沪港联合

HONG KONG SHANGHAI ALLIANCE HOLDINGS LIMITED
滬港聯合控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1001)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31ST MARCH 2019

The board of directors (the "**Board**") of Hong Kong Shanghai Alliance Holdings Limited (the "**Company**") hereby announces the consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31st March 2019 (the "**Year**").

FINANCIAL HIGHLIGHTS

For the year ended 31st March

	2019	2018	**Change**
	HK$ million	*HK$ million*	
Revenue	**2,882.6**	3,032.9	-5.0%
Gross profit	**275.1**	197.6	+39.2%
Operating profit/(loss)	**74.3**	(90.7)	N/A
Profit/(loss) attributable to owners of the Company	**13.9**	(147.7)	N/A
Basic earnings/(loss) per ordinary share (HK cents)	**2.17**	(23.02)	+25.19 cents
Proposed final dividend per ordinary share (HK cents)	**2.00**	1.57	+27.4%
Gross profit margin	**9.5%**	6.5%	+3.0 p.p.
Operating profit/(loss) margin	**2.6%**	(3.0%)	+5.6 p.p.
Net profit/(loss) margin	**0.5%**	(4.9%)	+5.4 p.p.

For the Year, the Group recorded a profit attributable to owners of the Company of approximately HK$13.9 million on revenue of approximately HK$2,882.6 million, versus a loss attributable to owners of the Company of approximately HK$147.7 million on revenue of approximately HK$3,032.9 million last year. The increase in profit was mainly due to increase in revenue of Property Investment and Project Management Business and recovery of Construction Materials Business. Gross profit was approximately HK$275.1 million, up approximately 39.2% year-on-year while gross profit margin increased to approximately 9.5% from approximately 6.5% last year.

The basic earnings per ordinary share was HK2.17 cents for the Year, versus the basic loss per ordinary share of HK23.02 cents last year.

The Board has recommended a final dividend of HK2.00 cents (2018: HK1.57 cents) per ordinary share for the Year.

BUSINESS REVIEW

Property Investment and Project Management Business

We are a leading real estate investor/manager. Our Property Investment and Project Management Business consists of (i) direct acquisitions of properties for investment such as our wholly-owned Central Park Pudong, a 12-storey (plus basement level) office building with a total gross area of about 33,191 sq.m. located in Pudong, Shanghai, China, which generates rental income and appreciation in fair value to the Group; and (ii) investments in properties via partnerships or investment funds where the Group takes equity stake and Hongkong and Shanghai Land Capital Ltd. (together with its affiliated companies, collectively "**HSL**") acts as a general partner and/or investment manager to earn fee income.

The core value of our Property Investment and Project Management Business lies on the ability of the property team to generate and unlock value for property projects through alternations and additions works and provision of active property services. HSL has a team of industry veterans and proven track record in asset revitalisation and optimisation. HSL provides integrated value-add framework which involves re-positioning, re-development, re-leasing and refurbishment of commercial assets. It carries out value enhancement works on the properties and their surrounding common areas at a minimum renovation cost, while implementing successfully leasing strategy to remix tenants in order to secure premium tenants and drive up rental income, with the eventual target of generating significant capital gains for the Group's investments. The team members of HSL have substantial business experience in Greater China, and HSL has built a strong business network with leading state-owned enterprises, local governments and property developers in Mainland China.

The Group focuses on office properties in Shanghai, which is the most economically-developed, financial and economic center of China. Its steady-growing GDP, driven by tertiary industries such as finance, technology and advanced businesses, along with initiatives such as Shanghai Free Trade Zone and the Shanghai-Hong Kong Stock Connect introduced by the Central Government, have together generated sustainable demand in premium-grade offices, which lead to an increasing rental level.

The occupancy rate of our wholly-owned investment property — Central Park Pudong increased from approximately 76% as of 31st March 2018 to approximately 85% in June 2019. Based on a valuation report issued by an independent international property valuer, the carrying amount of this investment property was approximately HK$1,404.9 million (equivalent to approximately RMB1,206.0 million), resulted in a valuation gain of HK$108.9 million and a deferred tax liability of HK$27.2 million for the Year.

In June 2018, the Group successfully set up a co-investment venture (the "**JV**") with Reco Wisteria Private Limted (an indirect wholly-owned subsidiary of GIC (Realty) Private Limited ("**GIC**") which is wholly-owned by the Minister for Finance of the Government of Singapore), with an initial fund size of US$350.0 million (equivalent to approximately HK$2.7 billion) for the purposes of acquiring under-utilized office buildings in prime locations in Shanghai with value-add potential, and implementing value enhancement with efficient capital expenditure and other asset management initiatives. As of 31st March 2019, the Group has an effective equity stake of 9.3% in the JV. The JV completed its first investment in Longyu International Plaza in September 2018 and subsequently rebranded it as Central Park Jing'an ("**Central Park Jing'an**"). Central Park Jing'an, with a total gross area of about 58,601 sq.m., is a Grade A-office building conveniently located in Jing'an District, Shanghai with direct access to 3 metro lines. HSL completed the renovation of the project in May 2019 to uplift the quality and recruit new tenants to enhance both rental and occupancy. The Group shared profit of approximately HK$20.7 million from its investment in the JV for the Year.

During the Year, our Property Investment and Project Management Business recorded a profit before income tax of approximately HK$82.5 million on revenue of approximately HK$100.0 million, versus a profit before income tax of approximately HK$33.9 million on revenue of approximately HK$63.0 million last year. The year-on-year increase in revenue was mainly due to the increase of occupancy rate in our wholly-owned Central Park Pudong and our investment management income from the JV for the Year. The increase of profit before income tax was mainly due to fair value gain of HK$108.9 million from Central Park Pudong and its valuation was HK$1,404.9 million as of 31st March 2019.

Building and Design Solutions Business

Our Building and Design Solutions Business provides a comprehensive value proposition that includes design, installation, inventory management, logistics as well as technical support of bathroom and kitchen products to developers, architects, designers and distributor partners. As one of the established players in the market, we offer an expansive product portfolio covering various well-known brands.

During the Year, the Building and Design Solutions Business recorded a profit before income tax of approximately HK$21.9 million on revenue of approximately HK$346.8 million, versus a profit before income tax of approximately HK$24.9 million on revenue of approximately HK$330.1 million last year. The increase in revenue was mainly due to increase in contributions from real estate and hotel projects in Hong Kong and Macau for the Year. The decrease of profit before income tax was mainly due to a bad debt provision of approximately HK$2.2 million recorded for the Year.

Construction Materials Business

Construction Materials Business comprises Hong Kong construction products processing and distribution, steel recycling, reinforcing bar processing and assembly business conducted through our wholly-owned VSC Construction Steel Solutions Limited, and PRC surface critical coil processing and distribution business. During the Year, the Group continued to encounter different challenges, both from the steel market as well as the global economy, including the continuous adverse fluctuations of steel price, the negative impact arising from the trade conflicts between major trade nations, projects delay in Hong Kong, as well as slow but ongoing transition from on-site cut-and-bend to offsite prefabricated steel reinforcement component.

During the Year, the Construction Materials Business recorded a total revenue of approximately HK$2,164.6 million, down approximately 3.0% compared with last year, main reason being the decrease in tons sold by approximately 12.1% due to infrastructure projects delay in Hong Kong.

Profit before income tax of Construction Materials Business was approximately HK$20.6 million for the Year, versus a loss before income tax of approximately HK$120.9 million last year, mainly due to the increase in sales orders for our reinforcing bar processing and assembly business and reversal of provision for onerous contracts of approximately HK$40.7 million for the Year because of the recoup of profit margin for our outstanding sales contract orders as of 31st March 2019.

Engineering Plastics Business

The Engineering Plastics Business recorded a revenue of approximately HK$268.7 million, down by approximately 29.0% as compared with last year, with tons sold also decreased by approximately 36.9%, as we moved away from customers where margins were too low or credit risk was high, and focused on high growth segments. This business recorded a loss before income tax of approximately HK$7.4 million for the Year, versus a profit before income tax of approximately HK$14.8 million last year, primarily due to a translation loss of HK$6.2 million resulting from RMB depreciation against USD and HKD. Discounting this translation loss of HK$6.2 million for the Year (2018: translation gain of HK$5.2 million), the Engineering Plastics Business achieved a loss before income tax of about HK$1.2 million, down by HK$10.8 million compared to a profit before income tax of HK$9.6 million last year. This drop in profit before income tax was mainly due to lower sales and re-organisation expenses of approximately HK$0.8 million for the close down of our Guangzhou and Xiamen sales offices.

OUTLOOK

Property Investment and Project Management Business

As Shanghai continues its transformation of becoming a global hub, through upgrading its innovative manufacturing and becoming the host of various international events, it is expected that there will be a massive increase in demand for commercial buildings. Targeting to unleash such potentials, we will continue to focus on the Shanghai market for good property investment opportunities. The Group will also continue to provide one-stop solutions for revitalizing under-performing commercial buildings to valuable assets under the professional team of HSL.

Building and Design Solutions Business

We will continue to roll out our segment based growth strategy for our Building and Design Solutions Business in Hong Kong and Macau. Our latest line of sanitary products will allow us to capture market opportunities arose from changing housing size and needs in Hong Kong and the booming real estate and hotel industry in Macau.

Our brand partners continue to have a strong market presence and our project strategy has allowed us to capture large and iconic projects in Hong Kong and Macau.

In the future, we will also explore opportunities outside of Hong Kong, particularly in the Greater Bay Area, where its GDP is expected to reach US$4.62 trillion by 2030, as its infrastructure development would bring huge demand to our Building and Design Solutions Business.

Construction Materials Business

We expect the global steel market to continue its volatile evolution, as China's demand continues to slow down while production output is reduced due to environmental initiatives. China's steel production consolidation and its drive for cleaner air may lead us to continue to search for supply outside of China.

Despite the negativities in the steel market, the Group remains optimistic in the long-term development of the construction industry in Hong Kong, as favourable policies and government planning were recently announced. The setting up of HK$1 billion "Construction Innovation and Technology Fund" together with the government's proactive promotion in adoption of technology and innovative construction methods to improve quality, productivity and cost-effectiveness should expedite the transformation of the construction industry, and specifically, encouraging the adoption of factory cut-and-bend production, and create opportunities for the Group to capture, as it continues its downward migration along the value chain by providing one-stop solutions covering the processing, logistics and new product needs.

Furthermore, to realise the vast potentials from the flourishing Hong Kong construction sector and the Greater Bay area, the Group has acquired the remaining stake of VSC Construction Steel Solutions Limited from NatSteel Holdings Pte. Ltd. in May 2018. This allows the Group to further integrate its process flow of combining steel trading and steel processing into one, and to fully enjoy the upcoming infrastructure boom as well as the increasing emphasis of off-site, pre-fabricated construction materials in Hong Kong. The Group is able to streamline its sales, marketing and operational function and further reduce its overhead cost as to lay a solid foundation for its profit margin. In addition, the Group will continue to actively pursue other marketing and promotional activities to drive order volume and utilization. These combined moves would lay a solid foundation of rebound of this business in the near future.

Engineering Plastics Business

Our Engineering Plastics Business has been undergoing a major re-organisation over the past three years, as we moved away from segments such as toys, and moved towards to segments such as home appliances, consumer electronics and automotive, while changing our offer to include higher margin products and services. We will continue to monitor our costs and working capital closely.

Financial Positions

Compared with the financial year ended 31st March 2018, as at 31st March 2019, the Group's total assets decreased from approximately HK$3,131.9 million to approximately HK$2,996.6 million. The Group's inventories increased from approximately HK$289.6 million to approximately HK$290.7 million. The average inventory days of supply increased by 4 days to 41 days. The Group's trade and bill receivables decreased from approximately HK$528.2 million to approximately HK$480.5 million. The average overall day of sales outstanding decreased from 61 days to 57 days. Net assets value of the Group increased from approximately HK$1,087.4 million as at 31st March 2018 to approximately HK$1,113.4 million, equivalent to HK$1.74 per ordinary share as at 31st March 2019.

Compared with the financial position at 31st March 2018, the Group's cash and cash equivalents and pledged bank deposits, decreased by approximately HK$204.9 million to approximately HK$165.7 million while the Group's borrowings decreased by approximately HK$66.3 million to approximately HK$1,492.5 million as at 31st March 2019. Current ratio decreased from 1.13 to 1.02, while gearing ratio (net debt, which is total borrowings minus pledged bank deposits and cash and cash equivalents, divided by capital and reserves attributable to owners of the Company plus net debt) increased from 53% to 57%. The Group will continue to monitor its working capital closely and take various measures on cost reduction and improvement of operational efficiency.

Financial Resources

The Group's financing and treasury activities are centrally managed and controlled at the corporate level. The Group's overall treasury and funding policies focus on managing financial risks including interest rate and foreign exchange risks; on cost efficient funding of the Company and its subsidiaries; and on yield enhancement from time to time when the Group's cash position allows. The Group has always adhered to prudent financial management principles, including the selection of investment securities according to the Group's treasury investment policy.

The Group's trade financing remained primarily supported by its bank trading and term loan facilities. As at 31st March 2019, about 55.1% of the Group's interest-bearing borrowings for trade financing purpose and financing of investment properties were denominated in HK dollar, about 37.2% in RMB and about 7.7% in US dollar. These facilities are either secured by the Group's inventory held under short-term trust receipts bank loan arrangement and/or pledged bank deposits and/or corporate guarantee provided by the Company. All of the above borrowings were on floating rate basis. Interest costs of import bank loans were levied on interbank offered rates plus very competitive margin. RMB loans of the Group have been obtained from domestic and foreign banks in the amount of RMB476.0 million. Interest costs of RMB banking facilities were based on standard loan rates set by the People's Bank of China adjusted with competitive margin.

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March 2019

	Note	2019 HK$'000	2018 HK$'000
Revenue	2	**2,882,605**	3,032,852
Cost of sales	4	**(2,607,507)**	(2,835,235)
Gross profit		**275,098**	197,617
Selling and distribution expenses	4	**(19,226)**	(58,610)
Net impairment loss on financial assets	4	**(4,262)**	(1,218)
General and administrative expenses	4	**(298,720)**	(278,052)
Other gains — net	3	**12,513**	34,765
Fair value gain on investment properties		**108,865**	14,818
Operating profit/(loss)		**74,268**	(90,680)
Finance income	5	**4,920**	5,010
Finance costs	5	**(80,638)**	(70,708)
Share of results of joint ventures — net		**19,276**	14,366
Profit/(loss) before income tax		**17,826**	(142,012)
Income tax (expense)/credit	6	**(13,447)**	1,772
Profit/(loss) for the year		**4,379**	(140,240)
Profit/(loss) attributable to:			
Owners of the Company		**13,888**	(147,712)
Non-controlling interests		**(9,509)**	7,472
		4,379	(140,240)
Earnings/(loss) per ordinary share attributable to owners of the Company for the year			
Basic earnings/(loss) per share	8	**HK2.17 cents**	HK(23.02) cents
Diluted earnings/(loss) per share	8	**HK2.15 cents**	HK(23.02) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2019

	2019	2018
	HK$'000	*HK$'000*
Profit/(loss) for the year	**4,379**	(140,240)
Other comprehensive (loss)/income:		
Items that have been reclassified or may be subsequently reclassified to profit or loss:		
— Change in fair value of an available-for-sale financial asset	**—**	(220)
— Change in fair value of financial asset at fair value through other comprehensive income	**(142)**	—
— Currency translation differences	**(74,415)**	118,928
Other comprehensive (loss)/income for the year	**(74,557)**	118,708
Total comprehensive loss for the year	**(70,178)**	(21,532)
Total comprehensive (loss)/income attributable to:		
— Owners of the Company	**(55,283)**	(32,114)
— Non-controlling interests	**(14,895)**	10,582
	(70,178)	(21,532)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March 2019

	Note	**2019**	2018
		HK$'000	*HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**116,767**	131,319
Investment properties		**1,413,227**	1,389,377
Land use rights		**9,019**	9,316
Intangible assets		**2,602**	6,607
Investments in joint ventures		**299,747**	19,931
Prepayments, deposits and other receivables		**19,084**	22,628
Deferred income tax assets		**47,082**	24,817
Financial asset at fair value through other comprehensive income		**144**	—
Available-for-sale financial asset		**—**	286
Total non-current assets		**1,907,672**	1,604,281
Current assets			
Prepayments, deposits and other receivables		**115,410**	186,102
Inventories		**290,659**	289,566
Amount due from a joint venture		**—**	17,593
Trade and bill receivables	*9*	**480,523**	528,238
Financial asset at fair value through profit or loss		**36,698**	135,535
Pledged bank deposits		**38,884**	57,807
Cash and cash equivalents		**126,775**	312,766
Total current assets		**1,088,949**	1,527,607
Total assets		**2,996,621**	3,131,888

	Note	2019 HK$'000	2018 HK$'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		**64,123**	64,055
Reserves		**926,223**	993,648
		990,346	1,057,703
Non-controlling interests		**123,090**	29,738
Total equity		**1,113,436**	1,087,441
Liabilities			
Non-current liabilities			
Accrued liabilities and other payables		**15,246**	11,813
Deferred income tax liabilities		**92,162**	71,156
Borrowings		**704,839**	611,292
Total non-current liabilities		**812,247**	694,261
Current liabilities			
Trade and bill payables	*10*	**189,093**	284,811
Receipts in advance		**27,956**	24,174
Accrued liabilities and other payables		**52,819**	81,604
Current income tax liabilities		**13,360**	12,032
Borrowings		**787,710**	947,565
Total current liabilities		**1,070,938**	1,350,186
Total liabilities		**1,883,185**	2,044,447
Total equity and liabilities		**2,996,621**	3,131,888

NOTES:

1. Basis of preparation

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. They have been prepared under the historical cost convention, as modified by financial asset at fair value through profit or loss and other comprehensive income and investment properties, which are carried at fair value.

The preparation of these consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

1.1 New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1st April 2018:

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
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers
Amendments to HKAS 40	Transfers of Investment Property
HK (IFRIC) Int-22	Foreign Currency Transactions and Advance Consideration
Annual Improvements Project HKFRS 1 and HKAS 28 (Amendments)	Annual Improvements 2014 – 2016 Cycle

The Group had to change its accounting policies and make certain adjustments following the adoption of HKFRS 9 and HKFRS 15, which are disclosed in Note 1.3. The other newly adopted standards or amendments listed above did not have material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future period.

1.2 New and amended standards not yet adopted

The following new standards and amendments have been issued but are not effective for the financial year beginning on or after 1st April 2018 and have not been early adopted:

		Effective for accounting periods beginning on or after
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement	1st January 2019
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures	1st January 2019
Amendments to HKFRS 9	Prepayment Features with Negative Compensation	1st January 2019
HKFRS 16	Leases	1st January 2019
HK (IFRIC) Int-23	Uncertainty over Income Tax Treatments	1st January 2019
Amendments to HKFRSs	Annual Improvements 2015 — 2017 Cycle	1st January 2019
Amendments to HKAS 1 and HKAS 8	Definition of Material	1st January 2020
Amendments to HKFRS 3	Definition of a Business	1st January 2020
Conceptual Framework for Financial Reporting 2018	Raised Conceptual Framework for Financial Reporting	1st January 2020
HKFRS 17	Insurance Contracts	1st January 2021
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group will adopt the above new standards and amendments to existing standards when they become effective. The Group has already commenced an assessment of the related impact of adopting the above new standards and amendments, none of which is expected to have a significant effect on the consolidated financial statements of the Group, except the following:

HKFRS 16 "Leases"

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the consolidated statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

Impact

The standard will affect primarily the accounting for the Group' s operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of HK$58,009,000. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16.

Also, the Group has not yet assessed what other adjustments, if any, are necessary for example because of the change in the definition of the lease term and the different treatment of variable lease payments and of extension and termination options. It is therefore not yet possible to estimate the amount of right-of-use assets and lease liabilities that will have to be recognised on adoption of the new standard and how this may affect the Group' s profit or loss and classification of cash flows going forward.

Date of adoption by the Group

The Group will apply the standard from its mandatory adoption date of 1st April 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

1.3 Changes in accounting policies

The following explains the impact of the adoption of HKFRS 9 and HKFRS 15 on the Group's consolidated financial information and also discloses the new accounting policies that have been applied from 1st April 2018, where they are different to those applied in prior periods.

(a) Impact on consolidated financial statements

The following table shows the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more detail by standard below.

Consolidated statement of financial position (extract)	**31st March 2018 As originally presented**	**HKFRS 9**	**1st April 2018 Restated**
	HK$'000	*HK$'000*	*HK$'000*
Non-current assets			
Available-for-sale financial asset	286	(286)	—
Financial asset at fair value through other comprehensive income	—	286	286
Current assets			
Trade and bill receivables	528,238	(5,190)	523,048
Total assets	3,131,888	(5,190)	3,126,698
Equity			
Reserves	993,648	(4,672)	988,976
Non-controlling interests	29,738	(518)	29,220
Total equity	1,087,441	(5,190)	1,082,251

(b) HKFRS 9 – Impact on adoption

HKFRS 9 was generally adopted without restating comparative information with the exception of certain aspects of hedge accounting. The adjustments arising from the new impairment rules are therefore not reflected in the consolidated statement of financial position as at 31st March 2018, but are recognised in the opening of retained earnings on the consolidated statement of financial position on 1st April 2018.

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of HKFRS 9 "Financial Instruments" from 1st April 2018 resulted in changes in accounting policies.

The total impact on the Group's retained earnings and non-controlling interests as at 1st April 2018 is as follows:

	31st March 2018 (HKAS 39)	**Increase in provision of impairment of trade and bill receivables**	**1st April 2018 (HKFRS 9)**
	HK$'000	*HK$'000*	*HK$'000*
Retained earnings	350,852	(4,672)	346,180
Non-controlling interests	29,738	(518)	29,220
	380,590	(5,190)	375,400

(i) Classification and measurement

On 1st April 2018 (the date of initial application of HKFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories. The Group elected to present changes in the fair value of all of its previously classified as available-for-sale financial asset in other comprehensive income.

The impact of classification is as follows:

	Available-for-sale asset HK$'000	Financial asset at fair value through other comprehensive income HK$'000
Closing balance as at 31st March 2018 — HKAS 39	286	—
Reclassify investment from available-for-sale financial asset to financial asset at fair value through other comprehensive income	(286)	286
Opening balance as at 1st April 2018 — HKFRS 9	—	286

The impact of these changes on the Groups' equity is as follows:

	Available-for-sale reserve HK$'000	Financial asset at fair value through other comprehensive income reserve HK$'000
Closing balance as at 31st March 2018 — HKAS 39	203	—
Reclassify investment from available-for-sale financial asset to financial asset at fair value through other comprehensive income	(203)	203
Opening balance as at 1st April 2018 — HKFRS 9	—	203

(ii) Impairment of financial assets

The Group has three main types of financial assets that are subject to HKFRS 9's new expected credit loss model:

- trade and bill receivables;
- cash and cash equivalents and pledged bank deposits; and
- other financial assets measured at amortised costs (including deposits and other receivables).

The Group was required to revise its impairment methodology under HKFRS 9 for these classes of financial assets. The impact of the change in impairment methodology on the Group's retained earnings is disclosed in the below table.

While cash and cash equivalents and pledged bank deposits are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

For deposits and other receivables, management considers that its credit risk has not increased significantly since initial recognition with reference to the counterparty historical default rate and current financial position. The impairment provision is determined based on the 12-month expected credit losses and the amount was immaterial.

For trade and bill receivables, the Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade and bill receivables. To measure the expected credit losses, trade and bill receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group has assessed the expected credit loss model applied to the trade and bill receivables as at 1st April 2018 and this resulted in an increase of the provision for impairment of trade and bill receivables on 1st April 2018 by HK$5,190,000.

Trade and bill receivables are written off when there is no reasonable expectation of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the written-off.

The loss allowances for trade and bill receivables as at 31st March 2018 reconcile to the opening loss allowances on 1st April 2018 as follows:

	HK$'000
Closing loss allowance as at 31st March 2018	
— calculated under HKAS 39	17,536
Amounts restated through opening retained earnings	4,672
Amounts restated through opening non-controlling interests	518
Opening loss allowances at 1st April 2018	
— calculated under HKFRS 9	22,726

The amount of impairment of financial assets in the current period and period to date by the application of HKFRS 9 as compared to HKAS 39 that was previously in effect before the adoption of HKFRS 9 is as follows:

	For the year ended 31st March 2019		
Consolidated income statement (extract)	**Amounts without the adoption of HKFRS 9** *HK$'000*	**Effects of the adoption of HKFRS 9** *HK$'000*	**Amounts as reported** *HK$'000*
General and administrative expenses	**(294,458)**	**(4,262)**	**(298,720)**
Profit attributable to:			
— Owners of the Company	**18,266**	**(4,378)**	**13,888**
— Non-controlling interests	**(9,625)**	**116**	**(9,509)**
	8,641	**(4,262)**	**4,379**

(c) HKFRS 15 — Impact of adoption

The Group has adopted HKFRS 15 from 1st April 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the consolidated financial statements. As such, the comparatives would not be restated but contracts which have remaining obligations as of the effective date had resulted in an adjustment to the opening balance of the retained earnings as at 1st April 2018.

Outbound freight expenses have been reclassified in the consolidated income statement due to the more detailed requirements under HKFRS 15 whereby outbound freight expenses directly associated with fulfilling performance obligations are classified in cost of sales. During the year ended 31st March 2019, outbound freight expenses of HK$50,373,000 were reclassified from "selling and distribution expenses" to "cost of sales", as follows:

	For the year ended 31st March 2019		
Consolidated income statement (extract)	**Amounts without the adoption of HKFRS 15** *HK$'000*	**Effects of the adoption of HKFRS 15** *HK$'000*	**Amounts as reported** *HK$'000*
Cost of sales	**(2,557,134)**	**(50,373)**	**(2,607,507)**
Gross profit	**325,471**	**(50,373)**	**275,098**
Selling and distribution expenses	**(69,599)**	**50,373**	**(19,226)**

(d) Change in classification

During the year ended 31st March 2019, the reversal of provision for onerous contracts has been classified as cost of sales with comparative information reclassified as management considered it in line with market practice.

2. Revenue and segment information

The Group's revenue consists of the following:

	2019	2018
	HK$'000	*HK$'000*
Sales of goods	**2,780,106**	2,938,258
Service income	**44,375**	63,963
Rental income	**58,124**	30,631
Total revenue	**2,882,605**	3,032,852

The Group's businesses are managed according to the nature of their operations and the products and services they provide.

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker that are used to making strategic decisions. The chief operating decision-maker ("**CODM**") is identified as the executive directors of the Company. The executive directors consider the business from a customer perspective and assess the performance of the operating segments based on the segment assets, segment revenue and segment results for the purposes of allocating resources and assessing performance. These reports are prepared on the same basis as these consolidated financial statements. The CODM considers the Group operates predominantly in four operating segments:

(i) Construction materials business;

(ii) Building and design solutions ("BDS") business;

(iii) Engineering plastics business; and

(iv) Property investment and project management business.

The Group's CODM assesses the performance of operating segments based on a measure of profit before income tax.

The revenue from external parties reported to the CODM is measured in a manner consistent with that in the consolidated financial statements.

Segment assets by geographical market consist primarily of property, plant and equipment, investment properties, land use rights, intangible assets, investments in joint ventures, inventories, trade and bill receivables, prepayments, deposits and other receivables, pledged bank deposits and cash and cash equivalents. They exclude deferred income tax assets and assets used for corporate functions.

Capital expenditure comprises additions to land use rights and property, plant and equipment for the years ended 31st March 2019 and 2018.

Analysis of the Group's results by business segment for the year ended 31st March 2019 is as follows:

	Construction materials business *HK$'000*	**BDS business** *HK$'000*	**Engineering plastics business** *HK$'000*	**Property investment and project management business** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*
Revenue from contracts with customers						
— Recognised at a point at time	**2,164,649**	**346,775**	**268,682**	**—**	**—**	**2,780,106**
— Recognised over time	**—**	**—**	**—**	**41,911**	**2,464**	**44,375**
— Rental income	**—**	**—**	**—**	**58,124**	**—**	**58,124**
	2,164,649	**346,775**	**268,682**	**100,035**	**2,464**	**2,882,605**
Operating profit/(loss)	**52,895**	**26,051**	**(6,364)**	**97,624**	**(95,938)**	**74,268**
Finance income	**4,180**	**69**	**99**	**78**	**494**	**4,920**
Finance costs	**(35,063)**	**(4,252)**	**(1,117)**	**(35,861)**	**(4,345)**	**(80,638)**
Share of results of joint ventures — net	**(1,377)**	**—**	**—**	**20,653**	**—**	**19,276**
Profit/(loss) before income tax	**20,635**	**21,868**	**(7,382)**	**82,494**	**(99,789)**	**17,826**
Other gains/(losses) — net	**22,339**	**(939)**	**(5,979)**	**(7,162)**	**4,254**	**12,513**
Fair value gain on investment properties	**—**	**—**	**—**	**108,865**	**—**	**108,865**
Capital expenditure	**1,376**	**107**	**23**	**87**	**859**	**2,452**
Depreciation and amortisation	**(6,099)**	**(801)**	**(80)**	**(1,996)**	**(35,932)**	**(44,908)**

Analysis of the Group's results by business segment for the year ended 31st March 2018 is as follows:

	Construction materials business *HK$'000*	BDS business *HK$'000*	Engineering plastics business *HK$'000*	Property investment and project management business *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
External revenue	2,231,620	330,091	378,537	63,034	29,570	3,032,852
Operating (loss)/profit	(67,829)	28,096	15,231	24,551	(90,729)	(90,680)
Finance income	3,951	21	158	418	462	5,010
Finance costs	(31,921)	(3,229)	(553)	(30,493)	(4,512)	(70,708)
Share of results of joint ventures — net	(25,069)	—	—	39,435	—	14,366
(Loss)/profit before income tax	(120,868)	24,888	14,836	33,911	(94,779)	(142,012)
Other gains — net	11,081	2,166	5,484	14,010	2,024	34,765
Fair value gain on investment properties	3,671	—	—	11,147	—	14,818
Capital expenditure	1,412	642	195	1,660	7,924	11,833
Depreciation and amortisation	(2,273)	(808)	(29)	(1,270)	(36,117)	(40,497)

The Group is domiciled in Hong Kong and Mainland China. Analysis of the Group's revenue by geographical market is as follows:

	2019 ***HK$'000***	2018 *HK$'000*
Hong Kong	**1,837,825**	1,766,988
Mainland China	**1,044,780**	1,265,864
	2,882,605	3,032,852

Non-current assets, other than financial instruments and deferred income tax assets by geographical market is as follows:

	2019 *HK$'000*	2018 *HK$'000*
Hong Kong	**437,632**	175,298
Mainland China	**1,416,577**	1,399,516
	1,854,209	1,574,814

(a) Revenue recognition in relation to contract liabilities

As at 31 March 2019, receipts in advance amounting to HK$27,956,000. The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward receipts in advance:

	2019 *HK$'000*
Revenue recognised that was included in the receipts in advance at the beginning of the year	**24,174**

(b) Unsatisfied long-term contract

The Group selected to choose a practical expedient and omit disclosure of remaining performance obligations as all related contracts have a duration of one year or less.

3. Other gains — net

	2019 *HK$'000*	2018 *HK$'000*
Unrealised fair value loss on financial assets at fair value through profit or loss	**—**	(2,133)
Realised loss on financial assets at fair value through profit or loss	**(1,559)**	—
Net exchange (loss)/gain	**(21,155)**	13,387
Impairment losses on property, plant and equipment	**(1,181)**	—
Impairment losses on goodwill	**(2,494)**	—
Gain on disposal of a subsidiary	**5,313**	—
Gain on bargain purchase from the acquisition of a subsidiary	**18,554**	—
Penalty income from tenants in relation to early termination of rental agreements	**346**	4,086
Disposal service income received from a joint venture	**—**	11,703
Sundry income	**14,689**	7,722
	12,513	34,765

4. Expenses by nature

Expenses included in "cost of sales", "selling and distribution expenses", "net impairment loss on financial assets" and "general and administrative expenses" are analysed as follows:

	2019	2018
	HK$'000	*HK$'000*
Cost of finished goods sold	**2,533,767**	2,765,195
Provision for impairment of inventories	**1,594**	1,007
(Reversal of provision)/provision for onerous contracts	**(40,656)**	26,656
Depreciation of property, plant and equipment	**43,195**	39,705
(Gain)/loss on disposals of property, plant and equipment	**(1,006)**	39
Amortisation of land use rights	**202**	202
Amortisation of intangible assets	**1,511**	590
Employee benefit expenses	**128,970**	113,135
Operating lease rental expenses in respect of retail outlets, offices and warehouses	**44,408**	46,574
Property tax for investment properties	**7,557**	7,098
Provision for impairment of trade and bill receivables — net	**4,262**	1,218
Service fee paid to a joint venture	**—**	9,029
Professional fee associated with the formation of a joint venture	**55,368**	—
Auditor's remuneration		
— Audit services	**2,800**	2,320
Legal and professional fees	**12,890**	14,408
Freight charges	**81,542**	72,368
Storage and handling charges	**7,869**	7,890
Others	**45,442**	65,681
Total	**2,929,715**	3,173,115

5. Finance income and costs

	2019	2018
	HK$'000	*HK$'000*
Finance income		
Interest income:		
— short-term bank deposits	**4,920**	5,010
	4,920	5,010
Finance costs		
Interest expenses:		
— bank borrowings	**(74,721)**	(63,925)
Bank charges	**(5,917)**	(6,783)
	(80,638)	(70,708)
Net finance costs	**(75,718)**	(65,698)

6. Income tax expense/(credit)

Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

Hong Kong profits tax has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profit for the year.

During the year, subsidiaries established in Mainland China are subject to China corporate income tax at 25% (2018: 25%).

The amount of income tax expenses/(credit) recorded in the consolidated income statement represents:

	2019	2018
	HK$'000	*HK$'000*
Current income tax		
— Hong Kong profits tax	**7,093**	3,706
— China corporate income tax	**3,465**	3,025
Deferred income tax	**2,889**	(8,503)
	13,447	(1,772)

7. Dividends

	2019	2018
	HK$'000	*HK$'000*
Proposed final dividend of HK2.00 cents (2018: HK1.57 cents) per ordinary share	**12,825**	10,057

A final dividend for the year ended 31st March 2019 of HK2.00 cents (2018: HK1.57 cents) per ordinary share, totalling approximately HK$12,825,000 (2018: HK$10,057,000) has been recommended by the Board for approval at the forthcoming annual general meeting of the Company. The proposed final dividend has not been dealt with as dividend payable as at 31st March 2019.

The proposed final dividend for the year ended 31st March 2019 in the amount of approximately HK$12,825,000 is calculated on the basis of 641,232,315 shares in issue as at 26th June 2019.

8. Earnings/(loss) per ordinary share

(a) Basic

Basic earnings/(loss) per ordinary share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2019	2018
Profit/(loss) attributable to owners of the Company *(HK$'000)*	**13,888**	(147,712)
Weighted average number of ordinary shares in issue *('000)*	**640,861**	641,719
Basic earnings/(loss) per ordinary share *(HK cents)*	**2.17**	(23.02)

(b) Diluted

Diluted earnings/(loss) per ordinary share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares arising from share options, for which a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2019	2018
Profit/(loss) attributable to owners of the Company and used to determine diluted earnings/(loss) per ordinary share *(HK$'000)*	**13,888**	(147,712)
Weighted average number of ordinary shares in issue *('000)*	**640,861**	641,719
Adjustment for share options *('000) (Note (i))*	**5,692**	—
Weighted average number of ordinary shares for diluted earnings/(loss) per ordinary share *('000)*	**646,553**	641,719
Diluted earnings/(loss) per ordinary share *(HK cents)*	**2.15**	(23.02)

Note:

(i) Diluted loss per share for the year ended 31st March 2018 was the same as basic loss per share since all potential ordinary shares are anti-dilutive.

9. Trade and bill receivables

	2019	2018
	HK$'000	*HK$'000*
Trade and bill receivables		
— from third parties	**483,688**	504,249
— from an associate and a joint venture	**20,049**	41,525
Less: Provision for impairment	**(23,214)**	(17,536)
Trade and bill receivables — net	**480,523**	528,238

Sales are either covered by letters of credit or open account with credit terms of 0 to 90 days.

Ageing analysis of trade and bill receivables by invoice date is as follows:

	2019	2018
	HK$'000	*HK$'000*
0 to 60 days	**340,981**	349,681
61 to 120 days	**82,306**	99,638
121 to 180 days	**39,709**	12,464
181 to 365 days	**16,813**	42,460
Over 365 days	**23,928**	41,531
	503,737	545,774
Less: Provision for impairment	**(23,214)**	(17,536)
	480,523	528,238

The carrying amounts of net trade and bill receivables approximated their fair value as at 31st March 2019.

10. Trade and bill payables

Payment terms with suppliers are either on letters of credit or open account with credit period of 30 to 60 days.

Ageing analysis of trade and bill payables by invoice date is as follows:

	2019	2018
	HK$'000	*HK$'000*
0 to 60 days	**188,702**	239,723
61 to 120 days	**18**	43,961
121 to 180 days	**174**	299
181 to 365 days	**22**	74
Over 365 days	**177**	754
	189,093	284,811

The carrying amounts of trade and bill payables approximated their fair values as at 31st March 2019.

11. Commitments

(a) Commitments under operating leases

(i) Lessor

The Group leases investment properties under non-cancellable operating lease agreements. The lease agreements are renewable at the end of the lease period at market rate.

Total commitments receivable under various non-cancellable operating lease agreements in respect of rented premises are analysed as follows:

	2019	2018
	HK$'000	*HK$'000*
Not later than one year	**30,829**	23,043

(ii) Lessee

The Group leases various retail outlets, offices, warehouses and site under non-cancellable operating lease agreements. The majority of lease agreements are renewable at the end of the lease period at market rate.

Total commitments payable under various non-cancellable operating lease agreements in respect of rented premises are analysed as follows:

	2019	2018
	HK$'000	*HK$'000*
Not later than one year	**28,258**	33,490
Later than one year and not later than five years	**29,751**	48,298
	58,009	81,788

(b) Capital commitments

Capital commitments at the end of the reporting period are as follows:

	2019	2018
	HK$'000	*HK$'000*
Contracted but not provided for:		
Renovation work for an investment property	**1,403**	3,865

12. Subsequent events

On 17th April 2019, Green Success Global Limited ("**Green Success**"), an indirect wholly-owned subsidiary of the Company, and an independent third party entered into a sales and purchase agreement pursuant to which the independent third party has agreed to acquire and Green Success has agreed to sell, the entire issued share capital of He Tai Steel Co., Limited ("**He Tai**") at a consideration of HK$15,000,000. An impairment loss of approximately HK$1,181,000 on property, plant and equipment of He Tai was recognised in the consolidated income statement for the year ended 31st March 2019 based on the net asset value of He Tai as at 31st March 2019.

Upon completion of the transfer of shares of He Tai from Green Success to the independent third party on 30th April 2019, He Tai ceased to be an indirect wholly-owned subsidiary of the Company.

CHARGES ON ASSETS

As at 31st March 2019, the Group had certain charges on assets which included (i) bank deposits of approximately HK$38.9 million which were pledged as collateral for the Group's bill payables; and (ii) an investment property of approximately HK$1,404.9 million which were pledged as collaterals for certain bank borrowings of the Group.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Group's businesses are primarily transacted in HK dollars, US dollars and RMB. As exchange rate between HK dollars and the US dollars is pegged, the Group believes its exposure to exchange rate risk arising from US dollars is not material. Facing the volatility of RMB, the Group will continue to match RMB payments with RMB receipts to minimise exchange exposure.

Forward foreign exchange contracts would be entered into when suitable opportunities arise and when management of the Group considers appropriate, to hedge against major non-HK dollars currency exposures. It is the Group's policy not to enter into any derivative transaction for speculative purposes.

CONTINGENT LIABILITIES

As at 31st March 2019, the Group's had no material contingent liability.

HUMAN CAPITAL

The Group is focusing on building an elite team to help lead the Group to future success. Our growth strategy has always included a strong sense of commitment to people. We provide competitive remuneration package to attract and motivate the employees. We always provide a safe and pleasant working environment with constant learning and growth opportunities.

As at 31st March 2019, the Group employed 272 staff. Total staff costs including contribution to retirement benefit schemes incurred during the Year amounted to approximately HK$129.0 million. During the Year, no options have been offered and/or granted to directors and our employees under the share option scheme adopted on 11th August 2011.

FINAL DIVIDEND

The Board has recommended payment of a final dividend of HK2.00 cents per ordinary share for the year ended 31st March 2019, payable to shareholders whose names appear on the register of members of the Company at the close of business on Thursday, 22nd August 2019, subject to the approval of shareholders at the annual general meeting of the Company to be held on 14th August 2019 (the "**2019 AGM**"). Final dividend warrants are expected to be despatched to shareholders on or about Friday, 30th August 2019.

No interim dividend was declared and paid to the shareholders during the Year.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods and during these periods, no transfer of shares will be registered:

(i) For ascertaining the shareholders' entitlement to attend and vote at the 2019 AGM:

From Friday, 9th August 2019 to Wednesday, 14th August 2019, both days inclusive, for the purpose of ascertaining the shareholders' entitlement to attend and vote at the 2019 AGM. In order to be eligible to attend and vote at the 2019 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited (the "**Branch Share Registrar**") of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 8th August 2019.

(ii) For ascertaining the shareholders' entitlement to the final dividend:

From Tuesday, 20th August 2019 to Thursday, 22nd August 2019, both days inclusive, for the purpose of ascertaining the shareholders' entitlement to the final dividend. In order to qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Branch Share Registrar for registration no later than 4:30 p.m. on Monday, 19th August 2019.

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

During the year ended 31st March 2019, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Audit Committee has discussed auditing, internal controls and financial reporting matters including review of the results for the year ended 31st March 2019.

The figures in respect of this preliminary announcement of the Group's results for the year ended 31st March 2019 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year ended 31st March 2019. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has applied the principles and complied with all the applicable code provisions of the Corporate Governance Code ("**CG Code**") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") except for CG Code provision A.2.1 for the year ended 31st March 2019.

CG Code provision A.2.1 stipulates that the roles of the chairman and the chief executive should be separated and should not be performed by the same individual. Mr. Yao Cho Fai Andrew ("**Mr. Yao**") serves as both the Chairman and Chief Executive Officer. The Board believes that the vesting of the roles of both Chairman and Chief Executive Officer in Mr. Yao will enable him to continue to provide the Group with strong leadership, efficiency usage of resources as well as allow for effective planning, formulation and implementation of the Company's business strategies which will enable the Group to sustain the development of its business efficiently. The day-to-day management and operation of the Group will continue to be the responsibility of the management team under the monitor of the Executive Committee and Mr. Yao's leadership.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the websites of the Company (www.hkshalliance.com) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The annual report of the Company for the year ended 31st March 2019 containing all information required by the Listing Rules will be despatched to shareholders and available on the same websites in due course.

On behalf of the Board
Hong Kong Shanghai Alliance Holdings Limited
Yao Cho Fai Andrew
Chairman

Hong Kong, 26th June 2019

As at the date of this announcement, the Board comprises Mr. Yao Cho Fai Andrew and Mr. Lau Chi Chiu (being the executive directors); Mr. Tam King Ching Kenny, Mr. Xu Lin Bao, Mr. Yeung Wing Sun Mike and Mr. Li Yinquan (being the independent non-executive directors).