

Notes to the Consolidated Financial Statements

1 General information

The Group is principally engaged in the retailing and wholesaling of cosmetic products.

The Company is a limited liability company incorporated in Cayman Islands. The address of its registered office is P.O. Box 309, Umland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company has its listing on The Stock Exchange.

As at 31 March 2019, 48.7% and 14.2% of the total issued shares of the Company were owned by Sunrise Height Incorporated and Green Ravine Limited respectively, companies incorporated in the British Virgin Islands. These companies are owned 50.0% each by Dr KWOK Siu Ming Simon and Dr KWOK LAW Kwai Chun Eleanor, as being the ultimate controlling parties of the Company.

These consolidated financial statements are presented in thousands of Hong Kong dollar (HK\$'000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 20 June 2019.

2 Revenue and turnover

Accounting Policy

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for the retail and wholesales of cosmetic products, stated net of value added taxes, returns, rebates and discounts.

Revenue is recognised when specific criteria have been met for the Group's activity described below:

Sale of goods – retail and e-commerce transactions

The Group sells cosmetic products through chain of retail stores and e-commerce platforms. Revenue from the sale of goods is recognised when a group entity sells and has delivered a product to the customer and the Group received sales and acceptance confirmations, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Payment of the transaction price is due immediately when the customer purchases the goods.

Accordingly, the group's online sale is recognised when the product is received by customer. The Group estimates the sales return provision based on accumulated experience and considered that no provision is recognised as the amount of returns are immaterial.

Sale of goods – wholesale

Sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products.

The goods are often sold with sales discounts. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts, if any. No element of financing is deemed present.

Slide display rental income

Slide display rental income is recognised on an accrual basis in accordance with the terms of the relevant agreements.

Sub-lease income

Sub-lease income is recognised on a straight-line basis over the term of the operating lease.

2 Revenue and turnover (continued)

Accounting Policy (continued)

Customer loyalty programme

The Group operates a customer loyalty programme, where certain customers accumulate points for purchases made which entitle them to purchase goods for free or at a discount price. Prior to adoption of HKFRS 15, the customer loyalty program offered by the Group resulted in the allocation of a portion of the transaction price to the customer loyalty program using the fair value of award credits granted for which they could be redeemed and recognition of deferred revenue in relation to award credits granted but not yet redeemed or expired. After the adoption of HKFRS 15, the customer loyalty program gives rise to a separate performance obligation because they provide a material right to the customer and allocated a portion of the transaction price to the loyalty credits awarded to customers based on the relative stand-alone selling price. All awarded points are expired on 31 March and there were no material award points outstanding as at year end.

When either party to a contract has performed, the Group presents the contract in the consolidated statement of financial position as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers the promised goods to the customer, the Group presents the contract as a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer the promised goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

The Group is principally engaged in the retailing and wholesaling of cosmetic products. Turnover represents the sales of goods to customers. An analysis of revenues recognised during the year is as follows:

	2019 HK\$' 000	2018 HK\$' 000
Turnover – revenue recognised under HKFRS 15		
Retail and wholesale	8,375,900	8,017,613
Other income – revenue recognised under other accounting standard		
Slide display rental income	65,479	60,894
Sub-lease income	30,583	32,317
	96,062	93,211
	8,471,962	8,110,824

3 Segment information

Accounting Policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the executive directors of the Group who make strategic and operating decisions.

Executive directors of the Group review the internal reporting of the Group in order to assess performance and allocate resources. Executive directors consider the business principally from a geographic perspective and assess the performance of the geographic segments based on a measure of segments results.

Business reportable segments identified are Hong Kong & Macau, Mainland China, E-commerce and All other segments. All other segments refer to markets in Singapore and Malaysia.

Segment assets consist primarily of property, plant and equipment, deferred tax assets, inventories, receivables, deposits and prepayments, time deposits and cash and cash equivalents. Capital expenditure comprises additions to property, plant and equipment.

The breakdown of key segment information including total turnover from external customers is disclosed below.

	For the year ended 31 March 2019				
	Hong Kong & Macau HK\$'000	Mainland China HK\$'000	E-commerce HK\$'000	All other segments HK\$'000	Total HK\$'000
Turnover	7,091,830	287,762	391,829	604,479	8,375,900
Segment results	512,230	(16,086)	(26,461)	2,385	472,068
Other information					
Capital expenditure	99,603	4,931	662	26,380	131,576
Finance income	18,570	209	80	1,811	20,670
Income tax expense/(credit)	93,199	–	(9,946)	8,127	91,380
Depreciation	81,407	6,439	1,664	21,775	111,285
Provision for slow moving inventories and shrinkage	21,821	465	5,023	6,747	34,056
Impairment of property, plant and equipment	3,678	2,291	–	–	5,969

3 Segment information (continued)

For the year ended 31 March 2018

	Hong Kong & Macau HK\$'000	Mainland China HK\$'000	E-commerce HK\$'000	All other segments HK\$'000	Total HK\$'000
Turnover	6,761,559	298,724	383,345	573,985	8,017,613
Segment results	499,042	(10,215)	(28,267)	4,683	465,243
Other information					
Capital expenditure	134,733	10,756	2,002	18,640	166,131
Finance income	9,945	331	55	1,447	11,778
Income tax expense/(credit)	96,698	–	(9,033)	7,703	95,368
Depreciation	65,378	8,549	2,446	21,352	97,725
Provision for slow moving inventories and shrinkage	25,595	577	6,244	2,226	34,642
Impairment of property, plant and equipment	1,067	818	–	1,405	3,290

	Hong Kong & Macau HK\$'000	Mainland China HK\$'000	E-commerce HK\$'000	All other segments HK\$'000	Total HK\$'000
At 31 March 2019					
Non-current assets	446,086	11,819	6,935	53,293	518,133
Current assets	2,367,208	137,686	115,494	267,959	2,888,347
Total assets as per consolidated statement of financial position					3,406,480
At 31 March 2018					
Non-current assets	424,177	18,257	2,763	51,501	496,698
Current assets	2,472,131	140,176	132,316	261,375	3,005,998
Total segment assets					3,502,696
Discontinued operation					74,352
Total assets as per consolidated statement of financial position					3,577,048

4 Other gains – net

	Significant Accounting Policies No. 8	
	2019	2018
	HK\$'000	HK\$'000
Net exchange gains	6,988	5,392

5 Expenses by nature

	2019	2018
	HK\$'000	HK\$'000
Cost of inventories sold	4,924,046	4,609,105
Employee benefit expenses (including directors' emoluments) (Note 6)	1,170,658	1,132,105
Operating lease rentals in respect of land and buildings		
– minimum lease payments	895,822	890,363
– contingent rent	48,061	62,583
Advertising and promotion expenses	114,441	115,118
Depreciation of property, plant and equipment (Note 13)	111,285	97,725
Building management fees, government rent and rates	108,554	110,299
Transportation, storage and delivery charges	60,941	68,077
Utilities and telecommunication	51,796	54,079
Repair and maintenance	49,507	39,416
Provision for slow moving inventories and shrinkage (Note 16)	34,056	34,642
Sub-lease expenses	28,946	30,507
Impairment of property, plant and equipment (Note 13)	5,969	3,290
Auditors' remuneration		
– audit services	3,672	3,522
– non-audit services	1,713	2,217
Donations	4,960	4,696
Write-off of property, plant and equipment (Note 13)	991	3,180
Others	320,754	306,459
	7,936,172	7,567,383
Representing:		
Cost of sales	4,958,102	4,643,747
Selling and distribution costs	2,655,732	2,608,162
Administrative expenses	322,338	315,474
	7,936,172	7,567,383

6 Employee benefit expenses (including directors' emoluments)

	Significant Accounting Policies No. 9	
	2019 HK\$' 000	2018 HK\$' 000
Basic salaries, bonuses, housing allowances, other allowances and benefits-in-kind	1,112,294	1,063,951
Retirement benefit costs (Note 23(b))	51,861	50,963
Share-based payment (Note 24(c))	2,004	1,065
Provision for unutilised annual leave	3,162	14,698
Directors' fees	1,337	1,428
	1,170,658	1,132,105

7 Director and senior management emoluments

(a) Directors' emoluments

Directors' emoluments comprise payments to the Company's directors (including the five highest paid individuals in the Group) in connection with management of affairs of the Company and the Group. The non-executive directors receive an annual director's fee of HK\$257,400 (2018: HK\$257,400) each. Considering the comparatively heavier workload and responsibility of Audit Committee, its Chairman and members will receive an additional annual remuneration amounted to HK\$150,000 and HK\$80,000 (2018: HK\$100,000 and HK\$80,000) respectively.

The aggregate amounts of emoluments payable to the directors of the Company during the year were as follows:

	2019 HK\$' 000	2018 HK\$' 000
Directors' fees	1,337	1,428
Basic salaries, housing allowances, other allowances and benefits-in-kind	8,728	8,632
Discretionary bonuses	454	454
Retirement benefit costs	350	571
Share-based payment	300	287
	11,169	11,372

7 Director and senior management emoluments (continued)

(a) Directors' emoluments (continued)

The directors' emoluments of the Company were as follows:

	Directors' fees HK\$' 000	Basic salaries, housing allowances, other allowances and benefits-in-kind HK\$' 000	Discretionary bonuses HK\$' 000	Retirement benefit costs HK\$' 000	Share-based payment (i) & (ii) HK\$' 000	Total HK\$' 000
For the year ended 31 March 2019						
Executive Directors						
Dr KWOK Siu Ming Simon (iv)	-	2,858	238	-	-	3,096
Dr KWOK LAW Kwai Chun Eleanor	-	2,594	216	121	-	2,931
Dr LOOK Guy	-	3,276	-	229	-	3,505
Non-executive Director						
Ms LEE Yun Chun Marie-christine	257	-	-	-	75	332
Independent Non-executive Directors						
Ms TAM Wai Chu Maria	337	-	-	-	75	412
Ms KI Man Fung Leonie	337	-	-	-	75	412
Mr TAN Wee Seng	406	-	-	-	75	481
	1,337	8,728	454	350	300	11,169

7 Director and senior management emoluments (continued)

(a) Directors' emoluments (continued)

The directors' emoluments of the Company were as follows:

	Directors' fees	Basic salaries, housing allowances, other allowances and benefits-in-kind	Discretionary bonuses	Retirement benefit costs	Share-based payment (i) & (ii)	Total
	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
For the year ended 31 March 2018						
Executive Directors						
Dr KWOK Siu Ming Simon (iv)	–	2,858	238	167	–	3,263
Dr KWOK LAW Kwai Chun Eleanor	–	2,594	216	181	–	2,991
Dr LOOK Guy (iii)	–	3,180	–	223	287	3,690
Non-executive Director						
Ms LEE Yun Chun Marie-christine	257	–	–	–	–	257
Independent Non-executive Directors						
Dr LEUNG Kwok Fai Thomas (v)	139	–	–	–	–	139
Ms TAM Wai Chu Maria	337	–	–	–	–	337
Ms KI Man Fung Leonie	337	–	–	–	–	337
Mr TAN Wee Seng	358	–	–	–	–	358
	1,428	8,632	454	571	287	11,372

Notes:

- (i) Share-based payment represents amortisation to the income statement of the fair value of awarded shares and share options measured at the respective grant dates, regardless of whether the share options would be exercised or not.
- (ii) During the year ended 31 March 2019, 400,000 share options were granted to one non-executive director and three independent non-executive directors under the 2012 Share Option Scheme (2018: Nil).
- (iii) During the year ended 31 March 2018, 100,000 shares were awarded to the executive director under the Share Award Scheme. All awarded shares which were vested as at 31 March 2019 are not subject to performance targets that must be achieved by the director.
- (iv) Dr KWOK Siu Ming Simon is the Chief Executive Officer of the Company.
- (v) Dr LEUNG Kwok Fai Thomas retired as an Independent Non-executive Directors of the Company after the conclusion of the annual general meeting held on 29 August 2017.

No compensation for loss of office has been paid to the directors for the years ended 31 March 2019 and 2018.

No director of the Company waived any emoluments during the years ended 31 March 2019 and 2018.

7 Director and senior management emoluments (continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2018: three) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2018: two) individuals during the year were as follows:

	2019 HK\$'000	2018 HK\$'000
Basic salaries, housing allowances, other allowances and benefits-in-kind	6,785	3,866
Share-based payment	–	180
Discretionary bonuses	185	322
Retirement benefit costs	174	270
	7,144	4,638

The emoluments of the individuals fell within the following bands:

Emoluments bands	Number of individuals	
	2019	2018
HK\$2,000,001 – HK\$2,500,000	–	1
HK\$2,500,001 – HK\$3,000,000	1	1
HK\$4,500,001 – HK\$5,000,000	1	–

(c) Senior management emoluments (excluding directors' emoluments)

The details of the senior management emoluments (excluding directors' emoluments) payable during the year were as follows:

	2019 HK\$'000	2018 HK\$'000
Basic salaries, housing allowances, other allowances and benefits-in-kind	7,158	5,665
Share-based payment	963	78
Discretionary bonuses	581	419
Retirement benefit costs	407	488
	9,109	6,650

7 Director and senior management emoluments (continued)

(c) Senior management emoluments (excluding directors' emoluments) (continued)

The emoluments of the individuals fell within the following bands:

Emoluments bands	Number of individuals	
	2019	2018
HK\$500,001 – HK\$1,000,000	–	1
HK\$1,500,001 – HK\$2,000,000	2	2
HK\$2,500,001 – HK\$3,000,000	2	1
	4	4

8 Finance income

Accounting Policy

Interest income is recognised on a time-proportion basis using the effective interest method.

	2019	2018
	HK\$'000	HK\$'000
Interest income on bank deposits	18,207	10,037
Others	2,463	1,741
Finance income	20,670	11,778

9 Income tax expense

Accounting Policy

The tax expense for the year comprise current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Please refer to **Critical Accounting Estimates and Judgements (i)** for estimates and judgements on income tax.

9 Income tax expense (continued)

Hong Kong profits tax has been provided for at the rate of 16.5% (2018: 16.5%) on the estimated assessable profits for the year. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates respectively.

	2019 HK\$'000	2018 HK\$'000
Current tax:		
Hong Kong profits tax		
Current	62,580	55,625
Over-provision in previous years	(508)	(549)
Overseas taxation		
Current	28,992	32,710
Under/(over)-provision in previous years	158	(21)
Total current tax	91,222	87,765
Deferred tax (Note 15):		
Origination and reversal of temporary differences	158	8,964
Income tax expense	91,380	96,729
Income tax expense is attributable to:		
Profit from continuing operations	91,380	95,368
Loss from discontinued operation	-	1,361
	91,380	96,729

9 Income tax expense (continued)

The income tax expense on the Group's profit before income tax differs from the theoretical amount that would arise using the profits rate of Hong Kong as follows:

	2019 HK\$' 000	2018 HK\$' 000
Profit before income tax from continuing operations	563,448	560,611
Loss before income tax from discontinued operation	(1,316)	(23,762)
	562,132	536,849
Tax calculated at a taxation rate of 16.5% (2018: 16.5%)	92,752	88,580
Effect of different taxation rates in other countries (Note)	(6,616)	(7,466)
Expenses not deductible for income tax purposes	6,857	9,462
Income not subject to income tax	(4,813)	(2,531)
Unrecognised tax losses	3,550	7,893
Derecognition of previously recognised deferred income tax assets	–	1,361
Over-provision in previous years	(350)	(570)
Income tax expense	91,380	96,729

Note:

The Group was subject to different tax jurisdictions mainly in Macau, Malaysia, Mainland China, and Singapore with tax rate ranged from 12% to 25% (2018: 12% to 25%).

10 Discontinued operation

Accounting Policy

A discontinued operation is a component of the Group's business, the operation and cash flow of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Where an operation is classified as discontinued, a single amount is presented in the statement of income statement, which comprises the post-tax profit or loss of the discontinued operation and the post-tax gain or loss recognised on the measurement to fair value less costs of disposal, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

10 Discontinued operation (continued)

During the year ended 31 March 2018, the Group discontinued the business of retailing of cosmetic products in Taiwan. The results of the discontinued operation for the year ended 31 March 2019 and 2018 are presented below:

	2019 HK\$'000	2018 HK\$'000
Turnover	13,259	213,161
Other income and gains – net	18	2,413
Cost of sales and expenses	(14,593)	(239,336)
Loss before income tax	(1,316)	(23,762)
Income tax expense	–	(1,361)
Loss from discontinued operation	(1,316)	(25,123)
Actuarial gains on retirement benefit obligation	–	55
Currency translation differences of foreign subsidiaries recorded in translation reserve	(1,666)	2,150
Total comprehensive loss from discontinued operation	(2,982)	(22,918)

Loss for the year of discontinued operation has been arrived at after charging:

	2019 HK\$'000	2018 HK\$'000
Write-off of property, plant and equipment (Note 13)	–	4,277
Depreciation of property, plant and equipment (Note 13)	–	3,542
Impairment of property, plant and equipment (Note 13)	–	2,379
Provision for slow moving inventories and shrinkage (Note 16)	–	2,016

The net cash flows incurred by the discontinued operation are as follow:

	2019 HK\$'000	2018 HK\$'000
Net cash (used in)/generated from operating activities	(1,268)	25,015
Net cash generated from/(used in) investing activities	20	(458)
Net cash used in financing activities	(38,701)	(1,092)
Net (decrease)/increase in cash generated from discontinued operation	(39,949)	23,465

11 Earnings per share

From continuing operations

- (a) Basic earnings per share from continuing operations is calculated by dividing the profit from continuing operations attributable to owners of the Company by the weighted average number of ordinary shares in issue less the total number of shares held under the Share Award Scheme during the year.

	2019 HK\$' 000	2018 HK\$' 000
Profit from continuing operations attributable to owners of the Company	472,068	465,243
Weighted average number of ordinary shares in issue less shares held under the Share Award Scheme during the year (thousands)	3,060,494	3,009,172

- (b) Diluted earnings per share from continuing operations is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: share options and shares held under the Share Award Scheme during the year. For the share options, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options and future service cost. For shares held under the Share Award Scheme, awarded shares granted to the employees but not yet vested as at 31 March 2019 has been included in the number of shares.

	2019 HK\$' 000	2018 HK\$' 000
Profit from continuing operations attributable to owners of the Company	472,068	465,243
Weighted average number of ordinary shares in issue less shares held under the Share Award Scheme during the year (thousands)	3,060,494	3,009,172
Adjustment for share options and awarded shares (thousands)	685	702
Weighted average number of ordinary shares for diluted earnings per share (thousands)	3,061,179	3,009,874

From continuing and discontinued operations

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2019 HK\$' 000	2018 HK\$' 000
Profit from continuing operations attributable to owners of the Company	472,068	465,243
Loss from discontinued operation attributable to owners of the Company	(1,316)	(25,123)
Profit for the purpose of basic and diluted earnings per share from continuing and discontinued operations	470,752	440,120

The denominators used are the same as those detailed above for both basic and diluted earnings per share from continuing operations.

11 Earnings per share (continued)

From discontinued operation

The basic and diluted loss per share for the discontinued operation is 0.04 HK cents per share (2018: Basic and diluted loss of 0.8 HK cents per share).

The calculations of basic and diluted loss per share from the discontinued operation are based on:

	2019 HK\$'000	2018 HK\$'000
Loss attributable to owners of the Company from the discontinued operation	(1,316)	(25,123)
Weighted average number of ordinary shares in issue less shares held under the Share Award Scheme during the year (thousands)	3,060,494	3,009,172

During the year ended 31 March 2019 and 2018, diluted loss per share equals to basic loss per share as the potential ordinary shares were not included in the calculation of diluted loss per share because they are anti-dilutive.

12 Dividends

Accounting Policy

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

	2019 HK\$'000	2018 HK\$'000
Interim, paid – 7.0 HK cents (2018: 3.5 HK cents) per share	216,454	105,789
Final, proposed – 9.0 HK cents (2018: 11.0 HK cents) per share	278,604	334,368
Special, proposed – Nil (2018: 3.0 HK cents) per share	–	91,192
	495,058	531,349

For final dividend, scrip dividend election was offered to all shareholders. At a meeting held on 20 June 2019, the directors proposed a final dividend of 9.0 HK cents per share per share. The final dividend will be payable in cash with a scrip dividend alternative. This proposed dividend has not been reflected as dividend payables in these consolidated financial statements, but will be reflected as an appropriation of distributable reserve for the year ending 31 March 2020 if approved by the shareholders.

13 Property, plant and equipment

Accounting Policy

Land and buildings mainly comprise of offices. Leasehold land classified as finance lease and all other property, plant and equipment is stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Leasehold land classified as finance lease commences depreciation from the time when the land interest becomes available for its intended use. Depreciation on leasehold land classified as finance lease and depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Leasehold land classified as finance lease	Over remaining lease term
Buildings	20-36 years
Leasehold improvements	Over shorter of lease term or 6 years
Equipment, furniture and fixtures	3-5 years
Motor vehicles and vessel	4-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (**Significant Accounting Policies No. 6**).

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are recognised in the income statement.

Please refer to **Critical Accounting Estimates and Judgements (ii)** for estimates and judgements on impairment for plant and equipment.

13 Property, plant and equipment (continued)

	Land and buildings HK\$' 000	Leasehold improvements HK\$' 000	Equipment, furniture and fixtures HK\$' 000	Motor vehicles and vessel HK\$' 000	Total HK\$' 000
At 31 March 2017					
Cost	190,790	626,298	261,840	21,849	1,100,777
Accumulated depreciation and impairment	(54,866)	(526,663)	(215,391)	(19,615)	(816,535)
Net book amount	135,924	99,635	46,449	2,234	284,242
Year ended 31 March 2018					
Opening net book amount	135,924	99,635	46,449	2,234	284,242
Exchange differences	–	2,848	1,179	1	4,028
Additions	–	129,721	33,610	3,316	166,647
Disposals	–	(184)	(8)	(166)	(358)
Write-off	–	(5,252)	(2,205)	–	(7,457)
Depreciation	(5,630)	(65,528)	(28,447)	(1,662)	(101,267)
Impairment losses	–	(5,191)	(478)	–	(5,669)
Closing net book amount	130,294	156,049	50,100	3,723	340,166
At 31 March 2018					
Cost	190,790	648,599	281,299	19,375	1,140,063
Accumulated depreciation and impairment	(60,496)	(492,550)	(231,199)	(15,652)	(799,897)
Net book amount	130,294	156,049	50,100	3,723	340,166
Year ended 31 March 2019					
Opening net book amount	130,294	156,049	50,100	3,723	340,166
Exchange differences	–	(1,800)	(596)	–	(2,396)
Additions	–	98,583	31,561	1,432	131,576
Disposals	–	–	(1)	–	(1)
Write-off	–	(403)	(588)	–	(991)
Depreciation	(5,629)	(77,013)	(26,872)	(1,771)	(111,285)
Impairment losses	–	(5,231)	(738)	–	(5,969)
Closing net book amount	124,665	170,185	52,866	3,384	351,100
At 31 March 2019					
Cost	190,790	680,635	280,687	20,123	1,172,235
Accumulated depreciation and impairment	(66,125)	(510,450)	(227,821)	(16,739)	(821,135)
Net book amount	124,665	170,185	52,866	3,384	351,100

- (a) Depreciation expense of HK\$91,660,000 (2018: HK\$78,251,000) was included in selling and distribution costs from continuing operations, HK\$19,625,000 (2018: HK\$19,474,000) was included in administrative expenses from continuing operations and nil (2018: HK\$3,542,000) was included in loss for the year from discontinued operation.
- (b) Write-off of plant and equipment of HK\$991,000 (2018: HK\$3,180,000) was included in selling and distribution costs from continuing operations and nil (2018: HK\$4,277,000) was included in loss for the year from discontinued operation.
- (c) As at 31 March 2019, net book amount of retail store assets amounted to HK\$127,341,000 (2018: HK\$100,443,000). The Group regards each individual retail store as a separately identifiable cash-generating unit. Management carried out an impairment assessment for the retail store assets which have an impairment indicator. The carrying amount of the retail store assets is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. As a result, an impairment loss of HK\$5,969,000 (2018: HK\$3,290,000) and nil (2018: HK\$2,379,000) was recognised in selling and distribution costs from continuing operations and loss for the year from discontinued operation respectively. The estimates of the recoverable amounts were based on value-in-use calculations using discounted cash flow projections based on the financial forecasts approved by management covering the remaining tenure of the lease.

14 Rental deposits, prepayments and other assets

	Significant Accounting Policies No. 7	
	2019 HK\$' 000	2018 HK\$' 000
Rental and other deposits	151,615	145,429
Prepayments	5,058	275
Others	5,552	5,552
	162,225	151,256

Rental deposits are carried at amortised cost using the effective interest rate of 0.66% to 1.55% per annum (2018: 0.66% to 1.39% per annum). As at 31 March 2019, the carrying amounts of rental deposits approximate their fair values.

15 Deferred tax

Accounting Policy

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Please refer to **Critical Accounting Estimates and Judgements (i)** for estimates and judgements on unrecognised deferred tax assets.

15 Deferred tax (continued)

The movement in net deferred tax assets account is as follows:

	2019 HK\$' 000	2018 HK\$' 000
At beginning of the year	5,008	13,293
Deferred tax charged to the income statement (Note 9)	(158)	(8,964)
Exchange differences	(256)	679
At end of the year	4,594	5,008

	2019 HK\$' 000	2018 HK\$' 000
Deferred tax assets	4,808	5,276
Deferred tax liabilities	(214)	(268)
Deferred tax assets – net	4,594	5,008

As at 31 March 2019, except for the deferred tax assets on certain provisions were expected to be recovered within 12 months, substantially all remaining balances of other deferred tax assets and liabilities were expected to be recovered after 12 months.

The movements in deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year are as follows:

Deferred tax assets	Decelerated tax depreciation		Provisions		Tax losses		Total	
	2019 HK\$' 000	2018 HK\$' 000	2019 HK\$' 000	2018 HK\$' 000	2019 HK\$' 000	2018 HK\$' 000	2019 HK\$' 000	2018 HK\$' 000
At beginning of the year	2,511	9,108	3,747	4,563	–	138	6,258	13,809
Credited/(charged) to the income statement	12	(6,820)	(306)	(1,272)	–	(138)	(294)	(8,230)
Exchange differences	(117)	223	(139)	456	–	–	(256)	679
At end of the year	2,406	2,511	3,302	3,747	–	–	5,708	6,258

Deferred tax liabilities	Accelerated tax depreciation	
	2019 HK\$' 000	2018 HK\$' 000
At beginning of the year	1,250	516
(Credited)/charged to the income statement	(136)	734
At end of the year	1,114	1,250

Deferred tax assets are recognised for tax losses carry forward to the extent that realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred tax assets of HK\$68,299,000 (2018: HK\$82,700,000) in respect of tax losses amounting to HK\$295,096,000 (2018: HK\$361,194,000) and capital allowances amounting to HK\$36,199,000 (2018: HK\$39,432,000) that can be carried forward against future taxable income. Tax losses amounting to HK\$150,921,000 (2018: HK\$209,739,000) and HK\$45,989,000 (2018: HK\$50,254,000) will expire within 1-5 years and 5-10 years respectively from 31 March 2019. The remaining tax losses and capital allowances have no expiry date.

16 Inventories

Accounting Policy

Inventories comprise merchandise and are stated at the lower of cost and net realisable value.

Cost represents the invoiced cost of inventories plus the applicable freight and duties. Costs are assigned to individual items on the weighted-average basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges purchases of inventories.

Please refer to **Critical Accounting Estimates and Judgements (iii)** for estimates and judgements on provision for inventory.

	2019 HK\$' 000	2018 HK\$' 000
Merchandise for resale	1,413,726	1,337,263

The cost of inventories recognised as expense, and included in cost of sales from continuing operations and loss for the year from discontinued operation amounted to HK\$4,924,046,000 (2018: HK\$4,609,105,000) and HK\$9,988,000 (2018: HK\$116,669,000) respectively.

During the year, the Group has made a provision of HK\$34,056,000 for slow moving inventories and shrinkage (2018: HK\$36,658,000) and was included in cost of sales from continuing operations and loss for the year from discontinued operation amounted to HK\$34,056,000 (2018: HK\$34,642,000) and nil (2018: HK\$2,016,000) respectively.

17 Trade receivables

Accounting Policy

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Please refer to **Significant Accounting Policies No.7 (iv)** for policies on impairment of financial assets.

	2019 HK\$' 000	2018 HK\$' 000
Trade receivables	114,964	146,189
Less: provision for impairment losses on trade receivables	(2,263)	(772)
Trade receivables – net	112,701	145,417

The carrying amounts of trade receivables approximate their fair values.

17 Trade receivables (continued)

The Group's turnover comprises mainly cash sales and credit card sales. Certain wholesale customers are granted credit terms ranging from 7 to 120 days. The ageing analysis based on invoice date of trade receivables is as follows:

	2019 HK\$'000	2018 HK\$'000
Within 1 month	87,391	106,084
1 to 3 months	22,140	17,694
Over 3 months	3,170	21,639
	112,701	145,417

Movement in the Group's provision for impairment of trade receivables is as follows:

	2019 HK\$'000	2018 HK\$'000
At 1 April	772	1,047
Provision/(reversal) for impairment	1,525	(330)
Exchange differences	(34)	55
At 31 March	2,263	772

The Group applies HKFRS 9 simplified approach to measure ECL, which uses a lifetime expected loss allowance for all trade receivables. For details of the calculation of the allowance, the Group's exposure to credit risk, as well as the risk management, please refer to Note 1(ii) in "Financial Risk Management".

Trade receivables are denominated in the following currencies:

	2019 HK\$'000	2018 HK\$'000
Hong Kong dollar	59,511	75,580
Renminbi	47,211	54,387
Singapore dollar	3,205	2,848
Others	2,774	12,602
	112,701	145,417

18 Other receivables, deposits and prepayments

Accounting Policy

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

If collection of other receivables is expected to be in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Please refer to **Significant Accounting Policies No.7 (iv)** for policies on impairment of financial assets.

	2019 HK\$' 000	2018 HK\$' 000
Rental and other deposits	144,678	151,318
Other receivables and payment in advance	47,989	50,509
Prepayments	28,591	28,577
Retirement benefit obligations (Note 23(a))	–	1,495
Forward foreign exchange contracts (Note 22)	16	411
	221,274	232,310

The carrying amounts of other receivables and deposits approximate their fair values. The other receivables are due and receivable within one year from the end of the reporting period.

19 Cash and bank balances

Accounting Policy

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

	2019 HK\$' 000	2018 HK\$' 000
Time deposits	589,512	915,802
Short-term bank deposits	340,909	123,412
Cash at bank and on hand	210,225	326,146
Cash and cash equivalents	551,134	449,558
Total	1,140,646	1,365,360

19 Cash and bank balances (continued)

Cash and bank balances are denominated in the following currencies:

	2019 HK\$'000	2018 HK\$'000
Hong Kong dollar	930,791	1,119,062
Malaysian Ringgit	54,925	70,562
US dollar	40,711	12,192
Renminbi	38,133	39,064
Macau Pataca	23,930	15,099
Swiss Franc	19,379	11,292
Singapore dollar	19,169	18,150
Euro	6,791	29,379
New Taiwan dollar	1,511	43,451
Others	5,306	7,109
	1,140,646	1,365,360

The year-end effective interest rate on time deposits over three months was 2.39% per annum (2018: 1.67% per annum). These deposits have an average maturity of 6 months (2018: 6 months).

The year-end effective interest rate on short-term bank deposits was 2.03% per annum (2018: 1.07% per annum). These deposits have an average maturity of 1 month (2018: 1 month).

As at 31 March 2019, out of the total cash and bank balances denominated in Renminbi and Malaysian Ringgit as stated above, approximately HK\$73,848,000 (2018: HK\$94,006,000) were kept in Mainland China and Malaysia. The remittance of these funds out of Mainland China and Malaysia is subject to applicable foreign exchange restrictions imposed by the respective local governments.

20 Trade payables

Accounting Policy

Trade payables are obligations to pay for goods that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

20 Trade payables (continued)

The ageing analysis based on invoice date of trade payables is as follows:

	2019 HK\$' 000	2018 HK\$' 000
Within 1 month	370,818	475,588
1 to 3 months	86,687	127,437
Over 3 months	13,994	16,677
	471,499	619,702

The carrying amounts of trade payables approximate their fair values.

Trade payables are denominated in the following currencies:

	2019 HK\$' 000	2018 HK\$' 000
Hong Kong dollar	298,974	360,883
US dollar	53,117	88,785
Euro	40,579	50,357
Renminbi	30,374	42,448
Swiss Franc	14,392	7,140
Malaysian Ringgit	14,074	9,294
Japanese Yen	8,286	10,999
South Korean Won	5,947	32,984
Singapore dollar	5,400	6,780
New Taiwan dollar	2	9,121
Others	354	911
	471,499	619,702

21 Other payables and accruals

Accounting Policy

Other payables and accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

	2019 HK\$'000	2018 HK\$'000
Accrued staff costs	122,314	118,492
Accrued rental related expenses	40,107	37,344
Contract liabilities	25,933	33,042
Accrued capital expenditure	24,930	26,935
Accrued advertising and promotion expenses	18,784	27,061
Valued-added tax and other tax payables	17,250	18,840
Accrued transportation expenses	13,252	15,169
Forward foreign exchange contracts (Note 22)	130	66
Other payables and accruals	66,151	80,160
	328,851	357,109

22 Forward foreign exchange contracts

Accounting Policy

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates its derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

At the inception of the hedging, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Movements on the hedging reserve in shareholders' equity are shown in Note 25. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in income statement within "other gains – net".

In the current year, the Group designated certain forward foreign exchange contracts as cash flow hedges to hedge against the Group's purchases denominated in Euro, Swiss Franc and Japanese Yen. The Group generally designates the full change in fair value of the forward contract as the hedging instrument. Gains or losses relating to the effective portion of the change in the fair value of the forward foreign exchange contracts are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast purchase that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example inventory), the gains and losses previously deferred in hedging reserve are transferred from hedging reserve and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold when these inventory are sold.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time, is recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in hedging reserve is immediately transferred to the income statement within "other gains – net".

22 Forward foreign exchange contracts (continued)

	2019		2018	
	Current assets	Current liabilities	Current assets	Current liabilities
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Forward foreign exchange contracts – cash flow hedge	16	130	411	66

The maturity dates of the outstanding forward foreign exchange contracts are within one year and are classified as current assets and current liabilities respectively.

As at 31 March 2019, the notional principal amount of the outstanding forward foreign exchange contracts under cash flow hedges was HK\$21,953,000 (2018: HK\$38,273,000). The hedges related to highly probable forecasted purchases denominated in Euro, Swiss Franc and Japanese Yen which are expected to occur at various dates within a 12-month period.

The forward foreign exchange contracts entered for the year ended 31 March 2019 were determined to be effective hedges. There was no ineffectiveness to be recognised in the consolidated income statement.

23 Retirement benefit obligations

(a) Retirement benefit obligations

	Significant Accounting Policies No. 9	
	2019 HK\$' 000	2018 HK\$' 000
Retirement benefit obligations (asset)/liability on:		
– defined benefit plan (Note (b)(ii))	–	(1,495)
– long service payments (Note (b)(iii))	5,643	3,494
	5,643	1,999
Representing:		
– Current assets included in other receivables, deposits and prepayments (Note 18)	–	(1,495)
– Non-current liabilities	5,643	3,494
	5,643	1,999

(b) Retirement benefit costs

	2019 HK\$' 000	2018 HK\$' 000
Retirement benefit costs charged to income statement:		
Retirement benefit costs		
– defined contribution plans (Note (i))	51,662	52,628
– defined benefit plan (Note (ii))	–	(791)
	51,662	51,837
– long service payments (Note (iii))	199	254
	51,861	52,091
Representing:		
– Employee benefit expenses from continuing operations (Note 6)	51,861	50,963
– Loss for the year from discontinued operation	–	1,128
	51,861	52,091
Retirement benefit costs (credited)/charged to other comprehensive income:		
– defined benefit plan (Note (ii))	–	(55)
– long service payments (Note (iii))	2,016	(3,652)
	2,016	(3,707)

23 Retirement benefit obligations (continued)

(b) Retirement benefit costs (continued)

Notes:

- (i) The subsidiaries of the Group in Hong Kong elected to contribute to the Mandatory Provident Fund Scheme ("MPF Scheme"). The MPF Scheme is a defined contribution retirement benefit plan administered by independent trustees. Under the MPF Scheme, both the employer and employees are required to contribute 5% of the employee's monthly salaries (capped at HK\$30,000). Contributions from the employer equivalent to the contribution as specified at the rules of the MPF Scheme are 100% vested as soon as they are paid to the relevant MPF Scheme but all benefits derived from the mandatory contributions must be preserved until the employee reaches the age of 65, subject to a few exceptions. As to the employer's contribution in excess of the portion vested in the MPF Scheme the employees are entitled to 100% of it after 10 years of completed service or at a reduced scale after completion of 3 to 9 years' service. No forfeited contributions for the Group is available to reduce the contribution payment in the future years.

The employees of the Group in Mainland China are members of state-managed retirement benefit schemes operated by the respective local government in Mainland China. The Group is required to contribute a specified percentage of payroll costs to the scheme to fund the benefits. The only obligation of the Group with respect to these schemes is to make the specified contributions.

Certain employees of the Group in Taiwan participate a defined contribution retirement benefit plan ("New Retirement Plan") administered by the local government and followed the local statutory requirements. The only obligation of the Group with respect to this plan is to make the specified contributions.

The Group also participates in a post-employment benefit plan and employees provident fund in Singapore and Malaysia respectively. The Group pays contribution to a separate entity and will have no legal or construction obligation to pay further amounts.

- (ii) Before the effective of New Retirement Plan since 1 July 2005, a branch of a wholly-owned subsidiary of the Group in Taiwan participates in a central defined benefit retirement plan ("Old Retirement Plan") providing benefits to all employees in accordance with the Labor Standards Law (as amended) in Taiwan. The Group has an obligation to ensure that there are sufficient funds in the Old Retirement Plan to pay the benefits earned. The branch previously contributed at 2% of the total salaries as determined and approved by the relevant government authorities. The assets of the Old Retirement Plan are invested in an independent administered pooled funds held at Bank of Taiwan and the assets are held separately from those of the Group.

The latest actuarial valuation was prepared as at 31 March 2018 by Towers Watson Hong Kong Limited, a qualified actuary, using the projected unit credit method. During the year ended 31 March 2019, the outstanding obligations were fully settled from the funds contributed.

The amounts recognised in the consolidated statement of financial position are determined as follows:

	2019 HK\$'000	2018 HK\$'000
Present value of funded obligations	-	2,000
Fair value of plan assets	-	(3,495)
Net asset in the statement of financial position (Note (a))	-	(1,495)

23 Retirement benefit obligations (continued)

(b) Retirement benefit costs (continued)

Notes: (continued)

(ii) (continued)

The movements of the defined benefit plan during the year ended 31 March 2018 are as follows:

	Fair value of plan assets (asset)/liability HK\$'000	Present value of funded obligations (asset)/liability HK\$'000	Total (asset)/liability HK\$'000
At 1 April 2017	(3,279)	2,766	(513)
Current service cost	–	19	19
Past service cost	–	(799)	(799)
Interest (income)/expense	(61)	50	(11)
Retirement benefit costs credited to income statement	(61)	(730)	(791)
Remeasurements:			
Actuarial gain – experience	–	(20)	(20)
Actuarial loss – financial assumptions	–	45	45
Return on scheme assets greater than discount rate	(80)	–	(80)
Retirement benefit costs (credited)/charged to other comprehensive income	(80)	25	(55)
Employer contributions	(61)	–	(61)
Benefit paid from scheme asset	170	(170)	–
Exchange difference	(184)	109	(75)
At 31 March 2018	(3,495)	2,000	(1,495)

The principal actuarial assumptions used are as follows:

	2018
Discount rate	1.5%
Expected rate of future salary increases	3.0%

23 Retirement benefit obligations (continued)

(b) Retirement benefit costs (continued)

Notes: (continued)

- (iii) The Group's provision for long service payments are determined based on the actuarial valuation as at 31 March 2019 prepared by Towers Watson Hong Kong Limited, a qualified actuary, using the projected unit credit method.

The movements of long service payments during the year are as follow:

	Present value of obligations	
	2019 HK\$' 000	2018 HK\$' 000
At 1 April	3,494	7,101
Current service cost	128	136
Interest cost on scheme assets	71	118
Retirement benefit costs charged to income statement	199	254
Remeasurements:		
Actuarial loss/(gain) – experience	2,466	(3,484)
Actuarial loss/(gain) – financial assumptions	211	(167)
Actuarial gain – demographic assumptions	(661)	(1)
Retirement benefit costs charged/(credited) to other comprehensive income	2,016	(3,652)
Benefits paid directly by the employer	(66)	(209)
At 31 March	5,643	3,494

The principal actuarial assumptions used are as follows:

	2019	2018
Discount rate	1.8%	2.1%
Expected rate of future salary increases	3.5%	3.5%

The sensitivity of the long service payments to changes in the weighted principal assumption is as follows:

Assumption	Change to adopted rate	Effect on defined benefit plan obligation
Discount rate	+0.25%	+0.25%
	-0.25%	-0.25%
Expected rate of future salary increases	+0.25%	+0.25%
	-0.25%	-0.25%

24 Share capital

Accounting Policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Please refer to **Significant Accounting Policies No.10** for details on Share Options and Share Award Scheme.

Authorised shares of HK\$0.1 each	No. of shares	HK\$'000
At 31 March 2018 and 2019	8,000,000,000	800,000
Issued and fully paid shares of HK\$0.1 each		
At 1 April 2017	2,994,441,370	299,444
Issue of share upon exercise of share option	20,000	2
Issue of shares upon scrip dividend of 2016/17 final dividend	28,090,745	2,809
Issue of shares upon scrip dividend of 2017/18 interim dividend	16,302,283	1,630
At 31 March 2018	3,038,854,398	303,885
Issue of share upon exercise of share option	1,180,000	118
Issue of shares upon scrip dividend of 2017/18 final and special dividends	52,159,796	5,216
Issue of shares upon scrip dividend of 2018/19 interim dividend	3,408,209	341
At 31 March 2019	3,095,602,403	309,560

(a) Share options

The 2002 Share Option Scheme was adopted on 29 August 2002 and terminated on 23 August 2012. No further options could be granted under the 2002 Share Option Scheme upon termination but the options already granted remained governed by the 2002 Share Option Scheme. The 2012 Share Option Scheme was adopted on 23 August 2012.

Under both the 2002 Share Option Scheme and the 2012 Share Option Scheme, share options may be granted to any directors (including executive, non-executive and independent non-executive directors) and employees of the Group, and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any members of the Group who the Board or a duly authorised committee thereof considers, in its sole discretion, to have contributed to the Group.

The option period shall be notified by the Board to each grantee at the time of making an offer which shall not expire later than 10 years from the date of grant of the relevant option. The subscription price shall be determined by the Board at its absolute discretion but in any event shall not be less than the highest of: (i) the closing price of the Company's shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant; (ii) the average closing price of the Company's shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share of the Company. The Group has no obligation to repurchase or settle the options in cash.

24 Share capital (continued)

(a) Share options (continued)

The outstanding share options of the Company were granted under the 2002 Share Option Scheme and the 2012 Share Option Scheme on or before 31 March 2018 to a director of the Company and certain key management personnel, which are to be vested after the selected employees completed a period of services in the Group from one to three years from the grant date or achieved certain performance targets set by the Board. All outstanding share options have been vested.

During the year ended 31 March 2019, a total of 400,000 (31 March 2018: Nil) share options were granted to a non-executive director and three independent non-executive directors under the 2012 Share Option Scheme and will be vested on 13 April 2020.

Movements in the number of share options outstanding are as follows:

	No. of share options year ended 31 March	
	2019	2018
At beginning of the year	34,181,988	34,989,988
Granted	400,000	–
Exercised	(1,180,000)	(20,000)
Lapsed	(445,000)	(788,000)
At end of the year	32,956,988	34,181,988

The weighted average closing price at the date of exercise of options exercised during the year ended 31 March 2019 was HK\$5.47 (2018: HK\$4.11).

The expiry dates and subscription prices of the share options outstanding as at 31 March 2019 and 2018 are set out as follows:

Expiry dates	Subscription price per Share (HK\$)	No. of share options outstanding as at 31 March	
		2019	2018
2002 Share Option Scheme			
29 September 2020	3.16	532,000	562,000
16 June 2021	4.95	1,860,000	2,270,000
28 February 2022	4.77	22,145,988	22,145,988
28 June 2022	4.85	3,007,000	3,945,000
2012 Share Option Scheme			
20 June 2023	8.07	5,012,000	5,259,000
12 April 2028	4.65	400,000	–
		32,956,988	34,181,988
Weighted average remaining contractual life of options outstanding at end of the year		3.15 years	4.08 years

24 Share capital (continued)

(a) Share options (continued)

The weighted average fair value of share options granted during the year was determined using the binomial lattice model, prepared by Roma Appraisals Limited, was HK\$1.55 per option. The significant inputs into the model were share price of HK\$4.65 at the grant date, subscription price of HK\$4.65, volatility of 42.2%, dividend yields of 3.7%, an expected option life of around 10 years and an annual risk-free interest rate of 1.9%. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the last 10 years.

(b) Share award

Pursuant to a resolution of the Board dated 11 April 2014, the Board approved the adoption of the Share Award Scheme under which shares of the Company may be awarded to selected employees for no cash consideration in accordance with its absolute discretion. The Share Award Scheme operates for 15 years starting from 11 April 2014. The maximum number of shares which may be awarded to any selected employee under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time. The awarded shares are to be vested after the selected employee completed a period of services in the Group from one month to three years from the grant date.

A trust has been set up and fully funded by the Company for the purpose of purchasing, administrating and holding the Company's shares for the Share Award Scheme. The total number of shares to be awarded under the Share Award Scheme is limited to 5% of the issued share capital of the Company.

During the year ended 31 March 2018, no share was acquired by the Company. During the year ended 31 March 2019, the Company acquired 2,000,000 of its own shares on the Stock Exchange for the Share Award Scheme. The total amount paid to acquire these shares was HK\$9,618,000 and has been debited to the shareholders' equity. During the year ended 31 March 2019, 164,618 shares of the Company were issued to the Share Award Scheme as scrip dividend.

Movements in the number of shares awarded:

	Number of awarded shares	
	year ended 31 March	
	2019	2018
At beginning of the year	475,000	720,000
Awarded (Note)	370,000	700,000
Vested	(305,000)	(625,000)
Lapsed	(105,000)	(320,000)
At end of the year	435,000	475,000

Note: The fair value of awarded shares was determined with reference to market price of the Company's shares at the grant date. Average fair value per share was HK\$4.98 (2018:HK\$2.89).

24 Share capital (continued)

(b) Share award (continued)

Details of the awarded shares outstanding as at 31 March 2019 were set out as follows:

Date of award	Average fair value per share (HK\$)	Vesting period*	Number of awarded shares				Outstanding as at 31 March 2019
			Outstanding as at 1 April 2018	Awarded during the year	Vested during the year	Lapsed during the year	
29 Jan 2016	2.12	29 Jan 2016 to 29 Jan 2019	15,000	–	–	(15,000)	–
29 Jul 2016	3.38	29 Jul 2016 to 29 Jul 2019	50,000	–	(25,000)	–	25,000
31 Jul 2017	2.87	31 Jul 2017 to 31 Mar 2020	310,000	–	(160,000)	(40,000)	110,000
30 Nov 2017	3.01	30 Nov 2017 to 21 Aug 2020	100,000	–	–	(50,000)	50,000
29 Jun 2018	4.98	29 Jun 2018 to 23 May 2021	–	370,000	(120,000)	–	250,000
			475,000	370,000	(305,000)	(105,000)	435,000

* The period during which all the specific vesting conditions of the awarded shares are to be satisfied.

(c) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year as part of employee benefit expense were as follows:

	2019 HK\$'000	2018 HK\$'000
Expenses recognised by share option scheme	300	–
Expenses recognised by share award scheme	1,704	1,065
	2,004	1,065

25 Reserves

	Share premium HK\$'000	Shares held under the Share Award Scheme HK\$'000	Capital redemption reserve HK\$'000	Employee share-based compensation reserve HK\$'000	Hedging reserve HK\$'000	Translation reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 April 2017	1,080,717	(3,945)	11,783	62,539	133	(62,680)	831,175	1,919,722
Profit for the year	-	-	-	-	-	-	440,120	440,120
Other comprehensive income:								
Actuarial gains on retirement benefit obligations	-	-	-	-	-	-	3,707	3,707
Cash flow hedges, net of tax	-	-	-	-	258	-	-	258
Currency translation differences of foreign subsidiaries recorded in translation reserve	-	-	-	-	-	41,139	-	41,139
Total comprehensive income for the year	-	-	-	-	258	41,139	443,827	485,224
Share award scheme:								
Value of employee services	-	-	-	1,065	-	-	-	1,065
Vesting of shares under share award scheme	-	2,306	-	(2,437)	-	-	131	-
Employee share option scheme:								
Proceeds from shares issued upon exercise of share options	61	-	-	-	-	-	-	61
Lapse of share options	-	-	-	(1,463)	-	-	1,463	-
Issue of shares upon scrip dividend of 2016/17 final dividend (Note 24)	74,160	-	-	-	-	-	-	74,160
Issue of shares upon scrip dividend of 2017/18 interim dividend (Note 24)	43,853	-	-	-	-	-	-	43,853
Unclaimed dividends forfeited	-	-	-	-	-	-	214	214
Dividends:								
2016/17 final dividend	-	-	-	-	-	-	(239,555)	(239,555)
2017/18 interim dividend	-	-	-	-	-	-	(105,789)	(105,789)
Total transactions with owners, recognised directly in equity	118,074	2,306	-	(2,835)	-	-	(343,536)	(225,991)
At 31 March 2018	1,198,791	(1,639)	11,783	59,704	391	(21,541)	931,466	2,178,955

25 Reserves (continued)

	Share premium HK\$' 000	Shares held under the Share Award Scheme HK\$' 000	Capital redemption reserve HK\$' 000	Employee share-based compensation reserve HK\$' 000	Hedging reserve HK\$' 000	Translation reserve HK\$' 000	Retained earnings HK\$' 000	Total HK\$' 000
At 1 April 2018	1,198,791	(1,639)	11,783	59,704	391	(21,541)	931,466	2,178,955
Profit for the year	-	-	-	-	-	-	470,752	470,752
Other comprehensive loss:								
Actuarial loss on retirement benefit obligations	-	-	-	-	-	-	(2,016)	(2,016)
Cash flow hedges, net of tax	-	-	-	-	(472)	-	-	(472)
Currency translation differences of foreign subsidiaries recorded in translation reserve	-	-	-	-	-	(20,851)	-	(20,851)
Total comprehensive income for the year	-	-	-	-	(472)	(20,851)	468,736	447,413
Share award scheme:								
Shares purchased for share award scheme	-	(9,618)	-	-	-	-	-	(9,618)
Value of employee services	-	-	-	1,704	-	-	-	1,704
Vesting of shares under share award scheme	-	1,337	-	(1,141)	-	-	(196)	-
Employee share option scheme:								
Value of employee services	-	-	-	300	-	-	-	300
Proceeds from shares issued upon exercise of share options	5,586	-	-	-	-	-	-	5,586
Transfer of reserve upon exercise of options	1,737	-	-	(1,737)	-	-	-	-
Lapse of share options	-	-	-	(834)	-	-	834	-
Issue of shares upon scrip dividend of 2017/18 final and special dividends (Note 24)	184,646	-	-	-	-	-	-	184,646
Issue of shares upon scrip dividend of 2018/19 interim dividend (Note 24)	9,884	-	-	-	-	-	-	9,884
Unclaimed dividends forfeited	-	-	-	-	-	-	236	236
Dividends:								
2017/18 final and special dividends	-	-	-	-	-	-	(425,604)	(425,604)
2018/19 interim dividend	-	-	-	-	-	-	(216,454)	(216,454)
Total transactions with owners, recognised directly in equity	201,853	(8,281)	-	(1,708)	-	-	(641,184)	(449,320)
At 31 March 2019	1,400,644	(9,920)	11,783	57,996	(81)	(42,392)	759,018	2,177,048

26 Cash flow information

(a) Cash generated from operations

	2019 HK\$'000	2018 HK\$'000
Profit for the year from continuing operations	472,068	465,243
Loss for the year from discontinued operation	(1,316)	(25,123)
Profit for the year including discontinued operation	470,752	440,120
Adjustments for:		
– Income tax expense	91,380	96,729
– Depreciation of property, plant and equipment	111,285	101,267
– Impairment of property, plant and equipment	5,969	5,669
– Write-off of property, plant and equipment	991	7,457
– Provision for slow moving inventories and shrinkage	34,056	36,658
– Gains on disposal of property, plant and equipment	(447)	(1,255)
– Share-based payment	2,004	1,065
– Finance income	(20,690)	(11,837)
	695,300	675,873
Changes in working capital:		
– Inventories	(120,725)	(126,104)
– Trade receivables	32,716	(78,341)
– Other receivables, deposits and prepayments	2,577	(6,604)
– Trade payables	(148,202)	305,788
– Other payables, accruals and retirement benefit obligations	(26,595)	49,668
Cash generated from operations	435,071	820,280

(b) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

	2019 HK\$'000	2018 HK\$'000
Net book amount (Note 13)	1	358
Gains on disposal of property, plant and equipment	447	1,255
Proceeds from disposal of property, plant and equipment	448	1,613

27 Commitments

(a) Capital commitments in respect of acquisition of property, plant and equipment

	2019 HK\$'000	2018 HK\$'000
Contracted but not provided for	39,844	21,405

The capital commitments authorised but not contracted amounted to HK\$129,931,000 (2018: HK\$158,012,000). The amount represents the Group's estimated capital expenditure based on the annual budget approved by the board of directors.

(b) Non-cancellable operating leases commitment

The Group leases various retail outlets, offices and warehouses under non-cancellable operating lease agreements. The lease terms are between 1-10 years.

As at 31 March 2019, the Group had total future aggregate minimum lease payments under non-cancellable operating leases as follows:

	2019 HK\$'000	2018 HK\$'000
Land and buildings		
Within one year	753,734	757,716
In the second to fifth year inclusive	699,767	837,409
After the fifth year	152	9,015
	1,453,653	1,604,140

(c) Non-cancellable operating leases rental receivables

As at 31 March 2019, the Group had total future aggregate minimum lease payments receivable under non-cancellable operating leases as follows:

	2019 HK\$'000	2018 HK\$'000
Land and buildings		
Within one year	25,380	25,380
In the second to fifth year inclusive	23,000	47,000
	48,380	72,380

28 Significant related party transactions

Accounting Policy

Related parties are individuals and companies, including subsidiaries, fellow subsidiaries, jointly controlled entities, associated companies and key management personnel, where the individual or company has the ability, directly or indirectly, control or jointly control the other party or exercise significant influence over the other party in making financial and operating decisions. A close family member of any such individual is considered to be a related party.

(a) Transactions with related parties

	2019 HK\$' 000	2018 HK\$' 000
Rental expenses paid to an entity wholly owned by executive directors	2,202	1,721

Rental expense is mutually agreed by both parties.

(b) Key management compensation

Key management, including executive directors, senior management and other key management personnel, represents individual who has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and operating decisions.

Key management compensation is disclosed as follows:

	2019 HK\$' 000	2018 HK\$' 000
Basic salaries, housing allowances, other allowances and benefits-in-kind	45,655	44,230
Retirement benefit costs	1,584	1,939
Share-based payment	1,595	1,069
	48,834	47,238

(c) Interest of directors

There are no loans, quasi-loans or other dealings in favour of directors, their controlled bodies corporate and connected entities (2018: Nil). During the year and at the year end, no director of the Company had or has a material interest, directly or indirectly, in any significant transactions, arrangements and contracts in relation to the Group's business to which the Group was or is a party (2018: Nil).

29 Principal subsidiaries

Particulars of the principal subsidiaries at 31 March 2019:

Name	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation (if different from place of incorporation)	Particulars of issued share capital/paid up share capital	Indirect interest held
Astute Approach Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$7,300,001	100%
Base Sun Investment Limited	Hong Kong, limited liability company	Property holding	Ordinary HK\$100 Deferred HK\$2	100%
Bethany Services Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$198,001	100%
Cosmic Rosy Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$1	100%
Cyber Colors Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$1	100%
Docile Company Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$2	100%
Dragon Gold Investments Limited	Hong Kong, limited liability company	Trading of cosmetic and skin care products	Ordinary HK\$2	100%
Dragonstar International Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$1	100%
Eleanor International Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$1	100%
Ever Bloom Development Limited	Hong Kong, limited liability company	Investment holding	Ordinary HK\$1	100%
Fielding Group Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$2	100%
Forever Best International Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$1	100%
Hadatuko Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$1	100%
Highmove Enterprises Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$1	100%
Hong Kong Sa Sa (M) Sdn. Bhd.	Malaysia, limited liability company	Trading and retailing of cosmetic products	Ordinary RM20,000,000	100%

29 Principal subsidiaries (continued)

Particulars of the principal subsidiaries at 31 March 2019: (continued)

Name	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation (if different from place of incorporation)	Particulars of issued share capital/paid up share capital	Indirect interest held
Matford Trading Limited	Hong Kong, limited liability company	Property holding	Ordinary HK\$100 Deferred HK\$6	100%
Methode Swiss Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$1	100%
Netcom Holdings Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$50,000	100%
New Image International Holdings Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$6	100%
Nouveau International Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$1	100%
Rosy Sino Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$1	100%
Sa Sa Boutique Limited	Hong Kong, limited liability company	Investment holding	Ordinary HK\$2	100%
Sa Sa Cosmetic Company Limited	Hong Kong, limited liability company	Retailing and wholesaling of cosmetic products	Ordinary HK\$100 Deferred HK\$2	100%
Sa Sa Cosmetic Co. (S) Pte. Ltd.	Singapore, limited liability company	Trading and retailing of cosmetic products	Ordinary S\$19,500,000	100%
Sa Sa dot Com Limited	Hong Kong, limited liability company	E-commerce	Ordinary HK\$1,000,000	100%
Sa Sa Development Limited	Hong Kong, limited liability company	Property holding	Ordinary HK\$100	100%
Sa Sa Health Food Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$50,000	100%
Sa Sa Investment (HK) Limited	Hong Kong, limited liability company	Property holding	Ordinary HK\$100 Deferred HK\$2	100%
Sa Sa Investment Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$1	100%

29 Principal subsidiaries (continued)

Particulars of the principal subsidiaries at 31 March 2019: (continued)

Name	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation (if different from place of incorporation)	Particulars of issued share capital/paid up share capital	Indirect interest held
Sa Sa International (Taiwan) Limited	British Virgin Islands, limited liability company	Trading and retailing of cosmetic products in Taiwan	Ordinary US\$6,880,000	100%
Sa Sa Making Life Beautiful Charity Fund Limited	Hong Kong, limited liability company	Charitable activities	Limited by guarantee	100%
Sa Sa Nominees Limited	Hong Kong, limited liability company	Nominee and secretarial services	Ordinary HK\$2	100%
Sa Sa Overseas Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$2	100%
Sa Sa Property Limited	Hong Kong, limited liability company	Property holding	Ordinary HK\$100	100%
Sasatinie Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$1	100%
SkinPeptoxyl Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$1	100%
Soo Beauté Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$1	100%
S.P. Laboratories S.A.	Switzerland, limited liability company	Holding of intellectual property rights	Bearer CHF555,000	100%
Swiss Balance Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$1	100%
Swiss Rituel Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US\$1	100%
Suisse Programme Limited	Gibraltar, limited liability company	Holding of intellectual property rights	Ordinary GBP100	100%
Whitfield Enterprises Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US\$2	100%
明貴貿易(上海)有限公司 (Note 1)	PRC, limited liability company	Wholesale of cosmetic products	HK\$10,000,000	100%
莎莎化妝品(中國)有限公司 (Note 2)	PRC, limited liability company	Trading and retailing of cosmetic products	HK\$205,000,000	100%
鄭州莎莎電子商務有限公司 (Note 3)	PRC, limited liability company	Import and export of goods	RMB500,000	100%

Notes:

- 1) 明貴貿易(上海)有限公司 is a wholly-owned foreign enterprise in the PRC.
- 2) 莎莎化妝品(中國)有限公司 is a wholly-owned foreign enterprise in the PRC.
- 3) 鄭州莎莎電子商務有限公司 is a wholly-owned foreign enterprise in the PRC.

30 Statement of financial position and reserve movement of the Company

Statement of financial position of the Company

	2019 HK\$'000	2018 HK\$'000
ASSETS		
Non-current assets		
Investments in and amounts due from subsidiaries	1,767,636	1,453,817
Other assets	750	750
	1,768,386	1,454,567
Current assets		
Other receivables, deposits and prepayments	1,905	2,570
Time deposits	362,588	682,978
Cash and cash equivalents	72,778	9,161
	437,271	694,709
LIABILITIES		
Current liabilities		
Other payables and accruals	1,684	1,740
Net current assets	435,587	692,969
Total assets less current liabilities	2,203,973	2,147,536
EQUITY		
Capital and reserves		
Share capital	309,560	303,885
Reserves	1,894,413	1,843,651
Total equity	2,203,973	2,147,536

On behalf of the Board

KWOK Siu Ming Simon

Chairman and CEO

KWOK LAW Kwai Chun Eleanor

Vice-chairman

30 Statement of financial position and reserve moment of the Company (continued)**Reserve movement of the Company**

	Share premium HK\$' 000	Shares held under the Share Award Scheme HK\$' 000	Capital redemption reserve HK\$' 000	Employee share-based compensation reserve HK\$' 000	Retained earnings HK\$' 000	Total HK\$' 000
At 1 April 2017	1,080,717	(3,945)	11,783	62,539	515,361	1,666,455
Profit and total comprehensive income for the year	-	-	-	-	403,187	403,187
Share award scheme:						
Value of employee services	-	-	-	1,065	-	1,065
Vesting of shares under share award scheme	-	2,306	-	(2,437)	131	-
Employee share option scheme:						
Proceeds from shares issued upon exercise of share options	61	-	-	-	-	61
Lapse of share options	-	-	-	(1,463)	1,463	-
Issue of shares upon scrip dividend of 2016/17 final dividend (Note 24)	74,160	-	-	-	-	74,160
Issue of shares upon scrip dividend of 2017/18 interim dividend (Note 24)	43,853	-	-	-	-	43,853
Unclaimed dividends forfeited	-	-	-	-	214	214
Dividends:						
2016/17 final dividend	-	-	-	-	(239,555)	(239,555)
2017/18 interim dividend	-	-	-	-	(105,789)	(105,789)
Total transactions with owners, recognised directly in equity	118,074	2,306	-	(2,835)	(343,536)	(225,991)
At 31 March 2018	1,198,791	(1,639)	11,783	59,704	575,012	1,843,651

30 Statement of financial position and reserve movement of the Company (continued)

Reserve movement of the Company (continued)

	Share premium HK\$' 000	Shares held under the Share Award Scheme HK\$' 000	Capital redemption reserve HK\$' 000	Employee share-based compensation reserve HK\$' 000	Retained earnings HK\$' 000	Total HK\$' 000
At 1 April 2018	1,198,791	(1,639)	11,783	59,704	575,012	1,843,651
Profit and total comprehensive income for the year	-	-	-	-	500,082	500,082
Share award scheme:						
Shares purchased for share award scheme	-	(9,618)	-	-	-	(9,618)
Value of employee services	-	-	-	1,704	-	1,704
Vesting of shares under share award scheme	-	1,337	-	(1,141)	(196)	-
Employee share option scheme:						
Value of employee services	-	-	-	300	-	300
Proceeds from shares issued upon exercise of share options	5,586	-	-	-	-	5,586
Transfer of reserve upon exercise of options	1,737	-	-	(1,737)	-	-
Lapse of share options	-	-	-	(834)	834	-
Issue of shares upon scrip dividend of 2017/18 final and special dividends (Note 24)	184,646	-	-	-	-	184,646
Issue of shares upon scrip dividend of 2018/19 interim dividend (Note 24)	9,884	-	-	-	-	9,884
Unclaimed dividends forfeited	-	-	-	-	236	236
Dividends:						
2017/18 final and special dividends	-	-	-	-	(425,604)	(425,604)
2018/19 interim dividend	-	-	-	-	(216,454)	(216,454)
Total transactions with owners, recognised directly in equity	201,853	(8,281)	-	(1,708)	(641,184)	(449,320)
At 31 March 2019	1,400,644	(9,920)	11,783	57,996	433,910	1,894,413