



MGG

2018/2019

INTERIM REPORT 中期報告



Master Glory Group Limited

凱華集團有限公司

(Carrying on business in Hong Kong as “275 凱華集團”)

(以「275 凱華集團」於香港經營業務)

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Dr. Yap Allan
Mr. Heung Pik Lun, Edmond
Dr. Wu Guangsheng

Independent Non-executive Directors

Mr. Kwok Ka Lap, Alva
Mr. Poon Kwok Hing, Albert
Mr. Sin Chi Fai
Dr. Wu Chun Wah

AUDIT COMMITTEE

Mr. Poon Kwok Hing, Albert
Mr. Kwok Ka Lap, Alva
Mr. Sin Chi Fai

NOMINATION COMMITTEE

Dr. Wu Chun Wah
Mr. Kwok Ka Lap, Alva
Mr. Poon Kwok Hing, Albert
Dr. Yap Allan

REMUNERATION COMMITTEE

Mr. Kwok Ka Lap, Alva
Mr. Poon Kwok Hing, Albert
Dr. Yap Allan

COMPANY SECRETARY

Ms. Wong Nam, Marian

AUDITOR

Deloitte Touche Tohmatsu

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

董事會

執行董事

葉家海博士
向碧倫先生
吳光勝博士

獨立非執行董事

郭嘉立先生
潘國興先生
冼志輝先生
鄔鎮華博士

審核委員會

潘國興先生
郭嘉立先生
冼志輝先生

提名委員會

鄔鎮華博士
郭嘉立先生
潘國興先生
葉家海博士

薪酬委員會

郭嘉立先生
潘國興先生
葉家海博士

公司秘書

王嵐小姐

核數師

德勤•關黃陳方會計師行

主要往來銀行

中國銀行(香港)有限公司
香港上海滙豐銀行有限公司

PRINCIPAL REGISTRAR

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

BRANCH REGISTRAR

Tricor Secretaries Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL OFFICE

Unit 703, 7/F
1063 King's Road
Quarry Bay
Hong Kong

STOCK CODE

275

WEBSITE

www.mggl.com.hk

主要過戶登記處

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

過戶登記分處

卓佳秘書商務有限公司
香港
皇后大道東183號
合和中心22樓

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

主要辦事處

香港
鰂魚涌
英皇道1063號
7樓703室

股份代號

275

公司網址

www.mggl.com.hk

Report on Review of Condensed Consolidated Financial Statements

簡明綜合財務報表之審閱報告



TO THE BOARD OF DIRECTORS OF
MASTER GLORY GROUP LIMITED
(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Master Glory Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 6 to 60, which comprise the condensed consolidated statement of financial position as of 30 September 2018 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

致Master Glory Group Limited
凱華集團有限公司
(於百慕達註冊成立之有限公司)
董事會

引言

吾等已審閱載於第6頁至60頁Master Glory Group Limited凱華集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的簡明綜合財務報表，該簡明綜合財務報表包括於二零一八年九月三十日的簡明綜合財務狀況表及截至該日止六個月期間的相關簡明綜合損益及其他全面收益表、股東權益變動表和現金流量表，以及若干附註解釋。《香港聯合交易所有限公司證券上市規則》規定，中期財務資料報告的編製須符合其相關條文規定以及香港會計師公會頒佈的《香港會計準則》第34號「中期財務報告」(「香港會計準則第34號」)。貴公司董事須負責按照香港會計準則第34號編製及呈列該等簡明綜合財務報表。吾等的責任乃根據審閱工作就該等簡明綜合財務報表作出結論，並按照協定的委聘條款僅向董事會整體報告。除此之外，別無其他目的。吾等概不就本報告內容對任何其他人士負上或承擔責任。

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

30 November 2018

審閱範圍

吾等已根據香港會計師公會頒佈的《香港審閱工作準則》第2410號「實體獨立核數師對中期財務資料的審閱」進行審閱工作。審閱該等簡明綜合財務報表包括主要向負責財務和會計事務的人員作出查詢，以及應用分析性和其他審閱程序。由於審閱範圍遠較根據《香港審計準則》進行審核的範圍為小，故吾等不能保證可知悉所有在審核中可能發現的重大事項。因此，吾等不會發表審核意見。

結論

依照吾等的審閱結果，吾等並無發現任何事項，令吾等相信簡明綜合財務報表在各重大方面未有根據香港會計準則第34號編製。

德勤•關黃陳方會計師行
執業會計師
香港

二零一八年十一月三十日

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收益表

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

		Six months ended 30 September 截至九月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
		NOTES 附註	
Revenue	收入	3	82,207
Cost of sales	銷售成本		(14,665)
Gross profit	毛利		67,542
Other income	其他收入		2,267
Other gains and losses, other expenses	其他收益及虧損、其他開支	4	(504,955)
Distribution and selling expenses	分銷及銷售開支		(2,422)
Administrative expenses	行政開支		(73,989)
Finance costs	財務費用	5	(224,335)
Share of results of associates	應佔聯營公司業績		(8,054)
Share of result of a joint venture	應佔一間合營企業業績		-
Loss before income tax	除所得稅前虧損		(743,946)
Income tax credit (expense)	所得稅抵免(支出)	6	58,952
Loss for the period	期內虧損	7	(684,994)
Other comprehensive (expense) income	其他全面(開支)收入		
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至 損益之項目：		
Exchange differences arising on translation of foreign operations	換算海外業務所產生 之匯兌差額		(250,947)
Share of other comprehensive income of associates	應佔聯營公司 其他全面收入		529
			188,033
			560

Six months ended
30 September
截至九月三十日止六個月

	<i>NOTES</i> 附註	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
Net other comprehensive (expense) income for the period	期內其他全面(開支)收入淨額	[250,418]	188,593
Total net comprehensive (expense) income for the period	期內全面(開支)收入總淨額	[935,412]	48,378
Loss for the period attributable to:	以下人士應佔期內虧損：		
Owners of the Company	本公司擁有人	[686,842]	[143,375]
Non-controlling interests	非控股權益	1,848	3,160
		[684,994]	[140,215]
Total net comprehensive (expense) income attributable to:	以下人士應佔全面(開支)收入總淨額：		
Owners of the Company	本公司擁有人	[933,334]	43,460
Non-controlling interests	非控股權益	[2,078]	4,918
		[935,412]	48,378
Loss per share	每股虧損	9	9
		HK(6.7) cents港仙	HK(1.4) cents港仙

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 September 2018 於二零一八年九月三十日

		NOTES 附註	30 September 2018 二零一八年 九月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 2018 二零一八年 三月三十一日 HK\$'000 千港元 (Audited) (經審核)
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、機器及設備	10	41,535	48,425
Prepaid lease payments	預付租賃付款		29,069	33,785
Investment properties	投資物業	11	9,328,474	10,360,347
Intangible assets	無形資產		13,801	14,879
Goodwill	商譽		13,274	14,152
Interests in associates	於聯營公司之權益		524,182	550,197
Financial assets at fair value through profit or loss	按公平值計入損益之 財務資產	12	160,625	-
Available-for-sale investments	可供銷售投資	12	-	169,705
Club debentures	會所債券		5,320	5,320
Deposits for acquisition of investment properties	收購投資物業之訂金		26,808	88,973
Deposits for acquisition of interests in investments	收購投資權益之訂金		-	37,175
Deferred tax assets	遞延稅項資產		32	32
			10,143,120	11,322,990
CURRENT ASSETS	流動資產			
Prepaid lease payments	預付租賃付款		3,944	4,392
Inventories	存貨		601	309
Financial assets at fair value through profit or loss	按公平值計入損益之 財務資產	12	110,096	-
Available-for-sale investments	可供銷售投資	12	-	75,780
Properties held for sale	持作銷售物業	13	96,761	96,761
Trade and other receivables and prepayments	貿易及其他應收款項及 預付款項	14	29,968	65,696
Refundable deposits for proposed acquisitions	建議收購事項之可退回訂金	15	847,267	-
Deposits for acquisition of interests in investments	收購投資權益之訂金		-	260,616
Short-term loans receivable	應收短期貸款		-	57,000
Investments held for trading	持作買賣投資	12	-	81,000
Restricted bank deposit	受限制銀行存款		29,328	31,708
Bank balances and cash	銀行結餘及現金		88,140	430,655
			1,206,105	1,103,917
Assets classified as held for sale	分類為持作銷售資產	19	-	196,142
			1,206,105	1,300,059

			30 September 2018 二零一八年 九月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 2018 二零一八年 三月三十一日 HK\$'000 千港元 (Audited) (經審核)
CURRENT LIABILITIES	流動負債			
Other payables and accruals	其他應付款項及應計費用		335,359	304,157
Tax payable	應付稅項		85,491	91,086
Borrowings – due within one year	借款 – 於一年內到期	16	1,013,762	728,672
			1,434,612	1,123,915
Liabilities classified as held for sale	分類為持作銷售負債	19	–	121,036
			1,434,612	1,244,951
NET CURRENT (LIABILITIES) ASSETS	流動(負債)資產淨值		(228,507)	55,108
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		9,914,613	11,378,098
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	17	2,059,638	2,059,638
Share premium and reserves	股份溢價及儲備		1,833,786	2,767,120
Equity attributable to owners of the Company	本公司擁有人應佔權益		3,893,424	4,826,758
Non-controlling interests	非控股權益		45,635	51,983
TOTAL EQUITY	權益總額		3,939,059	4,878,741
NON-CURRENT LIABILITIES	非流動負債			
Borrowings – due after one year	借款 – 於一年後到期	16	4,651,808	4,995,225
Deferred tax liabilities	遞延稅項負債		1,323,746	1,504,132
			5,975,554	6,499,357
			9,914,613	11,378,098

Condensed Consolidated Statement of Changes in Equity

簡明綜合股東權益變動表

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

		Attributable to equity holder of the Company 本公司權益持有人應佔								Non- controlling interests	Total equity
		Share capital	Share premium	Contributed surplus	Currency translation reserve 貨幣 兌換儲備	Capital redemption reserve 資本 贖回儲備	Other reserves	Retained profits	Total		
		股本 HK\$'000 千港元	股份溢價 HK\$'000 千港元	實繳盈餘 HK\$'000 千港元 (note a) (附註a)	兌換儲備 HK\$'000 千港元	贖回儲備 HK\$'000 千港元	其他儲備 HK\$'000 千港元 (note b) (附註b)	保留溢利 HK\$'000 千港元	合計 HK\$'000 千港元	非控股權益 HK\$'000 千港元	權益總額 HK\$'000 千港元
At 1 April 2017 (audited)	於二零一七年四月一日 (經審核)	2,059,638	1,582,298	8,541	(81,109)	592	(294,132)	1,706,874	4,982,702	43,192	5,025,894
(Loss) profit for the period	期內(虧損)溢利	-	-	-	-	-	-	(143,375)	(143,375)	3,160	(140,215)
Other comprehensive income for the period	期內其他全面收入	-	-	-	186,275	-	560	-	186,835	1,758	188,593
Total comprehensive income (expense) for the period	期內全面收入 (開支)總額	-	-	-	186,275	-	560	(143,375)	43,460	4,918	48,378
Dividends paid to non- controlling interests	已付非控股權益股息	-	-	-	-	-	-	-	-	(2,536)	(2,536)
Acquisition of subsidiary (note 18)	收購附屬公司 (附註18)	-	-	-	-	-	-	-	-	1,862	1,862
At 30 September 2017 (unaudited)	於二零一七年九月三十日 (未經審核)	2,059,638	1,582,298	8,541	105,166	592	(293,572)	1,563,499	5,026,162	47,436	5,073,598
At 1 April 2018 (audited)	於二零一八年四月一日 (經審核)	2,059,638	1,582,298	8,541	272,321	592	(300,667)	1,204,035	4,826,758	51,983	4,878,741
(Loss) profit for the period	期內(虧損)溢利	-	-	-	-	-	-	(686,842)	(686,842)	1,848	(684,994)
Other comprehensive income (expense) for the period	期內其他全面收入 (開支)	-	-	-	(247,021)	-	529	-	(246,492)	(3,926)	(250,418)
Total comprehensive income (expense) for the period	期內全面收入 (開支)總額	-	-	-	(247,021)	-	529	(686,842)	(933,334)	(2,078)	(935,412)
Dividends paid to non- controlling interests	已付非控股權益股息	-	-	-	-	-	-	-	-	(4,270)	(4,270)
At 30 September 2018 (unaudited)	於二零一八年九月三十日 (未經審核)	2,059,638	1,582,298	8,541	25,300	592	(300,138)	517,193	3,893,424	45,635	3,939,059

Notes:

- (a) The contributed surplus of the Group at the end of the reporting period represented:
- (i) the credit arising from the transfer of the share premium account of the Company as at 20 February 1998 and 19 February 2003 to the contributed surplus account of the Company;
 - (ii) the credit arising from the reduction of the nominal value of the shares of the Company in 1999, 2003, 2009 and 2011; and
 - (iii) a balance as reduced by amounts transferred to the accumulated losses or retained profits of the Group as at 31 January 2000, 31 January 2001, 20 March 2003, 31 March 2005, 28 March 2013, 31 March 2014 and 31 March 2016.
- (b) The other reserves of the Group at the end of the reporting period mainly represented:
- (i) the difference between the consideration paid for the acquisition of additional equity interests in Best Smooth International Limited and its subsidiaries and the carrying amount of non-controlling interests acquired amounting to HK\$251,561,000 during the year ended 31 March 2011;
 - (ii) the share of net asset value of an associate transferred from a non-wholly owned subsidiary to another wholly owned subsidiary upon transfer of interest in an associate between subsidiaries during the year ended 31 March 2011;
 - (iii) the difference between the carrying amount of the 41% and 8% interests transferred and the consideration received respectively in relation to the disposal of partial equity interests in China Good Investments Limited ("China Good") without losing control during the years ended 31 March 2012 and 2013;
 - (iv) the difference between the consideration paid for acquisition of additional equity interest in China Good and its subsidiary and the carrying amount of the non-controlling interest acquired amounting to HK\$11,893,000 during the year ended 31 March 2017; and
 - (v) the share of the currency translation reserve and investment revaluation reserve of the Group's associates.

附註：

- (a) 本集團於申報期末之實繳盈餘指：
- (i) 本公司於一九九八年二月二十日及二零零三年二月十九日將股份溢價賬轉撥至本公司之實繳盈餘賬所產生之進賬；
 - (ii) 於一九九九年、二零零三年、二零零九年及二零一一年削減本公司股份面值所產生之進賬；及
 - (iii) 本集團於二零零零年一月三十一日、二零零一年一月三十一日、二零零三年三月二十日、二零零五年三月三十一日、二零一三年三月二十八日、二零一四年三月三十一日及二零一六年三月三十一日經扣除轉撥至累計虧損或保留溢利之金額後所得結餘。
- (b) 本集團於申報期末之其他儲備主要指：
- (i) 就收購百順國際有限公司及其附屬公司額外股權已付代價與已收購非控股權益於截至二零一一年三月三十一日止年度賬面值之差額 251,561,000 港元；
 - (ii) 截至二零一一年三月三十一日止年度，附屬公司間轉撥一間聯營公司權益時由一間非全資附屬公司轉撥至另一間全資附屬公司之應佔一間聯營公司資產淨值；
 - (iii) 於截至二零一二年及二零一三年三月三十一日止年度，分別就出售中廣投資有限公司（「中廣」）部分股權而不失去對其控制權之已轉讓之 41% 及 8% 權益之賬面值與已收代價之差額；
 - (iv) 於截至二零一七年三月三十一日止年度，就收購中廣及其附屬公司額外股權支付之代價與所收購非控股權益賬面值之差額 11,893,000 港元；及
 - (v) 應佔本集團聯營公司之貨幣兌換儲備及投資重估儲備。

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

		Six months ended 30 September 截至九月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
		NOTES 附註	
Net cash used in operating activities	經營業務動用之現金淨額	[37,950]	[60,101]
Net cash (used in) from investing activities	投資業務(動用)產生之現金淨額		
Interest received	已收利息	23,344	210
Purchase of property, plant and equipment	購買物業、機器及設備	[759]	[196]
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備之所得款項	-	41
Proceeds from disposal of a joint venture	出售一間合營企業之所得款項	-	91,497
Proceeds from disposal of asset through disposal of a subsidiary	透過出售一間附屬公司出售資產之所得款項	196,000	-
Payment of refundable deposits for proposed acquisitions	支付建議收購事項之可退回訂金	[847,267]	-
Refund of deposits for acquisition of interest in investments	退回收購投資權益之訂金	283,567	-
Repayment from short-term loans receivable	償還應收短期貸款	57,000	-
Repayment from an associate	來自一間聯營公司償還款項	-	41,511
Advance to a joint venture	向一間合營企業墊款	-	[24,671]
Dividend received	已收股息	-	529
Acquisition of a subsidiary	收購一間附屬公司	-	[15,196]
		[288,115]	93,725

Six months ended
30 September
截至九月三十日止六個月

		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
	NOTES 附註		
Net cash from (used in) financing activities	融資業務產生(動用)之現金淨額		
Borrowings raised	新增借款	548,160	1,325,720
Repayments of borrowings	償還借款	[412,498]	[1,071,020]
Other transaction costs paid on issue of loan notes	已付發出貸款票據之其他交易成本	-	[9,425]
Early repayment fee paid on an other borrowing	支付其他借款之提前償還費用	-	[39,683]
Interest paid	已付利息	[123,624]	[246,345]
Dividends paid to non-controlling interests	已付非控股權益股息	[4,270]	[2,536]
		7,768	[43,289]
Net decrease in cash and cash equivalents	現金及現金等值項目減少淨額	[318,297]	[9,665]
Cash and cash equivalents at beginning of the period	期初之現金及現金等值項目	430,655	103,957
Effect of foreign exchange rate changes	匯率變動之影響	[24,218]	5,204
Cash and cash equivalents at end of the period, represented by bank balances and cash	期末之現金及現金等值項目，指銀行結餘及現金	88,140	99,496

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”, issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements of Master Glory Group Limited (the “Company”) and its subsidiaries (collectively the “Group”) for the year ended 31 March 2018.

In preparing the condensed consolidated financial statements, the directors of the Company have given careful consideration of the future liquidity of the Group in light of the fact that the Group incurred a net current liabilities of HK\$228,507,000 as at 30 September 2018 and as at the same date the Group’s borrowings of HK\$1,013,762,000 were due for renewal or repayments within next twelve months. The condensed consolidated financial statements have been prepared on a going concern basis because:

- (i) as announced by the Company on 4 September 2018, the directors of the Company have proposed the rights issue on the basis of three rights shares for every one adjusted share. The estimated net proceeds to be raised from the rights issue shall be up to approximately HK\$1,058 million, if the rights shares are fully subscribed. On the same date, Dr. Yap Allan (“Dr. Yap”), the director of the Company, has entered into the deed of covenants and undertakings whereupon Dr. Yap has irrevocably undertaken to the Company that, among other things, subject to having obtained the whitewash waiver, he will accept in full the rights shares proposed to be provisionally allotted to him pursuant to the rights issue by lodging the provisional allotment letter accompanied by cheques or cashier order drawn on a licensed bank in Hong Kong for the full amount payable in respect of such rights shares, which shall amount to not less than approximately HK\$312 million in aggregate;

1. 編製基準

簡明綜合財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈之香港會計準則第34號「中期財務報告」，以及香港聯合交易所有限公司（「聯交所」）證券上市規則附錄十六之適用披露規定編製。

簡明綜合財務報表不包括年度綜合財務報表所須提供之一切資料及披露，故應連同 Master Glory Group Limited 凱華集團有限公司（「本公司」）及其附屬公司（統稱「本集團」）截至二零一八年三月三十一日止年度之年度綜合財務報表一併閱讀。

鑒於本集團於二零一八年九月三十日產生流動負債淨值約228,507,000港元，而於同日，本集團為數1,013,762,000港元之借款已到期重續或須於未來十二個月內償還，本公司董事於編製簡明綜合財務報表時已充分考慮本集團之未來流動資金狀況。簡明綜合財務報表乃按持續經營基準編製，原因如下：

- (ii) 誠如本公司於二零一八年九月四日所宣佈，本公司董事建議按每持有一股經調整股份獲發三股供股股份之基準進行供股。倘供股股份獲悉數認購，供股所籌得之估計所得款項淨額將達約1,058,000,000港元。同日，本公司董事葉家海博士（「葉博士」）訂立契諾及承諾契約，據此，葉博士對本公司作出不可撤回承諾（其中包括），待獲得清洗豁免後，透過遞交暫定配額通知書連同支票或香港持牌銀行開出之銀行本票，金額為就該等供股股份應付之全部款項（合共不少於約312,000,000港元），彼將悉數接納彼根據供股將獲暫定配發之供股股份；

1. BASIS OF PREPARATION *(Continued)*

- (ii) as at 30 September 2018, the Group has unutilised borrowing facilities of HK\$280 million from financial institutions available for immediate draw down; and
- (iii) the directors of the Company will negotiate for extension on certain borrowings due for repayment within twelve months from 30 September 2018 with the respective lenders. The directors of the Company are in the opinion that the negotiation for extension is highly probable in view of the past history of renewal and the good relationships of the Group with the lenders.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2018 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2018.

1. 編製基準(續)

- (ii) 於二零一八年九月三十日，本集團來自金融機構並可供即時提取之未動用借款融資為280,000,000港元；及
- (iii) 本公司董事將與各貸款人磋商延長於二零一八年九月三十日起計十二個月內到期償還之若干借款。本公司董事認為，鑒於過往重續記錄及本集團與貸款人之間之良好關係，磋商延長很大可能成功。

2. 主要會計政策

簡明綜合財務報表乃按歷史成本法編製，惟投資物業及若干財務工具則按公平值計量。

除應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）導致之會計政策變動外，截至二零一八年九月三十日止六個月之簡明綜合財務報表所使用之會計政策及計算方法與編製本集團截至二零一八年三月三十一日止年度之年度財務報表所依循者一致。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2018 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
Hong Kong (International Financial Reporting Interpretations Committee) Interpretations 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

The new and amendments to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

2. 主要會計政策(續)

應用新訂及經修訂香港財務報告準則

於本中期期間，本集團首次應用以下由香港會計師公會頒佈並於二零一八年四月一日或之後開始的年度期間強制生效之新訂及經修訂香港財務報告準則，以編製本集團之簡明綜合財務報表：

香港財務報告準則第9號	財務工具
香港財務報告準則第15號	客戶合約收入及相關修訂
香港(國際財務報告詮釋委員會)–詮釋第22號	外幣交易及預付代價
香港財務報告準則第2號(修訂本)	以股份為基礎付款交易之分類及計量
香港財務報告準則第4號(修訂本)	與香港財務報告準則第4號保險合約一併應用香港財務報告準則第9號財務工具
香港會計準則第28號(修訂本)	二零一四年至二零一六年週期香港財務報告準則之年度改進之一部分
香港會計準則第40號(修訂本)	轉移投資物業

新訂及經修訂香港財務報告準則乃按照各相關準則及修訂之相關過渡條文應用，導致下文所述之會計政策、呈報金額及／或披露事項之變動。

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Application of new and amendments to HKFRSs

(Continued)

2.1 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments

In the current period, the Group has applied HKFRS 9 Financial Instruments and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for (1) the classification and measurement of financial assets and financial liabilities, (2) expected credit losses (“ECL”) for financial assets and (3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9. i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 Financial Instruments: Recognition and Measurement.

2. 主要會計政策(續)

應用新訂及經修訂香港財務報告準則(續)

2.1 應用香港財務報告準則第9號「金融工具」之影響及會計政策變動

於本期間，本集團已應用香港財務報告準則第9號「金融工具」及其他香港財務報告準則之有關相應修訂。香港財務報告準則第9號引入有關以下各項之新規定：(1)財務資產及財務負債的分類及計量；(2)財務資產的預期信貸虧損(「預期信貸虧損」)；及(3)一般對沖會計處理。

本集團已根據香港財務報告準則第9號所載之過渡性條文應用香港財務報告準則第9號，即對於二零一八年四月一日(首次應用日期)尚未終止確認之工具追溯應用分類及計量要求(包括減值)，以及並無對已於二零一八年四月一日終止確認之工具應用相關要求。於二零一八年三月三十一日之賬面值與於二零一八年四月一日之賬面值之間的差額於期初保留溢利及其他權益部分確認，但並無重列比較資料。

因此，由於比較資料乃根據香港會計準則第39號「金融工具：確認及計量」編製，故若干比較資料可能無法用作比較。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Application of new and amendments to HKFRSs

(Continued)

2.1 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments *(Continued)*

2.1.1 Key changes in accounting policies resulting from application of HKFRS 9

Classification and measurement of financial assets

Trade receivables arising from contracts with customers are initially measured in accordance with HKFRS 15.

All recognised financial assets that are within the scope of HKFRS 9 are subsequently measured at amortised cost or fair value, including unquoted equity investments measured at cost less impairment under HKAS 39.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. 主要會計政策(續)

應用新訂及經修訂香港財務報告準則(續)

2.1 應用香港財務報告準則第9號「金融工具」之影響及會計政策變動(續)

2.1.1 應用香港財務報告準則第9號之主要會計政策變動

財務資產之分類及計量

客戶合約所產生之貿易應收款項根據香港財務報告準則第15號初始計量。

所有屬於香港財務報告準則第9號範疇內之已確認財務資產其後按攤銷成本或公平值計量，包括根據香港會計準則第39號按成本扣除減值計量之無報價股權投資。

符合下列條件之債務工具其後按攤銷成本計量：

- 於藉持有財務資產以收取合約現金流量為目標之業務模式內持有之財務資產；及
- 財務資產之合約條款於指定日期產生現金流量，而純粹作為本金及尚未清償本金之利息之付款。

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Application of new and amendments to HKFRSs

(Continued)

2.1 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments *(Continued)*

2.1.1 Key changes in accounting policies resulting from application of HKFRS 9 *(Continued)*

*Classification and measurement of financial assets
(Continued)*

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

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. 主要會計政策(續)

應用新訂及經修訂香港財務報告準則(續)

2.1 應用香港財務報告準則第9號「金融工具」之影響及會計政策變動(續)

2.1.1 應用香港財務報告準則第9號之主要會計政策變動(續)

財務資產之分類及計量(續)

符合以下條件之債務工具其後按公平值計入其他全面收益(「按公平值計入其他全面收益」)計量：

- 於藉收取合約現金流量及出售財務資產達致目標之業務模式內持有之財務資產；及
- 財務資產之合約條款於指定日期產生現金流量，而純粹作為本金及尚未清償本金之利息之付款。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Application of new and amendments to HKFRSs

(Continued)

2.1 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments *(Continued)*

2.1.1 Key changes in accounting policies resulting from application of HKFRS 9 *(Continued)*

Classification and measurement of financial assets (Continued)

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

In addition, the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

2. 主要會計政策(續)

應用新訂及經修訂香港財務報告準則(續)

2.1 應用香港財務報告準則第9號「金融工具」之影響及會計政策變動(續)

2.1.1 應用香港財務報告準則第9號之主要會計政策變動(續)

財務資產之分類及計量(續)

所有其他財務資產其後按公平值計入損益(「按公平值計入損益」)計量，惟於初始採用／初始確認財務資產之日期，倘一項股權工具並非持作買賣，亦非由於收購方於香港財務報告準則第3號「業務合併」所適用之業務合併中確認之或然代價，則本集團可不可撤銷地選擇於其他全面收益呈列該股權工具其後之公平值變動。

此外，倘一項符合按攤銷成本或按公平值計入其他全面收益計量標準之債務投資，在按公平值計入損益計量時可消除或大幅減少會計錯配，則本集團可不可撤銷地指定該項債務投資按公平值計入損益計量。

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Application of new and amendments to HKFRSs

(Continued)

2.1 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments *(Continued)*

2.1.1 Key changes in accounting policies resulting from application of HKFRS 9 *(Continued)*

*Classification and measurement of financial assets
(Continued)*

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss include any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

The directors of the Company reviewed and assessed the Group's financial assets as at 1 April 2018 based on the facts and circumstances that existed at that date. Changes in classification and measurement on the Group's financial assets and the impacts thereof are detailed in Note 2.1.2.

2. 主要會計政策(續)

應用新訂及經修訂香港財務報告準則(續)

2.1 應用香港財務報告準則第9號「金融工具」之影響及會計政策變動(續)

2.1.1 應用香港財務報告準則第9號之主要會計政策變動(續)

財務資產之分類及計量(續)

按公平值計入損益之財務資產

不符合以攤銷成本計量或按公平值計入其他全面收益或指定為按公平值計入其他全面收益之財務資產按公平值計入損益計量。

按公平值計入損益之財務資產按各申報期末之公平值計量，任何公平值收益或虧損於損益中確認。於損益確認之收益或虧損淨額包括就財務資產賺取之任何股息或利息，並列入「其他收益及虧損」一項。

本公司董事根據於二零一八年四月一日之事實及情況審閱及評估本集團於該日之財務資產。有關本集團財務資產之分類及計量變動及其影響於附註2.1.2詳述。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Application of new and amendments to HKFRSs

(Continued)

2.1 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments *(Continued)*

2.1.1 Key changes in accounting policies resulting from application of HKFRS 9 *(Continued)*

Impairment under ECL model

The Group recognises a loss allowance for ECL on financial assets and other items which are subject to impairment under HKFRS 9 (including trade receivables, short-term loans receivable and other receivables). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

2. 主要會計政策(續)

應用新訂及經修訂香港財務報告準則(續)

2.1 應用香港財務報告準則第9號「金融工具」之影響及會計政策變動(續)

2.1.1 應用香港財務報告準則第9號之主要會計政策變動(續)

預期信貸虧損模式下之減值

本集團就根據香港財務報告準則第9號須予減值之財務資產及其他項目(包括貿易應收款項、應收短期貸款及其他應收款項)之預期信貸虧損確認虧損撥備。預期信貸虧損金額於各報告日期更新以反映信貸風險自初始確認以來之變動。

全期預期信貸虧損指於相關工具之預計年期內所有可能之違約事件將產生之預期信貸虧損。相反，12個月預期信貸虧損(「12個月預期信貸虧損」)指於報告日期後12個月內因可能發生之違約事件而預期產生的部分全期預期信貸虧損。評估已根據本集團過往信貸虧損經驗，並就債務人特定因素、整體經濟狀況以及對於報告日期之當前狀況及未來狀況預測之評估作出調整。

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Application of new and amendments to HKFRSs

(Continued)

2.1 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments *(Continued)*

2.1.1 Key changes in accounting policies resulting from application of HKFRS 9 *(Continued)*

Impairment under ECL model (Continued)

The Group always recognises lifetime ECL for trade receivables. The ECL on trade receivables are assessed individually for debtors with significant balances.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

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

2. 主要會計政策(續)

應用新訂及經修訂香港財務報告準則(續)

2.1 應用香港財務報告準則第9號「金融工具」之影響及會計政策變動(續)

2.1.1 應用香港財務報告準則第9號之主要會計政策變動(續)

預期信貸虧損模式下之減值(續)

本集團一直就貿易應收款項確認全期預期信貸虧損。貿易應收款項之預期信貸虧損會因應債項結餘之重要性進行個別評估。

就所有其他工具而言，本集團計量虧損撥備相等於12個月預期信貸虧損，除非當信貸風險自初始確認以來顯著增加，否則本集團只須確認全期預期信貸虧損。應否確認全期預期信貸虧損乃視乎自初次確認以來，出現違約之可能性或風險有否顯著增加。

信貸風險顯著增加

評估信貸風險自初始確認以來有否顯著增加時，本集團會就金融工具於報告日期發生違約之風險與金融工具於初始確認當日發生違約之風險進行比較。在進行有關評估時，本集團會考慮合理且可靠之定量和定性資料，包括過往經驗及毋須付出不必要之成本或努力即可獲得之前瞻性資料。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Application of new and amendments to HKFRSs

(Continued)

2.1 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments *(Continued)*

2.1.1 Key changes in accounting policies resulting from application of HKFRS 9 *(Continued)*

Impairment under ECL model (Continued)

Significant increase in credit risk *(Continued)*

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

2. 主要會計政策(續)

應用新訂及經修訂香港財務報告準則(續)

2.1 應用香港財務報告準則第9號「金融工具」之影響及會計政策變動(續)

2.1.1 應用香港財務報告準則第9號之主要會計政策變動(續)

預期信貸虧損模式下之減值(續)

信貸風險顯著增加(續)

具體而言，在評估信貸風險是否顯著增加時會考慮以下資料：

- 金融工具外部(如有)或內部信貸評級之實際或預期顯著惡化；
- 信貸風險之外部市場指標顯著惡化，例如債務人之信貸息差、信用違約交換價格顯著上升；
- 商業、金融或經濟情況出現預計會導致債務人償債能力顯著下降之現有或預期不利變化；
- 債務人經營業績實際或預期顯著惡化；及
- 債務人之監管、經濟或技術環境有實際或預期之顯著不利變動，導致債務人償還債項之能力顯著下降。

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Application of new and amendments to HKFRSs

(Continued)

2.1 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments *(Continued)*

2.1.1 Key changes in accounting policies resulting from application of HKFRS 9 *(Continued)*

Impairment under ECL model (Continued)

Significant increase in credit risk *(Continued)*

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated 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, discounted at the effective interest rate determined at initial recognition.

2. 主要會計政策(續)

應用新訂及經修訂香港財務報告準則(續)

2.1 應用香港財務報告準則第9號「金融工具」之影響及會計政策變動(續)

2.1.1 應用香港財務報告準則第9號之主要會計政策變動(續)

預期信貸虧損模式下之減值(續)

信貸風險顯著增加(續)

無論上述評估之結果如何，本集團假設倘合約付款逾期超過30天，則信貸風險自初始確認以來顯著增加，除非本集團有能說明信貸風險並無顯著增加之合理可靠資料，則作別論。

本集團認為，倘該工具逾期超過90天，則發生違約事件，除非本集團有能說明更寬鬆之違約標準更為合適之合理可靠資料，則作別論。

預期信貸虧損之計量及確認

預期信貸虧損之計量之依據為違約概率、違約損失率(即違約時之損失程度)及違約風險之函數。評估違約概率及違約損失率之依據是過往數據，並按前瞻性資料調整。

一般而言，預期信貸虧損乃根據合約中應付本集團之合約現金流量總額及本集團預計收取之現金流量總額(以初始確認時釐定之實際利率貼現)之差額估計。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Application of new and amendments to HKFRSs

(Continued)

2.1 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments *(Continued)*

2.1.1 Key changes in accounting policies resulting from application of HKFRS 9 *(Continued)*

Impairment under ECL model (Continued)

Measurement and recognition of ECL *(Continued)*

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

As at 1 April 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9. The results of the assessment and the impact thereof are detailed as below.

2. 主要會計政策(續)

應用新訂及經修訂香港財務報告準則(續)

2.1 應用香港財務報告準則第9號「金融工具」之影響及會計政策變動(續)

2.1.1 應用香港財務報告準則第9號之主要會計政策變動(續)

預期信貸虧損模式下之減值(續)

預期信貸虧損之計量及確認(續)

利息收入根據財務資產之賬面值總額計算，惟財務資產為信貸減值之情況除外，於此情況下，利息收入根據財務資產之攤銷成本計算。

於二零一八年四月一日，本公司董事根據香港財務報告準則第9號的規定，在避免不當成本或努力前提下，使用合理且可靠資料審閱及評估本集團的現有財務資產是否出現減值。評估結果及其影響詳述如下。

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Application of new and amendments to HKFRSs

(Continued)

2.1 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments (Continued)

2.1.2 Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement (including impairment) of financial assets and financial liabilities and other items subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 January 2018.

2. 主要會計政策(續)

應用新訂及經修訂香港財務報告準則(續)

2.1 應用香港財務報告準則第9號「金融工具」之影響及會計政策變動(續)

2.1.2 首次應用香港財務報告準則第9號的影響概述

下表說明財務資產及財務負債以及其他項目於二零一八年一月一日首次應用當日根據香港財務報告準則第9號及香港會計準則第39號按預期信貸虧損進行之分類及計量(包括減值)。

			Available-for-sale ("AFS") investments	Investments held for trading	Financial assets at FVTPL required by HKFRS 9
			可供銷售投資	持作買賣投資	香港財務報告準則第9號所規定之按公平值計入損益之財務資產
		Notes	HK\$'000	HK\$'000	HK\$'000
		附註	千港元	千港元	千港元
Closing balance at 31 March 2018 – HKAS 39 (audited)	於二零一八年三月三十一日之期末結餘 – 香港會計準則第39號(經審核)		245,485	81,000	-
Effect arising from initial application of HKFRS 9:	首次應用香港財務報告準則第9號產生之影響：				
Reclassification	重新分類				
From available-for-sale	自可供銷售	(a)	(245,485)	-	245,485
From investments held for trading	自持作買賣投資	(b)	-	(81,000)	81,000
Opening balance at 1 April 2018 (restated)	於二零一八年四月一日之期初結餘(經重列)		-	-	326,485

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Application of new and amendments to HKFRSs

(Continued)

2.1 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments *(Continued)*

2.1.2 Summary of effects arising from initial application of HKFRS 9 *(Continued)*

(a) AFS investments

From AFS equity investments to FVTPL

At the date of initial application of HKFRS 9, the Group's equity investment of HK\$44,538,000 was reclassified from AFS investments to financial assets at FVTPL. In the opinion of the management of the Group, the fair value changes relating to the equity investment previously carried at cost less impairment was insignificant.

From AFS debt investments to FVTPL

Distressed debt assets with a fair value of HK\$200,947,000 were reclassified from AFS investments to financial assets at FVTPL because the distressed debt assets represent an investment in particular assets or cash flows and hence the contractual cash flows are not solely payments of principal and interest on the principal amount outstanding.

2. 主要會計政策(續)

應用新訂及經修訂香港財務報告準則(續)

2.1 應用香港財務報告準則第9號「金融工具」之影響及會計政策變動(續)

2.1.2 首次應用香港財務報告準則第9號的影響概述(續)

(a) 可供銷售投資

自可供銷售股權投資至按公平值計入損益

於首次應用香港財務報告準則第9號日期，本集團之股權投資44,538,000港元由可供銷售投資重新分類至按公平值計入損益之財務資產。本集團管理層認為，與先前按成本減去減值之股權投資相關之公平值變動並不重大。

自可供銷售債務投資至按公平值計入損益

公平值為數200,947,000港元之不良債務資產由可供銷售投資重新分類至按公平值計入損益之財務資產，因不良債務資產指對特定資產或現金流量之投資，故合約現金流量不僅為支付本金及尚未償還本金額之利息。

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Application of new and amendments to HKFRSs

(Continued)

2.1 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments *(Continued)*

2.1.2 Summary of effects arising from initial application of HKFRS 9 *(Continued)*

(b) Financial assets at FVTPL

Remaining investments are equity securities held for trading which are required to be classified as FVTPL under HKFRS 9. There was no impact on the amounts recognised in relation to these assets from the application of HKFRS 9.

(c) Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables.

Loss allowances for other financial assets at amortised cost mainly comprise of short-term loan receivables and other receivables, are measured on 12m ECL basis and there had been no significant increase in credit risk since initial recognition.

As at 1 April 2018, no additional credit loss allowance has been recognised in the condensed consolidated financial statements.

2. 主要會計政策(續)

應用新訂及經修訂香港財務報告準則(續)

2.1 應用香港財務報告準則第9號「金融工具」之影響及會計政策變動(續)

2.1.2 首次應用香港財務報告準則第9號的影響概述(續)

(b) 按公平值計入損益之財務資產

根據香港財務報告準則第9號，餘下之投資為持作買賣之股本證券，須分類至按公平值計入損益。應用香港財務報告準則第9號對與該等資產相關之金額確認並無影響。

(c) 根據預期信貸虧損模式的減值

本集團應用香港財務報告準則第9號簡化方法對所有貿易應收款項使用全期預期信貸虧損計量預期信貸虧損。

按攤銷成本計量的其他財務資產虧損撥備主要包括應收短期貸款及其他應收款項，乃按12個月預期信貸虧損基準計量，且自初始確認以來，信貸風險概無大幅增加。

於二零一八年四月一日，簡明綜合財務報表並無確認額外信貸虧損撥備。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Application of new and amendments to HKFRSs

(Continued)

2.2 Impacts and changes in accounting policies of application on HKFRS 15 Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the current interim period. HKFRS 15 superseded HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations.

The Group recognises revenue from the following major sources:

- Provision of water supply services
- Rental income

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application, 1 January 2018. Difference at the date of initial application, if any, is recognised in the opening accumulated losses and comparative information has not been restated.

2. 主要會計政策(續)

應用新訂及經修訂香港財務報告準則(續)

2.2 應用香港財務報告準則第15號「客戶合約收入」之影響及會計政策變動

本集團已於本中期期間首次應用香港財務報告準則第15號。香港財務報告準則第15號取代香港會計準則第18號「收入」、香港會計準則第11號「建築合約」及相關的詮釋。

本集團確認來自以下主要來源之收入：

- 提供供水服務
- 租金收入

本集團已追溯應用香港財務報告準則第15號，而首次應用該準則之累計影響已於二零一八年一月一日首次應用當日確認。於首次應用當日之差額(如有)於年初累計虧損中確認，但並無重列比較資料。

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Application of new and amendments to HKFRSs

(Continued)

2.2 Impacts and changes in accounting policies of application on HKFRS 15 Revenue from Contracts with Customers *(Continued)*

2.2.1 Key changes in accounting policies resulting from application of HKFRS 15

HKFRS 15 introduces a 5-step approach when recognising revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

2. 主要會計政策(續)

應用新訂及經修訂香港財務報告準則(續)

2.2 應用香港財務報告準則第15號「客戶合約收入」之影響及會計政策變動(續)

2.2.1 應用香港財務報告準則第15號之主要會計政策變動

香港財務報告準則第15號於確認收入時引入五步法：

- 第1步：識別與客戶之合約
- 第2步：識別合約內履行之責任
- 第3步：釐定交易價格
- 第4步：按履行合約之責任分配交易價格
- 第5步：當(或於)本集團履行責任時確認收入。

根據香港財務報告準則第15號，當(或於)本集團履行責任時確認收入，即當貨品或服務按特定的履約義務轉移並由客戶「控制」時。

履約義務指一項明確貨品及服務(或一批貨品或服務)或一系列大致相同的明確貨品或服務。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Application of new and amendments to HKFRSs

(Continued)

2.2 Impacts and changes in accounting policies of application on HKFRS 15 Revenue from Contracts with Customers *(Continued)*

2.2.1 Key changes in accounting policies resulting from application of HKFRS 15 *(Continued)*

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met.

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

2. 主要會計政策(續)

應用新訂及經修訂香港財務報告準則(續)

2.2 應用香港財務報告準則第15號「客戶合約收入」之影響及會計政策變動(續)

2.2.1 應用香港財務報告準則第15號之主要會計政策變動(續)

倘符合以下其中一項條件，控制權會按時間轉移，而收入經參考完全履行相關履約責任之進度時按時間確認。

- 客戶於本集團履約時同時收取及消耗本集團履約所提供之利益；
- 本集團之履約創建及增強客戶於本集團履約時控制之資產；或
- 本集團之履約並未創建對本集團具有替代用途之資產，而本集團有強制執行權收取至今已履約部分之款項。

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Application of new and amendments to HKFRSs

(Continued)

2.2 Impacts and changes in accounting policies of application on HKFRS 15 Revenue from Contracts with Customers *(Continued)*

2.2.1 Key changes in accounting policies resulting from application of HKFRS 15 *(Continued)*

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

The revenue of the Group from water supply services is recognised at a point in time. The application of HKFRS 15 does not have significant impact on the amounts reported in the condensed consolidated financial statements.

2. 主要會計政策(續)

應用新訂及經修訂香港財務報告準則(續)

2.2 應用香港財務報告準則第15號「客戶合約收入」之影響及會計政策變動(續)

2.2.1 應用香港財務報告準則第15號之主要會計政策變動(續)

否則，於客戶獲得明確貨品或服務控制權時確認收入。

本集團來自供水服務之收益於某個時間點確認。應用香港財務報告準則第15號對簡明綜合財務報表所呈報之金額並無重大影響。

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簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

3. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue

The following is an analysis of the Group's revenue from the major service lines:

		Six months ended 30 September 截至九月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
Rental income	租金收入	62,323	64,899
Water supply services	供水服務	19,884	25,395
		82,207	90,294

The performance obligation of water supply services are satisfied at a point in time.

Segment information

Information reported to the chief operating decision maker (i.e. executive directors) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services provided.

3. 收入及分類資料

收入分拆

以下為本集團來自主要服務線之收入分析：

		Six months ended 30 September 截至九月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
Rental income	租金收入	62,323	64,899
Water supply services	供水服務	19,884	25,395
		82,207	90,294

供水服務之履約義務於某一時間點上達成。

分類資料

就資源分配及分類表現評估向主要營運決策者(即執行董事)呈報之資料主要有關所提供貨品或服務之類型。

3. REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

The Group's reportable and operating segment are as follows:

Trading of securities	-	Trading of investments held for trading
Property development, investment and trading	-	Development, investment and sale of properties and provision of property management services
Water supply	-	Provision of water supply

The following is an analysis of the Group's revenue and results by operating segment for the period under review:

Six months ended 30 September 2018 (Unaudited)

3. 收入及分類資料(續)

分類資料(續)

本集團之可呈報及經營分類如下：

證券買賣	-	買賣持作買賣投資
物業發展、投資及買賣	-	物業發展、投資及銷售以及提供物業管理服務
供水	-	提供供水服務

於回顧期間按經營分類劃分之本集團收入及業績之分析如下：

截至二零一八年九月三十日止六個月(未經審核)

		Trading of securities 證券買賣 HK\$'000 千港元	Property development, investment and trading 物業發展、投資及買賣 HK\$'000 千港元	Water supply 供水 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Segment revenue	分類收入	-	62,323	19,884	82,207
Segment (loss) profit	分類(虧損)溢利	(13,439)	(196,748)	4,277	(205,910)
Interest income	利息收入				16,715
Unallocated corporate expenses	未分配企業支出				(74,860)
Finance costs (note)	財務費用(附註)				(224,335)
Exchange loss	匯兌虧損				(247,502)
Share of results of associates	應佔聯營公司業績				(8,054)
Loss before income tax	除所得稅前虧損				(743,946)

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

3. REVENUE AND SEGMENT INFORMATION

(Continued)

Segment information *(Continued)*

Six months ended 30 September 2017 (Unaudited)

3. 收入及分類資料(續)

分類資料(續)

截至二零一七年九月三十日止六個月(未經審核)

		Trading of securities 證券買賣 HK\$'000 千港元	Property development, investment and trading 物業發展、投資及買賣 HK\$'000 千港元	Water supply 供水 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Segment revenue	分類收入	-	64,899	25,395	90,294
Segment profit	分類溢利	12,230	49,786	10,083	72,099
Interest income	利息收入				11,365
Unallocated corporate expenses	未分配企業支出				(75,338)
Finance costs <i>(note)</i>	財務費用(附註)				(214,724)
Exchange gain	匯兌收益				107,373
Gain on disposal of a joint venture	出售一間合營企業之收益				43,944
Gain on disposal of property, plant and equipment <i>(note)</i>	出售物業、機器及設備之收益(附註)				41
Impairment loss on interests in an associate	於一間聯營公司之權益之減值虧損				(46,767)
Share of results of associates	應佔聯營公司業績				(13,076)
Share of result of a joint venture	應佔一間合營企業業績				(8,463)
Loss before income tax	除所得稅前虧損				(123,546)

3. REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

Note: The Group allocated certain property, plant and equipment and certain borrowings to the segment assets and liabilities without allocating the gain on disposal of property, plant and equipment and finance costs to segment result as the chief operating decision maker (i.e. executive directors) did not take into account of the gain on disposal of property, plant and equipment and finance costs in the measurement of segment result.

Segment (loss) profit represents (loss) profit incurred by each segment without allocation of interest income, unallocated corporate expenses, finance costs, exchange (loss) gain, gain on disposal of a joint venture, gain on disposal of property, plant and equipment, impairment loss on interests in an associate, share of results of associates and share of result of a joint venture. This is the measure reported to the chief operating decision maker (i.e. executive directors) for the purposes of resource allocation and assessment of segment performance.

No segment information of assets and liabilities is provided to the chief operating decision maker for the assessment of performance of different segments. Accordingly, no segment information of assets and liabilities is presented.

3. 收入及分類資料(續)

分類資料(續)

附註： 本集團將若干物業、機器及設備及若干借款分配至分類資產及負債，而並無將出售物業、機器及設備之收益及財務費用分配至分類業績，原因是主要營運決策者(即執行董事)於計算分類業績時，並無計及出售物業、機器及設備之收益及財務費用。

分類(虧損)溢利指各分類所產生之(虧損)溢利，當中並無分配利息收入、未分配企業支出、財務費用、匯兌(虧損)收益、出售一間合營企業之收益、出售物業、機器及設備之收益、於一間聯營公司之權益之減值虧損、應佔聯營公司業績及應佔一間合營企業業績。此乃就資源分配及分類表現評估向主要營運決策者(即執行董事)呈報之計量方式。

概無向主要營運決策者提供就不同分類表現評估的資產與負債之分類資料。因此，概無呈列資產與負債之分類資料。

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簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

4. OTHER GAINS AND LOSSES, OTHER EXPENSES

4. 其他收益及虧損、其他開支

		Six months ended 30 September 截至九月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
Other gains and losses	其他收益及虧損		
(Loss) gain on fair value changes on investment properties	投資物業之公平值變動(虧損)收益	(259,296)	39,031
(Loss) gain on fair value changes on investments held for trading	持作買賣投資之公平值變動(虧損)收益	-	11,700
Gain from changes in fair value of financial assets designated as at FVTPL	指定按公平值計入損益之財務資產之公平值變動收益	1,090	-
Gain on disposal of property, plant and equipment	出售物業、機器及設備之收益	-	41
Gain on disposal of a joint venture	出售一間合營企業之收益	-	43,944
Exchange (loss) gain	匯兌(虧損)收益	(247,502)	107,373
Others	其他	753	644
		(504,955)	202,733
Other expenses	其他開支		
Other transaction costs on issue of other borrowings	發行其他借款之其他交易成本	-	(9,425)
Impairment loss on interests in an associate	於一間聯營公司之權益之減值虧損	-	(46,767)
Early repayment fee on an other borrowing	其他借款之提前償還費用	-	(39,683)
		(504,955)	106,858

5. FINANCE COSTS

5. 財務費用

		Six months ended 30 September 截至九月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
Interest on bank and other borrowings	銀行及其他借款之利息	224,335	214,724

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簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

6. INCOME TAX (CREDIT) EXPENSE

6. 所得稅(抵免)支出

		Six months ended 30 September 截至九月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
Income tax (credit) expense comprises: 所得稅(抵免)支出包括：			
Profits tax:	利得稅：		
Hong Kong Profits Tax	香港利得稅	-	-
PRC Enterprise Income Tax	中國企業所得稅	2,524	5,190
		2,524	5,190
Deferred tax charge arising from	以下項目所產生之遞延稅項支出		
- (Loss) gain on fair value changes on investment properties	- 投資物業之公平值變動(虧損)收益	(64,824)	10,080
- Others	- 其他	3,348	1,399
		(61,476)	11,479
		(58,952)	16,669

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profit for both periods.

Under the Law of the People's Republic of China (the "PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

於兩個期間，由於本集團均無應課稅溢利，故並無就香港利得稅作出任何撥備。

根據中華人民共和國(「中國」)企業所得稅法(「企業所得稅法」)及企業所得稅法之實施條例，自二零零八年一月一日起，中國附屬公司之稅率為25%。

7. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging (crediting):	期內虧損乃於扣除(計入)下列各項後達致：
Amortisation of intangible assets	無形資產攤銷
Depreciation of property, plant and equipment	物業、機器及設備折舊
Interest income on bank deposits	銀行存款利息收入
Interest income on short-term loans receivable	應收短期貸款利息收入
Interest income on available-for-sale investments	可供銷售投資利息收入
Interest income on amount due from an associate	應收一間聯營公司款項利息收入

7. 期內虧損

Six months ended
30 September
截至九月三十日止六個月

2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
1,078	1,078
4,342	4,111
(591)	(210)
(1,595)	(3,434)
-	(7,596)
-	(125)

8. DIVIDEND

No dividend was paid or proposed during the six months ended 30 September 2018 nor has dividend been proposed since the end of the reporting period.

8. 股息

截至二零一八年九月三十日止六個月並無派付或擬派任何股息，而自申報期末以來亦無建議派付任何股息。

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簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

9. LOSS PER SHARE

The calculation of the loss per share attributable to the owners of the Company is based on the following data:

		Six months ended 30 September 截至九月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
Loss for the period attributable to owners of the Company	本公司擁有人應佔期內虧損	[686,842]	[143,375]

9. 每股虧損

本公司擁有人應佔每股虧損乃按以下數據計算：

		Six months ended 30 September 截至九月三十日止六個月	
		2018 二零一八年 '000 千股 (Unaudited) (未經審核)	2017 二零一七年 '000 千股 (Unaudited) (未經審核)
Number of shares:	股份數目：		
Weighted average number of ordinary shares	普通股加權平均數目	10,298,189	10,298,189

No diluted loss per share has been presented as there were no potential ordinary shares outstanding for both periods.

由於兩段期間均無發行在外之潛在普通股，故並無呈列每股攤薄虧損。

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2018, the Group spent approximately HK\$759,000 on office equipment and motor vehicle (six months ended 30 September 2017: HK\$2,480,000 on office equipment and motor vehicles).

10. 物業、機器及設備

於截至二零一八年九月三十日止六個月，本集團動用約759,000港元購買辦公室設備及汽車(截至二零一七年九月三十日止六個月：2,480,000港元購買辦公室設備及汽車)。

11. INVESTMENT PROPERTIES

11. 投資物業

		HK\$'000 千港元
FAIR VALUE	公平值	
At 1 April 2017 (Audited)	於二零一七年四月一日(經審核)	9,445,175
Currency realignment	外幣調整	916,335
Changes in fair value recognised in profit or loss	於損益確認之公平值變動	150,106
Transferred from properties held for sale	轉撥自持作銷售物業	17,653
Transferred to assets held for sale	轉撥至持作銷售資產	(196,000)
Additions	添置	27,078
<hr/>		
At 31 March 2018 and 1 April 2018 (Audited)	於二零一八年三月三十一日及 二零一八年四月一日(經審核)	10,360,347
Currency realignment	外幣調整	(829,809)
Change in fair value recognised in profit or loss	於損益確認之公平值變動	(259,296)
Additions	添置	57,232
<hr/>		
At 30 September 2018 (Unaudited)	於二零一八年九月三十日(未經審核)	9,328,474

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

11. INVESTMENT PROPERTIES (Continued)

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are classified and accounted for as investment properties and measured using the fair value model.

The fair values of the Group's investment properties at 30 September 2018 and 31 March 2018 have been arrived at on the basis of valuations carried out on the respective dates by Norton Appraisals Limited, independent qualified professional valuer. Norton Appraisals Limited has appropriate qualifications and recent experience in the valuation of properties in the relevant locations.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The fair value of investment properties located in Hong Kong and certain investment properties in the PRC is determined by using direct comparison approach assuming sale of the property interest in its existing state by making reference to comparable sales transactions as available in the relevant market, adjusted for various unobservable inputs.

The fair value of certain investment properties located in the PRC is determined by using income capitalisation approach. The income capitalisation approach is calculated by capitalising the rental income derived from the existing tenancies with due provision for any reversionary income potential.

11. 投資物業(續)

本集團為賺取租金或作資本增值用途而根據經營租約持有之所有物業權益均分類及列為投資物業入賬並採用公平值模式計量。

本集團投資物業於二零一八年九月三十日及二零一八年三月三十一日之公平值乃按獨立合資格專業估值師普敦國際評估有限公司於各日期所進行之估值得出。普敦國際評估有限公司擁有合適資格及近期評估相關位置物業之經驗。

於估計物業之公平值時，物業之最高及最佳用途為目前用途。

位於香港之投資物業及中國若干投資物業之公平值乃採用直接比較法於參考相關市場可得並可予比較之銷售交易後假設以物業現況出售物業權益而釐定，並就各項不可觀察輸入數據作出調整。

位於中國之若干投資物業之公平值乃採用收入資本化法釐定。收入資本化法透過將從現有租戶收取之租金收入撥充資本連同就任何潛在復歸收入作出適當撥備計算。

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/AVAILABLE-FOR-SALE INVESTMENTS/INVESTMENTS HELD FOR TRADING

12. 按公平值計入損益之財務資產／可供銷售投資／持作買賣投資

		30 September 2018 二零一八年 九月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 2018 二零一八年 三月三十一日 HK\$'000 千港元 (Audited) (經審核)
Financial assets at fair value through profit or loss (non-current)	按公平值計入損益之財務資產(非流動)		
Distressed debt assets <i>(note b)</i>	不良債務資產(附註b)	198,652	-
Less: Distressed assets classified as current asset	減：分類為流動資產之不良資產	(76,095)	-
		122,557	-
Unlisted equity securities <i>(note a)</i>	非上市股本證券(附註a)	38,068	-
		160,625	-
Financial assets at fair value through profit or loss (current)	按公平值計入損益之財務資產(流動)		
Distressed debt asset <i>(note b)</i>	不良債務資產(附註b)	76,095	-
Investments held for trading <i>(note c)</i>	持作買賣投資(附註c)	34,001	-
		110,096	-

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12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/AVAILABLE-FOR-SALE INVESTMENTS/INVESTMENTS HELD FOR TRADING (Continued)

12. 按公平值計入損益之財務資產／可供銷售投資／持作買賣投資(續)

		30 September 2018 二零一八年 九月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 2018 二零一八年 三月三十一日 HK\$'000 千港元 (Audited) (經審核)
Available-for-sale investments	可供銷售投資		
Unlisted equity securities (note a)	非上市股本證券(附註a)	-	44,538
Distressed debt assets (note b)	不良債務資產(附註b)	-	200,947
		-	245,485
Less: Distressed debt assets classified as current asset	減：分類為流動資產之不良債務資產	-	(75,780)
Available-for-sale investments classified as non-current assets	分類為非流動資產之可供銷售投資	-	169,705
Investments held for trading	持作買賣投資		
Equity securities listed in Hong Kong (note c)	於香港上市之股本證券(附註c)	-	80,981
Equity securities listed overseas (note c)	於境外上市之股本證券(附註c)	-	19
		-	81,000

Notes:

- (a) Included in the unlisted equity securities is an investee engaged in holding of properties interest located in the PRC. As at 1 April 2018, the unlisted equity securities were measured at fair value through profit or loss (31 March 2018: at cost less impairment loss). The unlisted equity securities are measured using valuation techniques in which significant input is based on unobservable market data.

附註：

- (a) 非上市股本證券包括業務為持有位於中國之物業權益之被投資方。於二零一八年四月一日，非上市股本證券按公平值計入損益計量(二零一八年三月三十一日：按成本減減值虧損)。非上市股本證券採用估值方法計量，其使用之重要數據乃基於不可觀察之市場數據。

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/AVAILABLE-FOR-SALE INVESTMENTS/INVESTMENTS HELD FOR TRADING (Continued)

Notes: (Continued)

- (b) The distressed assets represents the Group's rights to receive repayment of the principal amount of loans, together with interest thereon. The Group acquired these distressed assets from banks and assets management companies through negotiated acquisition and public auction. The Group established corresponding management strategies and maximizes the value of assets to achieve cash recovery by recovery through litigation of the debtors and proceeds from public auction of the pledged assets.

As at 30 September 2018, included in the distressed asset is carrying amount of RMB66,811,000 (or equivalent to HK\$76,095,000) (31 March 2018: RMB61,154,000 (or equivalent to HK\$75,780,000)) of principal amount of a loan and interest receivable of RMB72,499,000 from an independent third party, 廣東富華房地產開發有限公司. The distressed asset is secured by properties located in Guangzhou, the PRC. The key unobservable inputs of discounted cash flows represent the expected recoverable amounts of RMB72,499,000 (31 March 2018: RMB72,499,000), discount rates of 18.55% (31 March 2018: 18.55%) and expected recovery date of 31 March 2019 (31 March 2018: 31 March 2019). In considering the litigation status as at 30 September 2018 and certain actions taken during current period, the management of the Group expect this distressed asset to be realised within one year from 30 September 2018.

12. 按公平值計入損益之財務資產／可供銷售投資／持作買賣投資(續)

附註：(續)

- (b) 不良資產指本集團收取貸款本金額之還款連同其利息之權利。本集團透過協商收購及公開拍賣自銀行及資產管理公司收購該等不良資產。本集團制定相應的管理策略及盡量擴大資產價值，以透過債務人之訴訟及公開拍賣已抵押資產之所得款項收回現金。

於二零一八年九月三十日，不良資產包括賬面值為人民幣66,811,000元（或相當於76,095,000港元）（二零一八年三月三十一日：人民幣61,154,000元（或相當於75,780,000港元））之貸款本金額及應收獨立第三方廣東富華房地產開發有限公司之利息人民幣72,499,000元。不良資產以位於中國廣州之物業作抵押。貼現現金流量之關鍵不可觀察輸入數據指預期可收回金額人民幣72,499,000元（二零一八年三月三十一日：人民幣72,499,000元）、貼現率18.55%（二零一八年三月三十一日：18.55%）及預期收回日期二零一九年三月三十一日（二零一八年三月三十一日：二零一九年三月三十一日）。考慮到二零一八年九月三十日之訴訟狀況及本期間採取之若干行動，本集團管理層預期該不良資產將於自二零一八年九月三十日起計一年內變現。

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12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/AVAILABLE-FOR-SALE INVESTMENTS/INVESTMENTS HELD FOR TRADING (Continued)

Notes: (Continued)

(b) (Continued)

As at 30 September 2018, included in the distressed asset is carrying amount of RMB107,605,000 (or equivalent to HK\$122,557,000) (31 March 2018: RMB101,010,000 (or equivalent to HK\$125,167,000)) of principal amount of a loan of RMB170,000,000 from an independent third party, 廣州現代信息工程職業技術學院. The distressed asset is secured by properties and a land use right located in Anhui, the PRC. The key unobservable inputs of discounted cash flows represent the expected recoverable amounts of RMB170,000,000 (31 March 2018: RMB170,000,000), discount rates of 19.26% (31 March 2018: 19.26%) and expected recovery date of 31 March 2021 (31 March 2018: 31 March 2021). The management of the Group expect this distressed asset to be realised after one year from 30 September 2018.

The distressed assets are measured at fair value determined with reference to discounted cash flow model. The key unobservable inputs used by the management in discounted cash flows model included the expected recoverable amounts of the distressed debt assets, discount rates reflect both return requirements of the market and the risk inherent in the investment and expected recovery date. The higher the recoverable amounts, the lower the discount rates and the earlier the recovery date, will result in the higher of the fair value.

(c) The fair value of all equity securities listed in Hong Kong and overseas are determined by reference to the quoted market bid price available on the relevant exchange in active markets as at 30 September 2018 and 31 March 2018.

12. 按公平值計入損益之財務資產／可供銷售投資／持作買賣投資(續)

附註：(續)

(b) (續)

於二零一八年九月三十日，不良資產包括賬面值為人民幣107,605,000元(或相當於122,557,000港元)(二零一八年三月三十一日：人民幣101,010,000元(或相當於125,167,000港元))之本金額為人民幣170,000,000元之獨立第三方廣州現代信息工程職業技術學院之貸款。不良資產以位於中國安徽之物業及土地使用權作抵押。貼現現金流量之關鍵不可觀察輸入數據指預期可收回金額人民幣170,000,000元(二零一八年三月三十一日：人民幣170,000,000元)、貼現率19.26%(二零一八年三月三十一日：19.26%)及預期收回日期二零二一年三月三十一日(二零一八年三月三十一日：二零二一年三月三十一日)。本集團管理層預期該不良資產將於自二零一八年九月三十日起計一年後變現。

不良資產按公平值計量，並參照貼現現金流量模式釐定。管理層於貼現現金流量模式中使用的關鍵不可觀察輸入數據包括不良債務資產之預期可收回金額，貼現率反映市場回報要求以及投資及預期收回日期之固有風險。可收回金額愈高，貼現率愈低，而收回日期愈早，將引致更高之公平值。

(c) 所有於香港及境外上市之股本證券之公平值乃參考於二零一八年九月三十日及二零一八年三月三十一日在活躍市場之相關交易所之市場買入報價而釐定。

13. PROPERTIES HELD FOR SALE

The carrying amounts of properties held for sale comprise properties situated in:

Properties held for sale in Hong Kong 於香港持作銷售物業

13. 持作銷售物業

持作銷售物業之賬面值包括位於以下地區之物業：

30 September 2018 二零一八年 九月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 2018 二零一八年 三月三十一日 HK\$'000 千港元 (Audited) (經審核)
96,761	96,761

14. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

Included in trade and other receivables and prepayments is trade receivables of HK\$2,842,000 (31 March 2018: HK\$4,014,000) from the Group's water supply business. The Group allows an average credit period of one to two months to its trade customers.

All the trade receivables analysed by age, presented based on invoice date, net of allowance for doubtful debts as at the end of the reporting period are within 30 days.

14. 貿易及其他應收款項及預付款項

貿易及其他應收款項及預付款項包括來自本集團供水業務的貿易應收款項2,842,000港元(二零一八年三月三十一日：4,014,000港元)。本集團向其貿易客戶提供平均一至兩個月不等之信貸期。

於申報期末，所有貿易應收款項(扣除呆賬撥備)按發票日期分析之賬齡均為三十日內。

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15. REFUNDABLE DEPOSITS FOR PROPOSED ACQUISITIONS

During the six months ended 30 September 2018, the Company and several independent third parties (“Third Parties”) entered into three memorandums of understanding for the proposed acquisitions of certain properties interest in the PRC (the “MOUs”), pursuant to which the Company agreed to pay refundable deposits in an aggregate amount of approximately RMB750 million (or equivalent to approximately HK\$847 million) (the “Refundable Deposits”) to the Third Parties for securing exclusive rights on future acquisition of the entire equity interest in a Hong Kong company and two PRC companies (established under the laws of the PRC and are principally engaged in property leasing and management) (the “Targets”). The Targets own (i) certain residential units; (ii) certain shops and car parks; and (iii) buildings together with a parcel of land in Guangzhou, the PRC. The Company intends to acquire the properties for redevelopment and resale in the future.

Upon the payment of Refundable Deposits and signing of the MOUs, the Third Parties are required to provide all the information of the Targets to the Company in order to facilitate the Company’s due diligence work on the Targets. The Company has the right to terminate the MOUs by serving a notice to the Third Parties and the Refundable Deposits shall be refunded to the Company within ten days from the day of the notice. Pursuant to the terms of the MOUs, if the Third Parties failed to refund the Refundable Deposits to the Company, the Company can execute the share transfer agreements signed by the Third Parties to obtain the entire issued share capital of the Targets without further consideration, as the security to the Refundable Deposits paid by the Company.

15. 建議收購事項之可退回訂金

截至二零一八年九月三十日止六個月，本公司與若干獨立第三方（「第三方」）就建議收購中國若干物業權益訂立三份諒解備忘錄（「該等備忘錄」），據此，本公司同意向第三方支付總額約人民幣750,000,000元（或相等於約847,000,000港元）之可退回訂金（「可退回訂金」），以就日後收購一間香港公司及兩間中國公司（根據中國法律成立，主要從事物業租賃及管理）（「目標公司」）之全部股權取得專有權。目標公司擁有(i)若干住宅單位；(ii)若干商店及停車場；及(iii)中國廣州之建築物連同一幅地塊。本公司擬收購物業於日後重建及轉售。

在支付可退回訂金及簽署該等備忘錄後，第三方必須向本公司提供目標公司之全部資料，以促進本公司對目標公司之盡職調查工作。本公司有權通過向第三方發出通知終止該等備忘錄，而可退回訂金將於自通知發出當日起計十日內退回予本公司。根據該等備忘錄之條款，倘第三方未能向本公司退回可退回訂金，則本公司可執行第三方簽署之股份轉讓協議，無償取得目標公司之全部已發行股本，以作為本公司支付可退回訂金之擔保。

15. REFUNDABLE DEPOSITS FOR PROPOSED ACQUISITIONS *(Continued)*

In determining the ECL for the refundable deposits for the proposed acquisitions, the management of the Group has taken into account the background and experience in property investment projects in PRC of the counter-parties and the market value of the underlying assets of the Targets, and concluded that credit risk is insignificant. Therefore, no impairment has been recognised as at 30 September 2018.

As at the date of the report, the Company is still in the process of performing due diligence on the Targets.

16. BORROWINGS

As at 30 September 2018, a Group's other borrowings amounted to HK\$34,100,000 (31 March 2018: HK\$34,100,000) contains a repayable on demand clause and shown under current liabilities.

Certain of the Group's borrowings were subjected to fixed interest rates with the range of effective interest rates during the period (which are equal to contractual interest rates) from 8% to 18% (31 March 2018: 8% to 18%).

The Group's remaining borrowings were subject to variable interest rates based on Hong Kong Prime Rate, HIBOR and benchmark interest rates in People's Bank of China. The range of effective interest rates during the period are from 2.5% to 18% (31 March 2018: 2.5% to 18%). As at 30 September 2018, the contractual weighted average interest rate of the Group's borrowings was 7.5% (31 March 2018: 7.7%).

The Group repaid bank loans of HK\$37,033,000 (six months ended 30 September 2017: approximately HK\$329,721,000) and other borrowings of approximately HK\$375,465,000 (six months ended 30 September 2017: HK\$741,299,000) during the period.

15. 建議收購事項之可退回訂金(續)

於釐定建議收購事項之可退回訂金之預期信貸虧損時，本集團管理層已考慮對手方於中國之物業投資項目之背景及經驗，以及目標公司相關資產之市值，並得出結論認為信貸風險並不重大。因此，於二零一八年九月三十日並無確認減值。

於本報告日期，本公司仍在對目標公司進行盡職調查。

16. 借款

於二零一八年九月三十日，本集團其他借款中應要求償還款項共計34,100,000港元(二零一八年三月三十一日：34,100,000港元)，並列入流動負債之中。

本集團若干借款按固定利率計息，期內之實際利率(相等於合約利率)介乎8%至18%(二零一八年三月三十一日：8%至18%)。

本集團其餘借款按浮動利率(以香港最優惠利率、香港銀行同業拆息及中國人民銀行之基準息率為基礎)計息。期內之實際利率介乎2.5%至18%(二零一八年三月三十一日：2.5%至18%)。於二零一八年九月三十日，本集團借款之合約平均加權利率為7.5%(二零一八年三月三十一日：7.7%)。

期內，本集團償還37,033,000港元(截至二零一七年九月三十日止六個月：約329,721,000港元)之銀行貸款及約375,465,000港元(截至二零一七年九月三十日止六個月：741,299,000港元)之其他借款。

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17. SHARE CAPITAL

17. 股本

		Nominal value per share 每股面值 HK\$ 港元	Number of shares 股份數目	Value 價值 HK\$'000 千港元
Authorised:	法定股本：			
At 1 April 2017 (Audited),	於二零一七年四月一日			
30 September 2017 (Unaudited),	(經審核)、二零一七年			
1 April 2018 (Audited) and	九月三十日(未經審核)、			
30 September 2018 (Unaudited)	二零一八年四月一日			
	(經審核)及二零一八年			
	九月三十日(未經審核)	0.2	100,000,000,000	20,000,000
Issued and fully paid:	已發行及繳足股本：			
At 1 April 2017 (Audited),	於二零一七年四月一日			
30 September 2017 (Unaudited),	(經審核)、二零一七年			
1 April 2018 (Audited) and	九月三十日(未經審核)、			
30 September 2018 (Unaudited)	二零一八年四月一日			
	(經審核)及二零一八年			
	九月三十日(未經審核)	0.2	10,298,188,650	2,059,638

18. ACQUISITION OF A SUBSIDIARY

For the period ended 30 September 2017

On 31 August 2017, the Group acquired 51% equity interests in Fullpay K.K. ("Fullpay") from an independent third party at a total cash consideration of HK\$15,300,000. This acquisition has been accounted for using the acquisition method. Fullpay is engaged in the sourcing and provision of electronic fund transfer at point of sale (EFT-POS) terminals and peripheral devices which support WeChat Pay, as well as the provision of relevant EFT-POS installation and system support services, to vendors in Japan. The Group acquired Fullpay for the purposes of gaining reputation in overseas markets and provides the Group a valuable opportunity to step into the budge potential mobile payment industry.

18. 收購附屬公司

截至二零一七年九月三十日止期間

於二零一七年八月三十一日，本集團自一名獨立第三方以15,300,000港元之總現金代價收購Fullpay株式會社（「Fullpay」）51%股權。該收購使用收購法入賬。Fullpay從事採購及向日本之商戶提供支持微信支付之銷售點電子資金轉賬(EFT-POS)終端機及周邊設備，以及提供相關EFT-POS之安裝及系統支持服務。本集團收購Fullpay乃為了於海外市場建立聲譽並為本集團帶來進入潛在移動支付行業之機遇。

		HK\$'000 千港元
Assets acquired and liabilities recognised at the date of acquisition are as follows:	於收購日期收購之資產及確認之負債如下：	
Property, plant and equipment	物業、機器及設備	2,284
Other receivables	其他應收款項	1,913
Bank balances and cash	銀行結餘及現金	104
Other payables	其他應付款項	(500)
Net assets	資產淨值	3,801
Consideration on acquisition	收購代價	15,300
Non-controlling interests (49% in Fullpay)	非控股權益(Fullpay 49%權益)	1,862
Less: Net assets recognised	減：已確認之資產淨值	(3,801)
Goodwill arising on acquisition	收購所產生之商譽	13,361

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For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

18. ACQUISITION OF A SUBSIDIARY (Continued)

For the period ended 30 September 2017 (Continued)

Goodwill arose in the acquisition of Fullpay because the cost of the combination included potential revenue growth and future market development of Fullpay.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

Net cash outflow arising on acquisition:

Cash consideration paid
Bank balances and cash acquired

收購所產生之現金流出淨額：

已付現金代價
已收購之銀行結餘及現金

HK\$'000
千港元

(15,300)
104

Net cash outflow in respect of the acquisition
of Fullpay

有關收購Fullpay之現金流出淨額

(15,196)

The acquisition-related costs are insignificant and have been excluded from the consideration transferred and recognised in profit or loss.

Impact of acquisition on the results of the Group

Included in the loss for the six months ended 30 September 2017 is loss of HK\$371,000 attributable to Fullpay.

Had the acquisition of Fullpay been effected at the beginning of the interim period ended 30 September 2017, the amount of the loss for the interim period would have been HK\$142,068,000. The proforma information is for illustrative purposes only and is not necessarily an indication of results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the interim period, nor is it intended to be a projection of future results.

18. 收購附屬公司(續)

截至二零一七年九月三十日止期間 (續)

由於合併成本包括潛在收益增加及Fullpay的未來市場發展，故收購Fullpay產生商譽。

預期該項收購所產生之商譽不可作扣稅用途。

收購相關成本並不重大及已從所轉讓代價中剔除，並於損益中確認。

收購對本集團業績之影響

截至二零一七年九月三十日止六個月之虧損包括Fullpay應佔之虧損371,000港元。

倘收購Fullpay一事於截至二零一七年九月三十日止中期期間初進行，則本集團於中期期間之虧損將為142,068,000港元。備考資料僅供說明之用，並不一定反映在收購於本中期期初完成之情況下本集團實際將會達到之經營業績，亦不擬預測未來業績。

19. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

On 14 March 2018, the Group entered into a provisional sale and purchase agreement to dispose of its investment property through disposal of 100% equity interest in Smartmedia Ltd, ("Smartmedia"). Smartmedia's principal assets were investment properties situated in Hong Kong. The purpose of the disposal was to generate cash for the expansion of the Group's other businesses. As at 31 March 2018, the assets and liabilities of Smartmedia were classified as held for sale. The disposal was completed on 25 June 2018, on which date the Group lost control of Smartmedia.

The net assets of Smartmedia at the date of disposal was of as follows:

		HK\$'000 千港元
Net assets disposed of:	已出售之資產淨值：	
Investment property	投資物業	196,000
Other receivables	其他應收款項	142
		<hr/>
		196,142
Loss on disposal	出售事項產生之虧損	(142)
		<hr/>
Total consideration	總代價	196,000
		<hr/>
Satisfied by:	以下列方式償付：	
Cash	現金	196,000
		<hr/>
Net cash inflow arising on disposal:	出售事項產生之現金流入淨額：	
Total cash consideration received	已收現金代價總額	196,000
		<hr/>

19. 分類為持作銷售之資產及負債

於二零一八年三月十四日，本集團訂立臨時買賣協議，透過出售Smartmedia Ltd. (「Smartmedia」) 100% 股權以出售其投資物業。Smartmedia之主要資產為香港之投資物業。出售目的乃為本集團其他業務之擴展籌集現金。於二零一八年三月三十一日，Smartmedia之資產及負債被分類為持作銷售。出售事項已於二零一八年六月二十五日完成，即本集團失去對Smartmedia之控制權當日。

Smartmedia於出售日期之資產淨值如下：

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20. PLEDGE OF ASSETS

At the end of the reporting period, the following assets were pledged by the Group to secure its banking and other financing facilities:

		30 September 2018 二零一八年 九月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 2018 二零一八年 三月三十一日 HK\$'000 千港元 (Audited) (經審核)
Investments in securities (Note)	證券投資(附註)	66,170	138,217
Investment properties	投資物業	9,328,474	10,360,347
Investment properties classified as asset held for sales	分類為持作銷售資產之投資物業	-	196,000
		9,394,644	10,694,564

Note: As at 30 September 2018, included in the investment in securities pledged by the Group to secure other financing facilities was certain of the Group's equity interest in Rosedale Hotel Holdings Limited ("Rosedale") with market value of HK\$50,206,000 (31 March 2018: HK\$59,065,000) based on the quoted price from the Stock Exchange on 30 September 2018. Rosedale is a principal associate of the Group at the end of both reporting periods and the Group's interest in Rosedale is accounted for using the equity method in the Group's condensed consolidated financial statements. The directors of the Company considered the Group's significant influence in Rosedale was established via its representations on Rosedale's board of directors. As at 30 September 2018, the carrying amount of the Group's interest in Rosedale amounted to approximately HK\$325,193,000 (31 March 2018: HK\$334,519,000).

20. 資產抵押

於申報期末，本集團將下列資產抵押作為其銀行及其他融資信貸之擔保：

	30 September 2018 二零一八年 九月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 2018 二零一八年 三月三十一日 HK\$'000 千港元 (Audited) (經審核)
Investments in securities (Note)	66,170	138,217
Investment properties	9,328,474	10,360,347
Investment properties classified as asset held for sales	-	196,000
	9,394,644	10,694,564

附註： 於二零一八年九月三十日，作為其他融資信貸擔保之本集團已抵押證券投資中，包括本集團所持珀麗酒店控股有限公司(「珀麗」)若干股權，其市值於二零一八年九月三十日按聯交所之報價為50,206,000港元(二零一八年三月三十一日：59,065,000港元)。於兩個申報期末，珀麗為本集團之主要聯營公司，而本集團於珀麗之權益乃於本集團簡明綜合財務報表內以權益法入賬。本公司董事認為本集團於珀麗之重大影響乃透過彼等於珀麗董事會之代表實現。於二零一八年九月三十日，本集團於珀麗之權益之賬面值約為325,193,000港元(二零一八年三月三十一日：334,519,000港元)。

21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset that are not based on observable market data (unobservable inputs).

21. 財務工具之公平值計量

本集團部分財務資產於各申報期末按公平值計量。下表闡述釐定該等財務資產公平值之方法(尤其是所用之估值方法及輸入數據)以及按公平值計量輸入數據之可觀察程度將公平值計量分類之公平值等級(一至三級)。

- 第一級公平值計量乃自相同資產於活躍市場中所報未調整價格得出；
- 第二級公平值計量乃除計入第一級之報價外，自資產可直接(即價格)或間接(即自價格衍生)觀察之輸入數據得出；及
- 第三級公平值計量乃以使用計入並非根據可觀察市場數據之資產之輸入數據(無法觀察輸入數據)之估值方法得出。

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For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月

21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(Continued)*

21. 財務工具之公平值計量(續)

Financial assets at fair value through profit or loss	Fair value as at 於下列日期之公平值		Fair value hierarchy	Valuation technique(s) and key input(s) 估值方法及主要輸入數據
	30 September 2018 二零一八年 九月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 2018 二零一八年 三月三十一日 HK\$'000 千港元 (Audited) (經審核)		
Investments held for trading 持作買賣投資	34,001	81,000	Level 1 第一級	Quoted bid prices in an active market 於一個活躍市場所報之買入價
Unlisted equity securities 非上市股本證券	38,068	N/A	Level 3 第三級	Fair market value of the entity's net assets adjusted with market price of net assets 實體資產淨值之公平市場值按資產淨值之市場價格進行調整
Distressed debt assets 不良債務資產	198,652	200,947	Level 3 第三級	Discounted cash flow with future cash flows that are estimated based on expected recoverable amounts, discounted at rates that reflect management's best estimation of expected risk level 貼現現金流以未來現金流基於預計可收回金額估算，並按管理層基於對預計風險水平的最佳估計所確定的利率貼現

There are no transfer between Level 1, 2 or 3 during both period/year.

於兩個期間/年度內，第一、二及三級之間並無轉移。

Fair value measurements and valuation process

The directors of the Company has closely monitored and determined the appropriate valuation techniques and inputs for fair value measurements.

公平值計量及估值過程

本公司董事已密切留意及釐定公平值計量之適當估值方法及輸入數據。

21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value measurements and valuation process *(Continued)*

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages external independent qualified valuers, if necessary, to perform the valuation. The directors of the Company works closely with external independent qualified valuers to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed above.

22. RELATED PARTY DISCLOSURE

Compensation of key management personnel

The remuneration of directors of the Company who are also identified as members of key management during the period was as follows:

		Six months ended 30 September 截至九月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
Fees, salaries and other benefits	袍金、薪金及其他福利	2,690	2,690
Retirement benefits scheme contribution	退休福利計劃供款	27	27
		2,717	2,717

21. 財務工具之公平值計量(續)

公平值計量及估值過程(續)

於估計資產或負債之公平值時，本集團會在取得在市場上之可觀察數據時利用該等數據。倘無法獲得第一級之輸入數據，本集團會在必要時委聘外部獨立合資格估值師進行估值。本公司董事與外部獨立合資格估值師緊密合作，以決定適當之估值方法及模型之輸入數據。

有關於釐定多項資產之公平值時所使用估值方法及輸入數據之資料已於上文披露。

22. 關連人士披露事項

主要管理人員報酬

本公司董事(彼等亦被視為主要管理層成員)於期內之薪酬如下：

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23. EVENT AFTER THE REPORTING PERIOD

On 26 October 2018, the Group entered into a conditional sale and purchase agreement with an independent third party pursuant to which the Group conditionally agreed to sell and the purchaser conditionally agreed to purchase the entire issued share capital of the Company's indirect non-wholly owned subsidiary principally engaged in the water supply business, together with the shareholder loan, if any, at a cash consideration of approximately RMB50 million (or equivalent to approximately HK\$56.5 million). For details, please refer to the Company's announcement on 30 October 2018, 20 November 2018 and 30 November 2018.

23. 申報期後事項

於二零一八年十月二十六日，本集團與一名獨立第三方訂立有條件買賣協議，據此，本集團有條件同意出售而買方有條件同意購買本公司間接非全資附屬公司（主要從事供水業務）之全部已發行股本連同股東貸款（如有），現金代價約為人民幣50,000,000元（或相當於約56,500,000港元）。詳情請參閱本公司日期為二零一八年十月三十日、二零一八年十一月二十日及二零一八年十一月三十日之公告。

Management Discussion and Analysis

管理層討論及分析

RESULTS AND FINANCIAL REVIEW

Results

Revenue of the Group for the six months ended 30 September 2018 was HK\$82.2 million against the HK\$90.3 million for the six months ended 30 September 2017. The Group's total net comprehensive expense for the current reporting period was HK\$935.4 million (for the six months ended 30 September 2017: comprehensive income of HK\$48.4 million). Unaudited loss for the six months ended 30 September 2018 was HK\$685.0 million (for the six months ended 30 September 2017: HK\$140.2 million), which comprised gross profit of HK\$67.5 million (for the six months ended 30 September 2017: HK\$77.0 million), other income of HK\$2.3 million (for the six months ended 30 September 2017: HK\$12.0 million), a loss on other gains and losses, other expenses of HK\$505.0 million (for the six months ended 30 September 2017: a gain of HK\$106.9 million), distribution and selling expenses of HK\$2.4 million (for the six months ended 30 September 2017: HK\$9.1 million), administrative expenses of HK\$74.0 million (for the six months ended 30 September 2017: HK\$74.1 million), finance costs of HK\$224.3 million (for the six months ended 30 September 2017: HK\$214.7 million), share of losses of associates of HK\$8.1 million (for the six months ended 30 September 2017: HK\$13.1 million), share of loss of a joint venture of HK\$nil (for the six months ended 30 September 2017: HK\$8.5 million) and income tax credit of HK\$59.0 million (for the six months ended 30 September 2017: income tax expense of HK\$16.7 million).

The increase in loss on other gains and losses, other expenses was mainly attributable to (i) a loss of HK\$259.3 million on fair value changes on investment properties (for the six months ended 30 September 2017: a gain of HK\$39.0 million) and (ii) an exchange loss of HK\$247.5 million (for the six months ended 30 September 2017: an exchange gain of HK\$107.4 million).

業績及財務回顧

業績

截至二零一八年九月三十日止六個月，本集團之收入為82,200,000港元，而截至二零一七年九月三十日止六個月則為90,300,000港元。本集團於本申報期之全面開支總淨額為935,400,000港元（截至二零一七年九月三十日止六個月：全面收入48,400,000港元）。截至二零一八年九月三十日止六個月之未經審核虧損為685,000,000港元（截至二零一七年九月三十日止六個月：140,200,000港元），包括毛利67,500,000港元（截至二零一七年九月三十日止六個月：77,000,000港元）、其他收入2,300,000港元（截至二零一七年九月三十日止六個月：12,000,000港元）、其他收益及虧損、其他開支之虧損505,000,000港元（截至二零一七年九月三十日止六個月：收益106,900,000港元）、分銷及銷售開支2,400,000港元（截至二零一七年九月三十日止六個月：9,100,000港元）、行政開支74,000,000港元（截至二零一七年九月三十日止六個月：74,100,000港元）、財務費用224,300,000港元（截至二零一七年九月三十日止六個月：214,700,000港元）、應佔聯營公司虧損8,100,000港元（截至二零一七年九月三十日止六個月：13,100,000港元）、應佔一間合營企業虧損零港元（截至二零一七年九月三十日止六個月：8,500,000港元）及所得稅抵免59,000,000港元（截至二零一七年九月三十日止六個月：所得稅支出16,700,000港元）。

其他收益及虧損、其他開支之虧損增加主要源自(i)投資物業之公平值變動虧損259,300,000港元（截至二零一七年九月三十日止六個月：收益39,000,000港元）及(ii)匯兌虧損247,500,000港元（截至二零一七年九月三十日止六個月：匯兌收益107,400,000港元）。

Management Discussion and Analysis

管理層討論及分析

RESULTS AND FINANCIAL REVIEW (Continued)

Segment Results

Property development, investment and trading

The Group did not derive any revenue from the sale of any serviced apartments of 捷登都會大廈 (also known as A-Mall) in Guangzhou during current period (for the year ended 31 March 2018: HK\$974.3 million). Instead, the Group continued to lease out the serviced apartments and units of the shopping arcade of A-Mall and received rental income from tenants, including certain international and prestige local brands.

Other developed commercial properties such as 黃金廣場 (also known as Golden Plaza), 珀東廣場 (also known as Podong Plaza) and 泰峰大廈, all located at prime locations in Guangzhou, contributed to secure recurring stable rental income during the reporting period.

There was no revenue from property trading activity recorded during both six months ended 30 September 2018 and 30 September 2017. The segment revenue from property investment for the six months ended 30 September 2018 was HK\$62.3 million (for the six months ended 30 September 2017: HK\$64.9 million). The segment recorded a loss of HK\$196.7 million for the six months ended 30 September 2018 (for the six months ended 30 September 2017: profit of HK\$49.8 million).

Trading of Securities

For the six months ended 30 September 2018, the segment recorded a loss of HK\$13.4 million (for the six months ended 30 September 2017: a gain of HK\$12.2 million). It was mainly attributable to loss on disposal of listed securities held for trading and fair value loss recognised on its listed securities which were marked up to the market price as at 30 September 2018.

Water Supply

For water supply segment, the revenue was HK\$19.9 million for the current reporting period (for the six months ended 30 September 2017: HK\$25.4 million), and gave rise to a profit of HK\$4.3 million (for the six months ended 30 September 2017: HK\$10.1 million).

業績及財務回顧(續)

分類業績

物業發展、投資及買賣

本集團於本期間並無從出售廣州捷登都會大廈(又稱A-Mall)之任何服務式住宅中獲得任何收入(截至二零一八年三月三十一日止年度: 974,300,000港元)。相反, 本集團持續出租A-Mall之服務式住宅及購物商場內之單位, 並從租戶收取租金收入, 當中包括若干國際品牌及本土知名品牌。

其他已發展之商用物業, 如黃金廣場、珀東廣場及泰峰大廈, 均位於廣州黃金地段, 於申報期帶來穩定的經常性租金收入。

截至二零一八年九月三十日及截至二零一七年九月三十日止六個月, 並無錄得物業買賣活動收入。截至二零一八年九月三十日止六個月, 來自物業投資的分類收入為62,300,000港元(截至二零一七年九月三十日止六個月: 64,900,000港元); 截至二零一八年九月三十日止六個月, 該分類錄得虧損196,700,000港元(截至二零一七年九月三十日止六個月: 溢利49,800,000港元)。

證券買賣

截至二零一八年九月三十日止六個月, 該分類錄得虧損13,400,000港元(截至二零一七年九月三十日止六個月: 收益12,200,000港元), 主要源自於出售持作交易之上市證券之虧損及其上市證券已確認之公平值虧損已加成為於二零一八年九月三十日之市價。

供水

於本申報期內, 供水分類之收入為19,900,000港元(截至二零一七年九月三十日止六個月: 25,400,000港元), 並帶來溢利4,300,000港元(截至二零一七年九月三十日止六個月: 10,100,000港元)。

RESULTS AND FINANCIAL REVIEW *(Continued)*

Liquidity

Bank balances and cash as at 30 September 2018 were HK\$88.1 million (31 March 2018: HK\$430.7 million). The gearing ratio (borrowings/shareholders' funds) at 30 September 2018 increased to 145.5% (31 March 2018: 118.6%). As at 30 September 2018, total borrowings consisting of bank and other borrowings of the Group amounted to HK\$5,665.6 million (31 March 2018: HK\$5,723.9 million). The Group's borrowings bore fixed rates and floating interest rates as at both 30 September 2018 and 31 March 2018.

Pledge of assets

As at 30 September 2018, certain assets of the Group amounting to HK\$9,394.6 million (31 March 2018: HK\$10,694.6 million) were pledged to banks and financial institutions for loan facilities granted to the Group.

Exchange rate and interest rate risks exposure

Most of the Group's business transactions, assets and liabilities are denominated in Hong Kong Dollars and Renminbi. The Group will consider entering into hedging contracts to mitigate its exposure to currencies fluctuations whenever the Group and the concerned foreign subsidiaries think fit. At the reporting date, the Group did not enter into any interest rate speculative and hedging contracts.

Contingent liabilities

As at 30 September 2018 and 31 March 2018, the Group did not have any significant contingent liabilities.

業績及財務回顧(續)

流動資金

於二零一八年九月三十日之銀行結餘及現金為88,100,000港元(二零一八年三月三十一日: 430,700,000港元)。於二零一八年九月三十日之負債資本比率(借款/股東資金)上升至145.5%(二零一八年三月三十一日: 118.6%)。於二零一八年九月三十日, 借款總額包括本集團之銀行及其他借款5,665,600,000港元(二零一八年三月三十一日: 5,723,900,000港元)。於二零一八年九月三十日及二零一八年三月三十一日, 本集團之借款按固定利率及浮動利率計息。

資產抵押

於二零一八年九月三十日, 本集團將9,394,600,000港元(二零一八年三月三十一日: 10,694,600,000港元)之若干資產抵押予銀行及金融機構, 以取得授予本集團之貸款信貸。

匯率及利率風險

本集團大部分業務交易、資產及負債均以港元及人民幣計值。本集團將於其本身及有關海外附屬公司認為有需要時, 考慮訂立對沖合約以減低其貨幣波動風險。於申報日期, 本集團並無訂立任何利率投機及對沖合約。

或然負債

於二零一八年九月三十日及二零一八年三月三十一日, 本集團並無重大或然負債。

Management Discussion and Analysis

管理層討論及分析

RESULTS AND FINANCIAL REVIEW *(Continued)*

Fund raising exercise

On 4 September 2018, the board of directors of the Company (the "Board") announced to implement the issue by way of rights on the basis of three (3) rights shares for every one (1) adjusted share of HK\$0.10 each (adjusted upon the capital reorganisation have become effect as announced on 4 September 2018) in the issued and unissued share capital of the Company upon the capital reorganisation having become effective (the "Rights Issue") at the subscription price of HK\$0.688 per rights share, to raise up to approximately HK\$1,063 million before expenses by way of issuing up to 1,544,728,296 rights shares.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted rights shares. In the event there is an undersubscription of the Rights Issue, the size of the Rights Issue will be reduced accordingly. For details, please refer to the Company's announcements dated 4 September 2018, 18 September 2018, 24 September 2018, 16 October 2018, 2 November 2018 and 30 November 2018.

Business Development in PRC

On 13 July 2018, the Company (as intended purchaser) entered into the memorandum of understanding (as supplemented by the supplemental memoranda of understanding dated 18 July 2018 and 8 October 2018) (the "MOU 1") with 鍾國邦 (Chung Kwok Pong) and 廣州市錦田物業管理有限公司 (Guangzhou City Jintian Property Management Limited*) (together as intended vendors) in relation to the possible acquisition of the entire equity interest of 廣州市越東房地產發展有限公司 (Guangzhou City Yue Dong Development Limited*) at a consideration of RMB200 million, with a due diligence period ending on 13 January 2019. Pursuant to MOU 1, formal sale and purchase agreement would only be signed upon the Company's satisfaction of its due diligence review. Pursuant to the terms of the MOU 1, the Company paid a sum of RMB100 million (equivalent to approximately HK\$113 million) in cash to the intended vendors upon execution of the MOU 1 as a refundable deposit for the proposed acquisition.

* For identification purpose only

業績及財務回顧(續)

集資活動

於二零一八年九月四日，本公司董事會(「董事會」)宣佈擬按每持有一(1)股於股本重組生效後本公司已發行及未發行股本中每股面值0.10港元的經調整股份(在二零一八年九月四日所公佈之資本重組生效後予以調整)獲發三(3)股供股股份，以認購價每股供股股份0.688港元發行最多1,544,728,296股供股股份的方式進行供股，集資最多約1,063,000,000港元(扣除開支前)。

供股將以沒有包銷的形式進行，不論暫定配發供股股份的接受程度。倘供股認購不足，供股的規模將會相應縮小。詳情請參閱本公司日期為二零一八年九月四日、二零一八年九月十八日、二零一八年九月二十四日、二零一八年十月十六日、二零一八年十一月二日及二零一八年十一月三十日之公告。

於中國之業務發展

於二零一八年七月十三日，本公司(作為有意買方)與鍾國邦及廣州市錦田物業管理有限公司(統稱為有意賣方)訂立諒解備忘錄(經二零一八年七月十八日及二零一八年十月八日的補充諒解備忘錄所補充)(「諒解備忘錄一」)，內容有關可能收購廣州市越東房地產發展有限公司之全部股權，代價為人民幣200,000,000元，而盡職審查期將於二零一九年一月十三日結束。根據諒解備忘錄一，正式買賣協議僅於本公司對其盡職審查檢討滿意後簽立。根據諒解備忘錄一之條款，本公司於簽立諒解備忘錄一時向有意賣方支付人民幣100,000,000元(相當於約113,000,000港元)現金作為建議收購之可退回訂金。

* 僅供識別

RESULTS AND FINANCIAL REVIEW *(Continued)*

Business Development in PRC *(Continued)*

On 30 August 2018, the Company (as intended purchaser) entered into the memorandum of understanding (as supplemented by the supplemental memoranda of understanding dated 3 September 2018 and 23 November 2018) (the "MOU 2") with 周建榮 (Zhou Jianrong*) and 陳玉華 (Chen Yuhua*) (together as intended vendors) in relation to the possible acquisition of the entire equity interest of 廣州市舜維房地產開發有限公司 (Guangzhou City Shun Wei Development Limited*) at a consideration of RMB1,300 million, with a due diligence period of 3 months commencing from the date on which all due diligence documents have been provided. Pursuant to MOU 2, formal sale and purchase agreement would only be signed upon the Company's satisfaction of its due diligence review. Pursuant to the terms of the MOU 2, the Company paid a sum of RMB300 million (equivalent to approximately HK\$339 million) in cash to the intended vendors upon execution of the MOU 2 as a refundable deposit for the proposed acquisition.

On 17 September 2018, the Company (as intended purchaser) entered into the memorandum of understanding (as supplemented by the supplemental memoranda of understanding dated 17 September 2018 and 13 December 2018) (the "MOU 3") with 黃藹婷 (Huang Aiting*) (as intended vendor) in relation to the possible acquisition of all issued shares of Onland Development Limited at a consideration of RMB1,100 million, with a due diligence period ending on 17 March 2019. Pursuant to MOU 3, formal sale and purchase agreement would only be signed upon the Company's satisfaction of its due diligence review. Pursuant to the terms of the MOU 3, the Company paid a sum of RMB350 million (equivalent to approximately HK\$395 million) in cash to the intended vendor upon execution of the MOU 3 as a refundable deposit for the proposed acquisition.

* For identification purpose only

業績及財務回顧(續)

於中國之業務發展(續)

於二零一八年八月三十日，本公司(作為有意買方)與周建榮及陳玉華(統稱為有意賣方)訂立諒解備忘錄(經二零一八年九月三日及二零一八年十一月二十三日的補充諒解備忘錄所補充)(「諒解備忘錄二」)，內容有關可能收購廣州市舜維房地產開發有限公司之全部股權，代價為人民幣1,300,000,000元，盡職審查期由提供所有盡職審查文件之日起計為期3個月。根據諒解備忘錄二，正式買賣協議僅於本公司對其盡職審查檢討滿意後簽立。根據諒解備忘錄二之條款，本公司於簽立諒解備忘錄二時向有意賣方支付人民幣300,000,000元(相當於約339,000,000港元)現金作為建議收購之可退回訂金。

於二零一八年九月十七日，本公司(作為有意買方)與黃藹婷(作為有意賣方)訂立諒解備忘錄(經二零一八年九月十七日及二零一八年十二月十三日的補充諒解備忘錄所補充)(「諒解備忘錄三」)，內容有關可能收購俊田發展有限公司之全部已發行股份，代價為人民幣1,100,000,000元，盡職審查期於二零一九年三月十七日結束。根據諒解備忘錄三，正式買賣協議僅於本公司對其盡職審查檢討滿意後簽立。根據諒解備忘錄三之條款，本公司於簽立諒解備忘錄三時向有意賣方支付人民幣350,000,000元(相當於約395,000,000港元)現金作為建議收購之可退回訂金。

* 僅供識別

Management Discussion and Analysis

管理層討論及分析

RESULTS AND FINANCIAL REVIEW *(Continued)*

Event after the reporting period

On 26 October 2018, the Group entered into a conditional sale and purchase agreement with an independent third party pursuant to which the Group conditionally agreed to sell and the purchaser conditionally agreed to purchase the entire issued share capital of the Company's indirect non-wholly owned subsidiary principally engaged in the water supply business, together with the shareholder loan, if any, at a cash consideration of approximately RMB50 million (or equivalent to approximately HK\$56.5 million). For details, please refer to the Company's announcements dated 30 October 2018, 20 November 2018 and 30 November 2018.

The licence to operate the water supply will expire in 2034. The directors of the Company consider that the government policies on granting of licences to foreign-owned enterprises on operation of resources-supply business may change so that extension of the licence may not be guaranteed. Moreover, since the customers of the water supply business are peripheral factories for cooling-down effect, its turnover depends to a large extent on demand from regional factories, meaning that its income source is passive and uncertain. Taking these factors into consideration, the directors of the Company believe that the business prospect of the water supply business is subject to uncertainties. The Board considers the disposal represents a good opportunity to enhance the Group's working capital position and liquidity by disposing of its non-core business, while this will have no material effect on the business and operations of the Group.

Employees and remuneration policies

On 30 September 2018, there were 93 staff members (31 March 2018: 87) employed by the Group. The remuneration policies are formulated on the basis of performance of individual employees and the prevailing salaries' trends in the various regions. They are subject to be reviewed every year. The Group also provides employee training programs, a mandatory provident fund scheme, medical insurance and discretionary bonuses.

業績及財務回顧(續)

申報期後事項

於二零一八年十月二十六日，本集團與一名獨立第三方訂立有條件買賣協議，據此，本集團有條件同意出售而買方有條件同意購買本公司間接非全資附屬公司(主要從事供水業務)之全部已發行股本連同股東貸款(如有)，現金代價約為人民幣50,000,000元(或相當於約56,500,000港元)。詳情請參閱本公司日期為二零一八年十月三十日、二零一八年十一月二十日及二零一八年十一月三十日之公告。

供水營運牌照將於二零三四年屆滿。本公司董事認為，向外資企業授出營運資源供應業務之牌照之政府政策可能有變，因此不能保證牌照可獲延長。再者，由於供水業務向周邊工廠客戶供水作冷卻之用，其營業額很大程度上視乎地區性工廠之需求，意味其收入來源被動及不確定。經考慮此等因素，本公司董事認為供水業務之前景存在不明朗因素。董事會認為，出售事項提供良好機會，透過出售其非核心業務提高本集團營運資金水平及流動資金，此對本集團的業務及營運並無造成重大影響。

僱員及薪酬政策

於二零一八年九月三十日，本集團僱用93名僱員(二零一八年三月三十一日：87名)。薪酬政策乃根據個別僱員之表現及不同地區當時之薪酬趨勢而制定。本集團會每年檢討薪酬政策。本集團亦提供培訓計劃、強制性公積金計劃、醫療保險及酌情花紅予僱員。



OUTLOOK

Currently, effects of the US-China trade war poses threat to China's economy and raises the risk of slowdown in the global economic growth. The macro-economic control imposed by the People's Republic of China government has impacted the availability of financing in the market. This is further exacerbated by the increase in base rate by the Hong Kong Monetary Authority. Coupled with the volatile stock market, these factors pose uncertainties as to how and when sufficient financing/re-financing can be obtained.

In view of the current working capital position and the debt level of the Group, we have re-prioritised our attention to exploring possible measures to mitigate the Group's liquidity pressure. The Company announced on 4 September 2018 to issue by way of rights on the basis of three rights shares for every one adjusted share in issue and held on the record date, and announced on 30 October 2018 to dispose the investment in our non-core water supply business. These are measures to ease the Group's debt level with an aim to improve its financial healthiness. We will continue to explore other ways to obtain additional funding with prudent assessment on the potential financial benefits and impact.

展望

目前，中美貿易戰的影響對中國經濟構成威脅，並增加全球經濟增長放緩的風險。中國政府推行的宏觀經濟調控限制了市場融資額度，此情況因香港金融管理局上調基準利率而進一步加劇，加上股市波動，種種因素對如何及何時能夠獲得足夠融資／再融資帶來不確定性。

鑒於本集團目前的營運資金狀況及債項水平，我們已將精力重新調配至優先專注物色可能措施以減輕本集團流動資金壓力。本公司於二零一八年九月四日公告根據於記錄日期每持有一股已發行經調整股份獲發三股供股股份的基準進行供股，並於二零一八年十月三十日公告出售我們非核心供水業務的投資。這些措施旨在紓緩本集團的債項水平及改善其財務狀況。我們將謹慎地評估潛在財務裨益及影響後，繼續探討其他獲得額外資金的方法。

General Information

一般資料

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at 30 September 2018, the interests and short positions of the directors of the Company and the chief executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which (a) were recorded in the register required to be kept under Section 352 of the SFO, or (b) were notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Name	Capacity	Total interest in number of shares (Long position) 於股份數目中 權益總額(好倉)	% of the issued share capital of the Company 佔本公司已發行 股本百分比
姓名	身份		
Dr. Yap Allan 葉家海博士	Beneficial owner 實益擁有人	604,783,100 ^{(note)(附註)}	29.36%

Note: 453,587,325 rights shares have been undertaken to be accepted by Dr. Yap Allan pursuant to the deed of covenants and undertakings. Upon completion of the capital reorganisation and the rights issue, Dr. Yap Allan will be interested in 604,783,100 adjusted shares and the number of issued adjusted shares will be increased to 2,059,637,728 assuming all shareholders have taken up the rights shares.

董事及最高行政人員之權益

於二零一八年九月三十日，本公司董事及最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中擁有(a)已記錄於根據證券及期貨條例第352條須予備存之登記冊內；或(b)根據聯交所證券上市規則(「上市規則」)附錄十所載《上市發行人董事進行證券交易的標準守則》(「標準守則」)已知會本公司及聯交所之權益及淡倉如下：

附註：根據契諾及承諾契約，453,587,325股供股股份已獲葉家海博士承諾接納。於股本重組及供股完成後，葉家海博士將於604,783,100股經調整股份中擁有權益，且假設全體股東均已承購供股股份，則已發行經調整股份數目將增加至2,059,637,728股。

Save as disclosed above, as at 30 September 2018, none of the directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be recorded in the register required to be kept under Section 352 of the SFO; or (b) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零一八年九月三十日，概無本公司董事及最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券中擁有(a)須記錄於根據證券及期貨條例第352條須予備存之登記冊內；或(b)根據標準守則須知會本公司及聯交所之任何權益或淡倉。

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 30 September 2018, other than a director or chief executive of the Company, the Company had not been notified of any other interests or short positions in the shares or underlying shares of the Company which were required to be recorded in the register kept under Section 336 of the SFO.

SHARE OPTION SCHEME

The Company's share option scheme was adopted in September 2014 (the "2014 Share Option Scheme"). The purpose of the 2014 Share Option Scheme is to provide participants with the opportunity to acquire proprietary interests in the Company and to encourage participants to work towards enhancing the value of the Company and its shares for the benefits of the Company and its shareholders as a whole.

Under the 2014 Share Option Scheme, the Board may grant options to directors and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters and service providers of any members of the Group who the Board considers have contributed or will contribute or can contribute to the Group.

No options were granted since the adoption of the 2014 Share Option Scheme and hence no options were outstanding as at 30 September 2018.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 September 2018, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

主要股東之權益

於二零一八年九月三十日，除本公司董事或最高行政人員外，本公司概無獲任何人士知會於本公司股份或相關股份中擁有任何其他權益或淡倉而須記錄於根據證券及期貨條例第336條而備存之登記冊內。

購股權計劃

本公司於二零一四年九月採納購股權計劃（「二零一四年購股權計劃」）。二零一四年購股權計劃之目的旨在向參與者提供獲得本公司所有權益之機會，並激勵參與者為本公司及其股東整體利益而努力提升本公司及其股份價值。

根據二零一四年購股權計劃，董事會可將購股權授予其認為曾經或將會或能夠對本集團作出貢獻之本集團董事及僱員、本集團任何成員公司之諮詢人、顧問、分銷商、承包商、供應商、代理人、客戶、業務夥伴、合營企業業務夥伴、發起人以及服務供應商。

自採納二零一四年購股權計劃以來概無授出任何購股權，故於二零一八年九月三十日並無購股權尚未行使。

購買、出售或贖回本公司之上市證券

於截至二零一八年九月三十日止六個月內，本公司或其任何附屬公司概無購買、出售或贖回任何本公司之上市證券。

General Information

一般資料

CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVES

The changes in information of directors and chief executives since the date of the annual report of the Company for the year ended 31 March 2018 which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

Mr. Ho Tat Wang has been appointed as the chief executive officer of the Company with effect from 3 September 2018. Prior to his appointment, the role of the chief executive of the Company was performed by the executive director and the chairman of the Company, Dr. Yap Allan. Subsequent to the appointment of Mr. Ho Tat Wang as the chief executive officer, Dr. Yap Allan remains as an executive director and the chairman of the Company.

INTERIM DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 September 2018 (30 September 2017: Nil).

CORPORATE GOVERNANCE

The Board considers that the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2018, except with deviations from code provisions A.2.1, A.4.1 and E.1.2.

Code provision A.2.1 stipulates that the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. Prior to the appointment of Mr. Ho Tat Wang as the chief executive officer on 3 September 2018, the role of the chief executive of the Company was performed by the executive director and the chairman of the Company, Dr. Yap Allan.

董事及行政總裁資料變動

自本公司截至二零一八年三月三十一日止年度之年報刊發日期以來，根據上市規則第13.51B(1)條須予披露之董事及行政總裁資料變動載列如下：

何達宏先生已獲委任為本公司行政總裁，自二零一八年九月三日起生效。於其獲委任前，本公司行政總裁之職責由本公司執行董事兼主席葉家海博士履行。於委任何達宏先生為行政總裁後，葉家海博士將繼續出任本公司執行董事兼主席。

中期股息

董事會議決不派付截至二零一八年九月三十日止六個月之中期股息(二零一七年九月三十日：無)。

企業管治

董事會認為，本公司於截至二零一八年九月三十日止六個月內一直遵守上市規則附錄十四所載《企業管治守則》之守則條文，惟偏離守則條文A.2.1、A.4.1及E.1.2。

守則條文A.2.1規定，主席及行政總裁之角色應有區分，並不應由一人同時兼任。於何達宏先生於二零一八年九月三日獲委任為行政總裁之前，本公司行政總裁之職責由本公司執行董事兼主席葉家海博士履行。

Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The independent non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation at the Company's annual general meetings in accordance with the Bye-Laws of the Company. As at each annual general meeting, one-third of the directors of the Company (or such number as nearest to but not less than one-third) must retire by rotation, each of the directors of the Company is effectively appointed for a term of approximately two to three years.

Code provision E.1.2 stipulates that the chairman of the board should attend the annual general meeting. The chairman of the Company, Dr. Yap Allan, was unable to attend the annual general meeting of the Company held on 27 September 2018 due to his other business engagement. Mr. Heung Pik Lun, Edmond, the executive director of the Company, attended and chaired the meeting and answered questions from the shareholders of the Company.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding directors' securities transactions. Having made specific enquiry by the Company, all directors of the Company have confirmed the compliance with the required standard set out in the Model Code throughout the six months ended 30 September 2018.

REVIEW OF INTERIM RESULTS

The interim results for the six months ended 30 September 2018 are not audited, but reviewed by the auditor of the Company, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants and also reviewed by the audit committee of the Company (the "Audit Committee").

守則條文A.4.1規定，非執行董事之委任應有指定任期，並須接受重新選舉。本公司獨立非執行董事並無指定任期，惟須按照本公司之公司細則於本公司股東週年大會上輪值告退。於每年之股東週年大會上，本公司三分之一之董事（或最接近但不少於三分之一之人數）須輪值告退，因此本公司各董事之實際任期約為兩至三年。

守則條文E.1.2規定，董事會主席應出席股東週年大會，本公司主席葉家海博士因處理其他業務未克出席本公司於二零一八年九月二十七日舉行之股東週年大會。本公司執行董事向碧倫先生已出席該大會並主持及回應本公司股東之提問。

董事進行證券交易之守則

本公司已採納標準守則，作為董事進行證券交易之行為守則。在本公司作出具體查詢後，本公司全體董事均確認於截至二零一八年九月三十日止六個月內一直遵守標準守則所規定之標準。

中期業績審閱

截至二零一八年九月三十日止六個月之中期業績未經審核，惟已由本公司核數師德勤•關黃陳方會計師行按照香港會計師公會頒佈之《香港審閱工作準則》第2410號「實體獨立核數師對中期財務資料的審閱」進行審閱。此中期業績亦已由本公司審核委員會（「審核委員會」）審閱。

General Information

一般資料

AUDIT COMMITTEE

As at the date of this report, the Audit Committee comprises three independent non-executive directors, namely Mr. Poon Kwok Hing, Albert (chairman of the Audit Committee), Mr. Kwok Ka Lap, Alva and Mr. Sin Chi Fai. The Audit Committee has reviewed the interim results of the Company for the six months ended 30 September 2018 before submission to the Board for approval.

On behalf of the Board

Dr. Yap Allan
Chairman

Hong Kong, 30 November 2018

審核委員會

於本報告日期，審核委員會包括三名獨立非執行董事潘國興先生（審核委員會主席）、郭嘉立先生及冼志輝先生。在呈交董事會批准前，審核委員會已審閱本公司截至二零一八年九月三十日止六個月之中期業績。

代表董事會
主席
葉家海博士

香港，二零一八年十一月三十日



MASTER GLORY GROUP LIMITED
凱華集團有限公司

(Carrying on business in Hong Kong as “275 凱華集團”)

(以「275 凱華集團」於香港經營業務)

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立的有限公司)

(Stock Code 股份代號: 275)