 2 years but within 5 years	**1,926**	**2,284**	2,563	2,630
	55,508	**59,669**	43,274	45,857
Less: Total future interest charges		**(4,161)**		(2,583)
Present value of lease liabilities		**55,508**		43,274

The present value of future lease payments is analysed as follows:

	2025 HK$'000	2024 HK$'000
Current liabilities	**31,889**	31,000
Non-current liabilities	**23,619**	12,274
	55,508	43,274

19. INVESTMENT PROPERTIES

	2025 HK$'000	2024 HK$'000
At the beginning of the year		
Gross carrying amount	**3,759**	3,759
Accumulated depreciation	**(3,015)**	(2,943)
Net carrying amount	**744**	816
Opening net carrying amount	**744**	816
Depreciation	**(71)**	(72)
Closing net carrying amount	**673**	744
At the end of the year		
Gross carrying amount	**3,759**	3,759
Accumulated depreciation	**(3,086)**	(3,015)
Net carrying amount	**673**	744

The Group's investment properties, which are land and buildings held under leasehold interest, are situated in Hong Kong.

The fair value of the Group's investment properties at 31 March 2025 was approximately HK$48,020,000 (2024: HK$52,360,000) which was arrived on the basis of a valuation performed by BMI Appraisals Limited, an independent qualified valuer. Valuation was estimated based on the properties' open market value with reference to the market evidence of prices for comparable properties at the end of reporting period.

The fair value of investment properties is a level 3 recurring fair value measurement.

Fair value is determined by applying the sale comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as age, time, location, floor level of property and other relevant factors.

There were no changes to the valuation techniques during the year.

The fair value measurement is based on the above properties' highest and best use, which does not differ from their actual use.

20. INVESTMENTS AND DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Notes	**2025 HK$'000**	2024 HK$'000
Unlisted equity securities	*(i)*	**2,380**	706
Listed debt instruments	*(ii)*	**31,772**	–
Unlisted debt instrument	*(iii)*	**15,534**	–
		47,306	–

Notes:

(i) Financial assets measured at FVTOCI represented equity investments that is not held for trading. The Group has made an irrevocable election to classify the equity investments at FVTOCI rather than through profit or loss because this is considered to be more appropriate for these strategic investments.

The fair values of these investments at 31 March 2024 and 2025 were determined by the Directors. Details of the fair value measurements are set out in note 38.7.

(ii) Details of the listed debt instruments are as follows:

Bond issuer	**Guarantor**	**Seniority**	**Bond currency**	**Annual coupon rate**	**Maturity date**	**As at 31 March 2025 HK$'000**
CK Hutchison International (24) Limited	CK Hutchison Holdings Limited	Senior unsecured	United States Dollars ("US$")	5.375%	26 April 2029	15,923
Swire Pacific MTN Financing (HK) Limited	Swire Pacific Limited	Senior unsecured	US$	5.125%	5 July 2029	15,849

During the year, the Group had fair value gain on listed debt instruments of approximately HK$480,000 (2024: Nil) recognised in other comprehensive income. Details of the fair value measurements are set out in note 38.7.

These investments are subject to financial risk exposure in terms of price risk and foreign currency risk.

(iii) Details of the unlisted debt instrument is as follows:

Issuer	**Seniority**	**Currency**	**Annual coupon rate**	**Maturity date**	**As at 31 March 2025 HK$'000**
Industrial and Commercial Bank of China (Macau) Limited	Senior unsecured	US$	4.300%	28 May 2025	15,534

During the year, the Group purchased the above certificate of deposit of approximately US$2,000,000 from the bank with an initial maturity period of 3 months, which is classified as unlisted debt instrument at FVTOCI as at 31 March 2025 with the carrying amount of HK$15,534,000. The certificate of deposit could be traded in markets.

Subsequent to the end of the reporting period, the certificate of deposit matured, and the Group has received the principal and interest of the certificate of deposit in full.

During the year, the Group had fair value loss on unlisted debt instrument of approximately HK$19,000 (2024: Nil) recognised in other comprehensive income. Details of the fair value measurements are set out in note 38.7.

The investment is subject to financial risk exposure in terms of price risk and foreign currency risk.

21. OTHER ASSET

	2025 HK$'000	2024 HK$'000
Membership licence, at cost	**356**	356

Membership licence is carried at cost less any impairment. It represented cost of membership at Hong Kong Gold Exchange Limited.

22. DEBTORS, DEPOSITS AND PREPAYMENTS

	Notes	**2025 HK$'000**	2024 HK$'000
Current			
Trade debtors	*(i)*	**13,887**	8,047
Other receivables	*(ii)*	**3,828**	5,198
Rental deposits		**5,576**	6,409
Other deposits		**1,024**	1,503
Prepayments		**1,504**	3,153
		25,819	24,310
Non-current			
Rental deposits		**6,401**	7,148
		32,220	31,458

Notes:

(i) **Trade debtors**

	2025 HK$'000	2024 HK$'000
Gross carrying amount	**13,887**	8,047
Less: Provision for impairment loss	**–**	–
Trade debtors – net	**13,887**	8,047

Trade debtors are normally due within 1 month. The management of the Group considered that the fair values of trade debtors are not materially different from their carrying amounts because these amounts have short maturity periods at inception.

At the end of each reporting period, the Group reviews receivables for evidence of impairment on both individual and collective basis. Based on the Group's assessment (note 38.2), the loss allowance of ECLs was immaterial and no loss allowance was recognised at 31 March 2024 and 2025. Also, the Group has determined that none of the trade debtors were individually impaired (2024: Nil).

As a result, no loss allowance for ECLs was recognised during the year (2024: Nil).

22. DEBTORS, DEPOSITS AND PREPAYMENTS (Continued)

Notes: (Continued)

(i) Trade debtors (Continued)

At 31 March, the ageing analysis of trade debtors, based on invoice date, was as follows:

	2025 HK$'000	2024 HK$'000
Within 30 days	**13,037**	7,742
31 — 90 days	**161**	272
More than 90 days	**689**	33
	13,887	8,047

(ii) Other receivables

The management of the Group considered that the fair values of other receivables are not materially different from their carrying amounts because these amounts have short maturity periods at inception.

23. INVENTORIES

	2025 HK$'000	2024 HK$'000
Jewellery	**231,858**	227,944
Gold ornament	**77,160**	56,949
Gold bullion	**2,646**	2,175
Watch and gift	**108,554**	127,911
	420,218	414,979

As at 31 March 2025, the fair value less costs to sell of gold bullion was approximately HK$2,646,000 (2024: HK$2,175,000).

24. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025	2024
	HK$'000	HK$'000
Equity securities		
Listed in Hong Kong	**–**	146

The above investments are classified as held for trading.

Fair values of the listed equity securities have been determined by reference to their quoted bid prices at the end of reporting period.

Movements in investments at FVTPL are presented within the section of operating activities as part of changes in working capital in the consolidated statement of cash flows.

Changes in fair value of investments at FVTPL are recorded in other gains and income and other operating expenses in the consolidated statement of profit or loss and other comprehensive income.

These investments are subject to financial risk exposure in terms of price risk.

25. TIME DEPOSITS

	2025	2024
	HK$'000	HK$'000
Time deposits with original maturity over 3 months	**161,377**	193,299

The effective interest rates on the time deposits with original maturity over 3 months were ranged from 3.35% to 4.87% (2024: 4.30% to 5.50%) per annum. These deposits had a maturity period of 152 to 367 days (2024: 122 to 185 days).

The management of the Group considered that the fair value of the time deposits is not materially different from its carrying amount.

26. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

	2025	2024
	HK$'000	HK$'000
Cash at banks and in hand	**74,599**	20,935
Cash at a financial institution	**527**	357
Short term bank deposits	**201,647**	209,939
	276,773	231,231

The cash balances at banks and financial institution bore interest at floating rates based on daily bank deposit rates.

The effective interest rates of short term bank deposits as at 31 March 2025 were ranged from 2.85% to 4.25% (2024: 4.30% to 5.57%) per annum. These deposits had original maturity period within 3 months (2024: 3 months).

The management of the Group considered that the fair value of the short term bank deposits is not materially different from its carrying amount because of the short maturity period at inception.

Included in cash and cash equivalents of the Group were balances of HK$4,342,000 (2024: HK$492,000) denominated in Renminbi ("RMB") placed with banks in the PRC. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

27. TRADE PAYABLES, DEPOSITS RECEIVED AND OTHER PAYABLES

	Notes	2025 HK$'000	2024 HK$'000
Trade payables	*(i)*	**16,806**	17,732
Other payables		**1,370**	2,666
Accruals and provisions		**21,504**	18,389
Contract liabilities	*(ii)*	**4,133**	3,720
Deposits received		**6,697**	16,142
		50,510	58,649

Trade payables, other payables and accruals and provisions are short term in nature and hence their carrying values are considered to be a reasonable approximation of their fair values.

Notes:

(i) Trade payables

At 31 March, the ageing analysis of trade payables, based on invoice date, was as follows:

	2025 HK$'000	2024 HK$'000
Within 30 days	**16,538**	17,257
31 — 90 days	**268**	475
	16,806	17,732

(ii) Contract liabilities

Movements in contract liabilities are as follows:

	2025 HK$'000	2024 HK$'000
At the beginning of the year	**3,720**	2,823
Decrease as a result of recognising revenue during the year	**(1,949)**	(1,368)
Increase as a result of receiving deposits from customers	**446**	399
Increase as a result of recognising of loyalty program due to customers	**1,916**	1,866
At the end of the year	**4,133**	3,720

The contract liabilities mainly relate to the advance consideration received from customers and the Group's customer loyalty program. Contract liabilities of HK$1,949,000 (2024: HK$1,368,000) at the beginning of the year has been recognised as revenue for the year ended 31 March 2025 from performance obligations satisfied when the goods were sold during the year.

As at 31 March 2024 and 2025, the aggregated amount of unsatisfied or partially unsatisfied performance obligations under the Group's existing contracts was approximately HK$4,133,000 (2024: HK$3,720,000). This amount represents revenue expected to be recognised in the future when such performance obligation is satisfied, which is expected to occur in the next 12 to 24 months.

The customer loyalty points have an expiration up to 2 years and can be redeemed anytime at customers' discretion. The amounts disclosed above represent the Group's expectation on the timing of redemption made by customers. These amounts disclosed above do not include transaction price allocated to performance obligations which have been satisfied but not yet recognised due to variable consideration constraint.

28. GOLD LOAN

	2025 HK$'000	2024 HK$'000
Gold loan, unsecured, at fair value		
Repayable within 1 year	**80,322**	58,109

At 31 March 2025, gold loan was denominated at US$ and bore interest at fixed rate of 2.2% (2024: 2.0%) per annum, which was the effective interest rate.

Fair value of the gold loan has been determined by reference to its quoted bid price at the end of the reporting period.

Corporate guarantees are given by the Company for the Group's banking facilities, including the gold loan.

Gold loan is subject to financial risk exposure in terms of price risk and foreign currency risk.

29. PROVISION FOR LONG SERVICE PAYMENTS

	2025 HK$'000	2024 HK$'000
At the beginning of the year	**2,000**	66
Provision	**462**	2,044
Reversal	**(397)**	(19)
Payment	**(23)**	(91)
At the end of the year	**2,042**	2,000

At 31 March 2024 and 2025, the balances represent the provision for entitlements of the Group's employees to long service payments ("LSP") on termination of their employment, which are not fully covered by the Group's provident fund schemes.

Pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay LSP to qualifying employees in Hong Kong upon retirement, subject to a minimum of 5 years employment period, based on the following formula:

Last monthly wages (before termination of employment) x 2/3 x Years of service

Last monthly wages are capped at HK$22,500 while the amount of LSP shall not exceed HK$390,000. This obligation is accounted for as a post-employment defined benefit plan.

29. PROVISION FOR LONG SERVICE PAYMENTS (Continued)

Furthermore, the MPFSO passed in 1995 permits the Group to utilise the Group's MPF contributions, plus/minus any positive/negative returns thereof (collectively, the "Eligible Offset Amount"), for the purpose of offsetting LSP payable to an employee (the "Offsetting Arrangement"). The LSP obligation, if any, is presented on a net basis.

The Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance") was gazetted on 17 June 2022, which will eventually abolish the Offsetting Arrangement. The Government of the Hong Kong Special Administrative Region ("HKSAR") has subsequently announced that the Amendment Ordinance will come into effect in 2025 (the "Transition Date"). Under the Amendment Ordinance, the Eligible Offset Amount after the Transition Date can only be applied to offset the pre-Transition Date LSP obligation but no longer eligible to offset the post-Transition Date LSP obligation. Furthermore, the LSP obligations before the Transition Date will be grandfathered and calculated based on the last monthly salary immediately preceding the Transition Date. In November 2024, the Government of the HKSAR approved the commitment for the implementation of a 25-year scheme to provide a subsidy for employers' costs in relation to the post-transition portion of the LSP.

The Amendment Ordinance takes effect from 1 May 2025.

30. SHARE CAPITAL

Issued share capital

	2025 **HK$'000**	2024 HK$'000
Issued and fully paid:		
909,308,465 (2024: 909,308,465) ordinary shares	**393,354**	393,354

	Number of ordinary shares		Share capital	
	2025	2024	**2025** **HK$'000**	2024 HK$'000
Issued and fully paid:				
At the beginning of the year	**909,308,465**	909,358,465	**393,354**	393,354
Ordinary shares repurchased and cancelled	**–**	(50,000)	**–**	–
At the end of the year	**909,308,465**	909,308,465	**393,354**	393,354

31. RESERVES

The amount of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

The capital reserve account of the Group includes negative goodwill arising on acquisitions of subsidiaries before 1 April 2001 which represented the excess of the fair value of the Group's share of the net assets acquired over the cost of the acquisitions.

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of profit before taxation to operating profit before working capital changes is as follows:

	2025	2024
	HK$'000	HK$'000
Profit before taxation	**75,866**	82,591
Depreciation of investment properties	**71**	72
Depreciation of property, plant and equipment	**4,887**	4,006
Depreciation of right-of-use assets	**34,561**	30,763
Dividend income	**(41)**	(35)
Fair value change of investments at fair value through profit or loss	**(21)**	27
Fair value loss on gold loan designated at fair value through profit and loss	**22,213**	8,158
Gain on release of exchange reserve upon liquidation of a subsidiary	**–**	(2,319)
Interest charges	**4,793**	4,149
Interest income	**(19,068)**	(17,717)
Loss arising from termination of a lease	**–**	17
Loss on write off/disposal of property, plant and equipment	**45**	17
Provision for and write down of inventories to net realisable value	**5,283**	7,894
Provision for impairment loss on property, plant and equipment	**3,689**	–
Provision for impairment loss on right-of-use assets	**7,575**	8,831
Provision for long service payments	**462**	2,044
Reversal of provision for long service payments	**(397)**	(19)
Operating profit before working capital changes	**139,918**	128,479

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) 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 statement of cash flows as cash flows from financing activities.

	Lease liabilities HK$'000	Gold loan HK$'000	Interest payables HK$'000	Dividend payables HK$'000	Total HK$'000
As at 1 April 2023	40,782	–	–	–	40,782
Changes from cash flows:					
Proceeds from gold loan	–	52,797	–	–	52,797
Repayment of gold loan	–	(2,846)	–	–	(2,846)
Payment of principal element of lease liabilities	(43,715)	–	–	–	(43,715)
Interest paid on gold loan	–	–	(600)	–	(600)
Payment of interest element of lease liabilities	(3,459)	–	–	–	(3,459)
Dividends paid	–	–	–	(94,228)	(94,228)
Total changes from cash flows	(47,174)	49,951	(600)	(94,228)	(92,051)
Other non-cash flow changes:					
Additions	10,550	–	–	–	10,550
Lease modification	35,656	–	–	–	35,656
Loss arising from termination of a lease	1	–	–	–	1
Change in fair value of gold loan	–	8,158	–	–	8,158
Interest incurred	3,459	–	690	–	4,149
Dividends declared	–	–	–	94,568	94,568
Total other non-cash flow changes	49,666	8,158	690	94,568	153,082
As at 31 March 2024	43,274	58,109	90	340	101,813
As at 1 April 2024	**43,274**	**58,109**	**90**	**340**	**101,813**
Changes from cash flows:					
Payment of principal element of lease liabilities	**(41,163)**	**–**	**–**	**–**	**(41,163)**
Interest paid on gold loan	**–**	**–**	**(1,216)**	**–**	**(1,216)**
Payment of interest element of lease liabilities	**(3,393)**	**–**	**–**	**–**	**(3,393)**
Dividends paid	**–**	**–**	**–**	**(27,182)**	**(27,182)**
Total changes from cash flows	**(44,556)**	**–**	**(1,216)**	**(27,182)**	**(72,954)**
Other non-cash flow changes:					
Additions	**10,147**	**–**	**–**	**–**	**10,147**
Lease modification	**43,250**	**–**	**–**	**–**	**43,250**
Change in fair value of gold loan	**–**	**22,213**	**–**	**–**	**22,213**
Interest incurred	**3,393**	**–**	**1,400**	**–**	**4,793**
Dividends declared	**–**	**–**	**–**	**27,279**	**27,279**
Total other non-cash flow changes	**56,790**	**22,213**	**1,400**	**27,279**	**107,682**
As at 31 March 2025	**55,508**	**80,322**	**274**	**437**	**136,541**

Interest payables and dividend payables are included in trade payables, deposits received and other payables presented in the consolidated statement of financial position.

33. FUTURE OPERATING LEASE RECEIVABLES

At 31 March, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases in respect of investment properties are as follows:

	2025 HK$'000	2024 HK$'000
Within 1 year	**994**	840
After 1 year but within 2 years	**49**	676
	1,043	1,516

The Group leases out its investment properties under operating lease arrangements which run for an initial period of 1 to 3 years (2024: 2 to 3 years), with option for tenants to renew the lease term at the expiry date.

34. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions disclosed elsewhere in these consolidated financial statements, the Group had the following material transactions with related parties during the year:

	Notes	2025 HK$'000	2024 HK$'000
Management fees and air-conditioning charges paid to Stanwick	*(i)*	**1,096**	1,096
Sale of goods to:	*(ii)*		
Directors		**1,420**	1,035
YCSEL		**96**	2
Entities in which certain directors* of the Company have beneficial interests:	*(iii)*		
Purchase of consumables		**33**	121
Purchase of equipment		**–**	45
Car parking fee		**67**	17

* Some directors also have beneficial interests in the Company.

Notes:

(i) The Group has entered into a number of lease agreements with Stanwick for the use of properties relating to the Basement and Ground Floor, Mezzanine Floor, 3rd (including a flat roof), 5th, 7th, 8th, 9th and 10th Floors of King Fook Building, 30–32 Des Voeux Road Central, Hong Kong and the fittings, furniture and appliances and telephone sets/sockets. In addition to the management fees and air-conditioning charges paid to Stanwick as disclosed, as at 31 March 2025, the Group had recognised lease liabilities and right-of-use assets of approximately HK$3,836,000 (2024: HK$3,836,000) and HK$3,823,000 (2024: HK$1,811,000) for the lease payments of those leases respectively. Total undiscounted lease payments under these lease agreements were approximately HK$10,455,000 (2024: HK$11,789,000) during the year. Stanwick is a wholly owned subsidiary of YCSEL, the ultimate holding company of the Group. These related party transactions were entered into on normal commercial terms.

(ii) It represents sale of gold ornament, jewellery and watch items net of sale discounts to both the Directors and YCSEL for the year. The transactions were carried out on normal commercial terms in the ordinary course of business.

(iii) These related party transactions were entered into on normal commercial terms.

34. RELATED PARTY TRANSACTIONS (Continued)

(b) Compensation of key management personnel

The remuneration of Directors (executive and non-executive) and other members of key management during the year was as follows:

	2025 **HK$'000**	2024 HK$'000
Salaries, allowances and benefits in kind	**20,072**	18,563
Pension costs — defined contribution retirement schemes	**204**	191
	20,276	18,754

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 March 2025 HK$'000	As at 31 March 2024 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**652**	727
Right-of-use assets		**1,262**	1,411
Investments in subsidiaries		**22,023**	22,023
Debt instrument at fair value through other comprehensive income		**15,923**	–
		39,860	24,161
Current assets			
Debtors, deposits and prepayments		**2,427**	3,053
Debt instrument at fair value through other comprehensive income		**15,534**	–
Amounts due from subsidiaries		**513,483**	396,298
Time deposits		**10,500**	157,850
Cash and cash equivalents		**138,240**	66,831
		680,184	624,032
Current liabilities			
Creditors, deposits received and accruals		**14,091**	13,576
Amounts due to subsidiaries		**62,732**	64,994
Lease liabilities		**1,047**	1,038
		77,870	79,608
Net current assets		**602,314**	544,424
Non-current liabilities			
Provision for long service payments		**1,017**	1,017
Lease liabilities		**262**	448
		1,279	1,465
Net assets		**640,895**	567,120
CAPITAL AND RESERVES			
Share capital	*30*	**393,354**	393,354
Other reserve		**110**	–
Retained profits	*36*	**247,431**	173,766
		640,895	567,120

The statement of financial position of the Company was approved and authorised for issue by the Board of Directors on 27 June 2025 and was signed by:

Tang Yat Sun, Richard
Chairman

Fung Yuk Bun, Patrick
Director

36. RETAINED PROFITS OF THE COMPANY

The movement of retained profits of the Company is as follows:

	HK$'000
At 1 April 2023	177,547
Profit for the year	90,816
2022/23 final dividend	(18,186)
2022/23 special dividend	(72,745)
2023/24 interim dividend	(3,637)
Repurchase of ordinary shares	(29)
At 31 March 2024	173,766
At 1 April 2024	**173,766**
Profit for the year	**100,944**
2023/24 final dividend	**(23,642)**
2024/25 interim dividend	**(3,637)**
At 31 March 2025	**247,431**

37. SUBSIDIARIES

Details of subsidiaries as at 31 March 2025 are as follows:

Name	Place/country of incorporation	Particulars of issued capital/registered capital	Percentage of issued capital/registered capital held by		Place of operation and principal activities
			Group	Company	
Guangzhou Free Trade Zone King Fook Gold & Jewellery Company Limited*	PRC	US$1,000,000	100	100	Dormant
King Fook China Resources Limited	Hong Kong	2 ordinary shares of HK$20	100	100	Investment holding in Hong Kong
King Fook Gold & Jewellery Company Limited	Hong Kong	546,750 ordinary shares of HK$54,675,000	100	100	Investment holding and trading in Hong Kong
King Fook Investment Company Limited	Hong Kong	2,500,000 ordinary shares of HK$2,500,000	100	100	Investment holding in Hong Kong
King Fook Jewellery Group Limited	Hong Kong	600,000 ordinary shares of HK$60,000,000	100	100	Gold ornament, jewellery, watch and gift retailing and bullion trading in Hong Kong
King Fook Jewellery Macau Limited	Macau	Macau Patacas 25,000	100	–	Dormant
King Shing Bullion Traders & Finance Company Limited	Hong Kong	60,000 ordinary shares of HK$6,000,000	100	–	Dormant

37. SUBSIDIARIES (Continued)

Name	Place/country of incorporation	Particulars of issued capital/registered capital	Percentage of issued capital/registered capital held by Group	Company	Place of operation and principal activities
King Fook Jewellery (China) Company Limited*	PRC	RMB68,000,000	100	–	Gold ornament, jewellery, watch and diamond retailing and wholesaling in the PRC
King Fook (Shanghai) International Trading Limited#*	PRC	US$500,000	100	–	Gold ornament, jewellery and watch wholesaling in the PRC
Polyview International Limited	Hong Kong	2 ordinary shares of HK$2	100	100	Under deregistration
Trade Vantage Holdings Limited	Hong Kong	2 ordinary shares of HK$2	100	100	Investment trading in Hong Kong
Young's Diamond Corporation (International) Limited	Hong Kong	100,000 ordinary shares of HK$10,000,000	99.05	99.05	Diamond wholesaling in Hong Kong
Young's Diamond Factory Limited	Hong Kong	2,000 ordinary shares of US$20,000	99.05	–	Dormant
Young's Diamond Corporation (Shanghai) Limited#*	PRC	RMB5,355,456	100	96.27	Diamond wholesaling in the PRC

Notes:

\# The names of these subsidiaries represent management's translation of the Chinese names of these companies as no English names have been registered.

* Subsidiaries are wholly foreign owned enterprises in the PRC.

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and investment activities. The financial risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the Group's financial performance. The Board of Directors meets periodically to analyse and formulate strategies to manage the Group's exposure to financial risks. Generally, the Group utilises conservative strategies on its risk management. Except as disclosed in note 38.5 about the commodity price risk, the Group has not used any derivatives or other instruments for hedging purposes. The Group does not issue derivative financial instruments for trading purposes. The most significant financial risks to which the Group is exposed are described below.

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

38.1 Categories of financial assets and liabilities

The carrying amounts presented in the consolidated statement of financial position relate to the following categories of financial assets and financial liabilities:

	2025 HK$'000	2024 HK$'000
Non-current assets		
Investments at fair value through other comprehensive income	**2,380**	706
Debt instruments at fair value through other comprehensive income	**31,772**	–
Financial asset at amortised cost		
Deposits	**6,401**	7,148
	40,553	7,854
Current assets		
Investments at fair value through profit or loss	**–**	146
Debt instrument at fair value through other comprehensive income	**15,534**	–
Financial assets at amortised cost		
Trade debtors	**13,887**	8,047
Other receivables	**3,828**	5,198
Deposits	**6,600**	7,912
Time deposits	**161,377**	193,299
Cash and cash equivalents	**276,773**	231,231
	477,999	445,833
	518,552	453,687
Non-current liability		
Lease liabilities	**23,619**	12,274
Current liabilities		
Financial liability at fair value through profit or loss		
Gold loan	**80,322**	58,109
Financial liabilities at amortised cost		
Trade payables	**16,806**	17,732
Other payables and accruals and provisions	**20,562**	18,764
Lease liabilities	**31,889**	31,000
	149,579	125,605
	173,198	137,879

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

38.2 Credit risk

Credit risk refers to the risk that the counterparties to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of operations and its investing activities.

In order to minimise the credit risk, the management of the Group reviews the recoverable amount of each individual debt periodically and at the end of each reporting period to ensure that adequate impairment loss is made for irrecoverable amounts. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced. The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

The Group measures loss allowances for trade debtors at an amount equal to lifetime ECLs, which is assessed based on individual and collective basis. 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 Group determines the expected loss rate for its trade debtors as follows:

	2025	2024
Current	**0.1%**	0.1%
Past due 90 days or less	**2.3%**	2.2%
Past due for over 90 days and less than 1 year	**2.3%**	2.2%

The Group has assessed that the loss allowance of ECLs was immaterial as at 31 March 2024 and 2025. Accordingly, no loss allowance for trade debtors was recognised as at 31 March 2024 and 2025. There is no significant change in the estimation techniques or significant assumptions made.

Expected loss rate is based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables and the forward looking information.

In respect of short term bank deposits and cash at banks and financial institution balances, the credit risk is limited because majority of the deposits are placed with reputable banks and financial institution.

The credit risks for other receivables and deposits of the Group are considered insignificant as the counterparties have a low risk of default. The Group assessed that the loss allowance of ECLs for the balances are immaterial under the 12 months ECLs method. Accordingly, no loss allowance was recognised as at 31 March 2024 and 2025.

The listed and unlisted debt instruments were held by the well-established banks. These are mainly issued by banks or entities with sound credit rating and management does not expect any investment counterparty to fail to meet its obligations. In this regard, the Group does not expect to incur material credit losses on managing these financial assets.

The Group does not hold any collateral as security or other credit enhancements over the financial assets.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities.

Details of Group's maximum exposures to credit risk on trade debtors, other receivables and deposits refer to note 22.

The credit policies have been consistently applied by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

38.3 Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Most of the Group's transactions are carried out in HK$. Exposures to currency exchange rates arise from the Group's cash and cash equivalents, which are denominated in Swiss Franc ("CHF"), Euro ("EUR"), RMB and US$ and time deposits, debt instruments at FVTOCI (note 20) and gold loan (note 28), which are denominated in US$.

Details of financial assets and liability denominated in foreign currencies as at 31 March, translated into HK$ equivalents at the closing rate, are as follows:

	CHF HK$'000	EUR HK$'000	RMB HK$'000	US$ HK$'000
2025				
Financial assets				
Time deposits	**–**	**–**	**–**	**73,137**
Cash and cash equivalents	**974**	**19**	**14**	**17,714**
Debt instruments at fair value through other comprehensive income	**–**	**–**	**–**	**47,306**
Financial liability				
Gold loan	**–**	**–**	**–**	**(80,322)**
Net exposure	**974**	**19**	**14**	**57,835**
2024				
Financial assets				
Time deposit	–	–	–	53,380
Cash and cash equivalents	320	61	14	58,432
Financial liability				
Gold loan	–	–	–	(58,109)
Net exposure	320	61	14	53,703

The Group reviews its foreign currency exposures regularly and does not consider its foreign currency risk to be significant as the US$ is pegged with the HK$. However, the Group would consider hedging of its foreign currency exposures if its foreign currency risk becomes significant.

The policies to manage foreign currency risk have been followed by the Group since prior years and are considered to be effective.

A reasonable change in CHF, EUR, RMB and US$ rates in the next 12 months is assessed to result in an immaterial change in the Group's profit after tax, retained profits and other components of capital and reserves. The Group adopts centralised treasury policies in cash and financial management and focuses on reducing the Group's overall exchange differences.

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

38.4 Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to changes in market interest rates through its cash at banks at floating interest rates and short term bank deposits, time deposits and gold loan at fixed interest rates. Short term bank deposits, time deposits and gold loan issued at fixed interest rates and lease liabilities exposes the Group to fair value interest rate risk. The interest rates and terms of gold loan are disclosed in note 28.

The Group's policy is to manage its interest rate risk, working within an agreed framework, to ensure that there are no undue exposures to significant interest rate movements and rates are approximately fixed when necessary.

The policies to manage interest rate risk have been followed by the Group since prior years and are considered to be effective.

The Group's maximum exposure to interest rate risk on cash at banks bear variable interest rates amounted to approximately HK$75,126,000 (2024: HK$21,292,000). The Group's short term bank deposits, time deposits and gold loan were short term in nature, any change in the interest rate from time to time is not considered to have significant impact to the Group's financial performance.

The Group adopts centralised treasury policies in cash and financial management and focuses on reducing the Group's overall interest charge and maximising the interest income.

38.5 Price risk

Price risk relates to the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market prices (other than changes in interest rates and foreign exchange rates).

Market price risk

The Group is exposed to market price changes arising from investments classified as investments at FVTOCI and debt instruments at FVTOCI. Other than unlisted securities and unlisted debt instrument, all of these investments are listed.

The Group's listed investments are primarily listed on the Stock Exchange and Singapore Exchange Limited. The policies to manage market price risk have been followed by the Group since prior years and are considered to be effective.

A reasonable change in market price in the next 12 months is assessed to result in an immaterial change in the Group's profit after tax and retained profits. Changes in market price have no impact on the Group's other components of capital and reserves.

The Group adopts centralised treasury policies in cash and financial management and focuses on reducing the Group's overall exposure to fair value change.

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

38.5 Price risk (Continued)

Commodity price risk

The Group is engaged in the gold ornament retailing and gold bullion trading. The bullion market is influenced by global as well as regional supply. In order to mitigate potential commodity price risk, the Group entered into gold loan (note 28), with a reputable bank to reduce its exposure to fluctuation in the bullion prices on gold stocks. Since the amounts of gold stocks are close to the level of gold loan, there is offsetting effect on price fluctuation, the management of the Group does not expect that there will be any significant commodity price risk exposure. The above financial instrument did not meet the criteria for hedge accounting.

The policies to manage commodity price risk are considered to be effective.

38.6 Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. The Group is exposed to liquidity risk in respect of settlement of trade payables, other payables, accruals and provisions, gold loan and lease liabilities, and also in respect of its cash flow management.

The Group's policy is to maintain sufficient cash and cash equivalents and have available funding to meet its working capital requirements. The Group's liquidity is dependent upon the cash received from its customers. The management of the Group is satisfied that the Group will be able to meet in full its financial obligations as and when they fall due in the foreseeable future.

At 31 March, the Group's financial liabilities have contractual maturities, which are based on contractual undiscounted cash flows, as set out below:

	On demand HK$'000	Within 6 months HK$'000	6 to 12 months HK$'000	After 1 year but within 2 years HK$'000	After 2 years but within 5 years HK$'000	Total HK$'000	Carrying amount HK$'000
2025							
Trade payables	**13,482**	**3,324**	**–**	**–**	**–**	**16,806**	**16,806**
Other payables	**1,370**	**–**	**–**	**–**	**–**	**1,370**	**1,370**
Accruals and provisions	**1,540**	**17,520**	**132**	**–**	**–**	**19,192**	**19,192**
Gold loan	**–**	**80,934**	**–**	**–**	**–**	**80,934**	**80,322**
Lease liabilities	**–**	**21,021**	**13,958**	**22,406**	**2,284**	**59,669**	**55,508**
	16,392	**122,799**	**14,090**	**22,406**	**2,284**	**177,971**	**173,198**
2024							
Trade payables	15,187	2,545	–	–	–	17,732	17,732
Other payables	1,196	1,470	–	–	–	2,666	2,666
Accruals and provisions	1,459	14,516	123	–	–	16,098	16,098
Gold loan	–	58,116	–	–	–	58,116	58,109
Lease liabilities	–	19,352	13,685	10,190	2,630	45,857	43,274
	17,842	95,999	13,808	10,190	2,630	140,469	137,879

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

38.7 Fair value measurements

At the end of the reporting period, the financial assets and liability measured at fair value in the consolidated statement of financial position are set out as follows:

		2025				2024			
	Notes	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial asset at fair value through profit or loss									
Investments at fair value through profit or loss									
– Listed equity securities	*(i)*	–	–	–	–	146	–	–	146
Financial assets at fair value through other comprehensive income									
Investments at fair value through other comprehensive income									
– Unlisted equity securities	*(iii)*	–	–	2,380	2,380	–	–	706	706
Debt instruments at fair value through other comprehensive income									
– Listed debt instruments	*(i)*	31,772	–	–	31,772	–	–	–	–
– Unlisted debt instrument	*(i)*	15,534	–	–	15,534	–	–	–	–
		47,306	–	2,380	49,686	–	–	706	706
Financial liability at fair value through profit or loss									
Gold loan	*(ii)*	–	80,322	–	80,322	–	58,109	–	58,109

The Group followed HKFRS 13, *Fair Value Measurement*, which introduces a 3 level hierarchy for fair value measurement disclosures and additional disclosures about the relative reliability of fair value measurements.

The hierarchy groups financial assets and liability into 3 levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liability. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical asset;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

38.7 Fair value measurements (Continued)

Notes:

(i) At the end of each reporting period, the listed equity securities and debt instruments and unlisted debt instrument are measured subsequent to initial recognition at fair value, grouped into Level 1 based on the degree to which the fair value is observable. Level 1 fair value measurements are those quoted prices (unadjusted) in active markets for identical asset.

(ii) At the end of each reporting period, the gold loan is measured subsequent to initial recognition at fair value, grouped into Level 2. The fair value is determined using discounted cash flow valuation technique reference to quoted market bid price of gold traded in active liquid markets as a key input.

For the years ended 31 March 2024 and 2025, there were no significant changes in the credit spread of the Group and therefore the amounts of changes in fair value of the financial liabilities arising from changes in the credit risk and the accumulated amounts as at the end of the respective reporting years were not significant. The changes in fair value of the financial liabilities were mainly attributable to changes in commodity price.

(iii) At the end of each reporting period, the unlisted equity securities are measured subsequent to initial recognition at fair value, grouped into Level 3 based on the degree to which the fair value is unobservable. The fair value measurements of unlisted equity securities are determined by the Directors.

Movement of financial assets grouped into Level 3 is as follows:

Unlisted equity securities	**2025** **HK$'000**	2024 HK$'000
At the beginning of the year	**706**	326
Fair value change recognised in other comprehensive income	**1,674**	380
At the end of the year	**2,380**	706

The valuations are determined based on the following significant unobservable inputs:

Financial assets	**Valuation technique**	**Significant unobservable inputs**	**Range/value**	**Sensitivity of fair value to the input**
Unlisted equity securities with carrying amounts of HK$16,000 (2024: HK$9,000) as at 31 March 2025	Market approach	Price-to-book multiple ("P/B multiple")	0.14 to 12.06 (2024: 0.14 to 2.18)	The fair values of unlisted equity securities are determined with reference to multiples of comparable listed companies, using the average of the P/B multiple of comparable. The fair value measurement should be positively correlated to the P/B multiple. Had the highest P/B multiple among the comparable been used as at 31 March 2025, the fair value would have increased by HK$76,000. Had the lowest P/B multiple among the comparable been used as at 31 March 2025, the fair value would have decreased by HK$15,000.
		Discount for lack of marketability ("DLOM")	24.2% (2024: 24.2%)	The fair values of unlisted equity securities are also determined with reference to DLOM. The fair value measurement should be negatively correlated to the DLOM. Had the DLOM decreased by 5% as at 31 March 2025, the fair value would have increased by HK$1,000. Had the DLOM increased by 5% as at 31 March 2025, the fair value would have decreased by HK$1,000.

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

38.7 Fair value measurements (Continued)

Notes: (Continued)

(iii) (Continued)

Financial assets	Valuation technique	Significant unobservable inputs	Range/value	Sensitivity of fair value to the input
Unlisted equity securities with carrying amounts of HK$2,364,000 (2024: HK$697,000) as at 31 March 2025	Market approach	Enterprise value-to-earnings before interest, taxes, depreciation and amortisation multiple ("EV/EBITDA multiple")	19.06 to 166.34 (2024: 16.72 to 75.23)	The fair values of unlisted equity securities are determined with reference to multiples of comparable listed companies, using the average of the EV/EBITDA multiple of comparable. The fair value measurement should be positively correlated to the EV/EBITDA multiple. Had the highest EV/EBITDA multiple among the comparable been used as at 31 March 2025, the fair value would have increased by HK$1,460,000. Had the lowest EV/EBITDA multiple among the comparable been used as at 31 March 2025, the fair value would have decreased by HK$1,461,000.
		DLOM	24.2% (2024: 24.2%)	The fair values of unlisted equity securities are also determined with reference to DLOM. The fair value measurement should be negatively correlated to the DLOM. Had the DLOM decreased by 5% as at 31 March 2025, the fair value would have increased by HK$156,000. Had the DLOM increased by 5% as at 31 March 2025, the fair value would have decreased by HK$156,000.

There have been no transfers between levels in the reporting period.

39. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's capital management objectives are:

(i) to ensure the Group's ability to continue as a going concern; and

(ii) to provide an adequate return to shareholders.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The equity capital-to-overall financing ratio at the end of reporting period was as follows:

	2025 **HK$'000**	2024 HK$'000
Equity capital		
Total capital and reserves	**818,274**	755,284
Overall financing		
Gold loan	**80,322**	58,109
Lease liabilities	**55,508**	43,274
	135,830	101,383
Equity capital-to-overall financing ratio	**6.02 : 1**	7.45 : 1

40. EVENT AFTER THE REPORTING PERIOD

Subsequent to the reporting period, the Group entered into a lease agreement for the existing retail store at Central Building for a term of 2 years at the total lease payment of HK$9,888,000. Further details of this transaction is set out in the Company's announcement dated 16 May 2025.

Summary of Investment Properties

Description	Lot No.	Saleable Floor Area (sq. feet)	Interest Attributable to The Group	Type	Lease Term
Unit H, 3rd Floor, Kaiser Estate 2nd Phase, Nos. 47–53 Man Yue Street & Nos. 20–28 Man Lok Street, Hunghom, Kowloon, Hong Kong	The remaining portion of section H of Kowloon Marine Lot No. 40	4,436	99.05%	C	Medium
Unit K, 3rd Floor, Kaiser Estate 2nd Phase, Nos. 47–53 Man Yue Street & Nos. 20–28 Man Lok Street, Hunghom, Kowloon, Hong Kong	The remaining portion of section H of Kowloon Marine Lot No. 40	5,316	99.05%	C	Medium
Private Car Parking Space Nos. G10 & G33 on Ground Floor, Kaiser Estate 2nd Phase, Nos. 47–53 Man Yue Street & Nos. 20–28 Man Lok Street, Hunghom, Kowloon, Hong Kong	The remaining portion of section H of Kowloon Marine Lot No. 40	N/A	99.05%	CP	Medium

C: Commercial

CP: Car park

N/A: Not applicable

Five Year Financial Summary

	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Assets and liabilities					
Total assets	**1,006,656**	917,316	854,184	863,288	821,409
Total liabilities	**188,382**	162,032	87,207	155,602	160,770
Current assets/current liabilities (times)	**5.53**	5.85	10.90	5.78	6.55
Capital and reserves					
Capital and reserves	**818,274**	755,284	766,977	707,686	660,639
Capital and reserves per share (HK$)	**0.90**	0.83	0.84	0.78	0.72
Total assets/capital and reserves (times)	**1.23**	1.21	1.11	1.22	1.24
Profit					
Profit before taxation	**75,866**	82,591	79,452	60,040	28,610
Profit attributable to owners	**88,288**	85,205	79,466	60,050	28,615
Earnings per share (HK cents)	**9.71**	9.37	8.73	6.59	3.13
Return on average total assets	**9.2%**	9.6%	9.3%	7.1%	3.5%
Return on average capital and reserves	**11.2%**	11.2%	10.8%	8.8%	4.4%
Dividends					
Dividends declared	**27,279**	27,279	94,569	18,217	9,117
Dividend per share (HK cents)	**3.00**	3.00	10.40	2.00	1.00
Dividend payout ratio	**30.9%**	32.0%	119.0%	30.3%	31.9%


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