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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2019

The board of directors (the "**Board**") of Hong Kong Shanghai Alliance Holdings Limited (the "**Company**") hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30th September 2019, together with comparative figures, as follows:

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2019

		Six months ended 30th September	
		2019	2018
		HK$'000	*HK$'000*
	Notes	**(Unaudited)**	(Unaudited)
Revenue	*4*	**1,219,088**	1,485,486
Cost of sales	*6*	**(1,091,762)**	(1,325,352)
Gross profit		**127,326**	160,134
Other gains – net	*5*	**2,573**	2,508
Selling and distribution expenses	*6*	**(6,366)**	(10,943)
Reversal of/(net) impairment loss on financial assets	*6*	**4,044**	(2,785)
General and administrative expenses	*6*	**(107,165)**	(155,222)
Fair value gain on an investment property		**36,606**	40,846
Operating profit		**57,018**	34,538
Finance income	*7*	**574**	3,718
Finance costs	*7*	**(40,789)**	(40,859)
Share of result of an associate		**—**	2,106
Share of results of joint ventures – net		**(5,474)**	(1,015)
Profit/(loss) before income tax		**11,329**	(1,512)
Income tax (expense)/credit	*8*	**(9,974)**	3,537
Profit for the period		**1,355**	2,025

	Notes	Six months ended 30th September **2019** ***HK$'000*** **(Unaudited)**	2018 *HK$'000* (Unaudited)
Profit/(loss) attributable to:			
– Owners of the Company		**2,467**	8,131
– Non-controlling interests		**(1,112)**	(6,106)
		1,355	2,025
Earnings per ordinary share attributable to owners of the Company			
– Basic earnings per share	*10*	**HK0.4 cent**	HK1.3 cents
– Diluted earnings per share	*10*	**HK0.4 cent**	HK1.3 cents

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2019

	Six months ended 30th September	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit for the period	**1,355**	2,025
Other comprehensive loss:		
Items that may be subsequently reclassified to profit or loss:		
Change in financial assets at fair value through other comprehensive income	**(37)**	(140)
Currency translation differences	**(80,521)**	(105,429)
Other comprehensive loss for the period	**(80,558)**	(105,569)
Total comprehensive loss for the period	**(79,203)**	(103,544)
Total comprehensive loss for the period attributable to:		
– Owners of the Company	**(70,517)**	(88,639)
– Non-controlling interests	**(8,686)**	(14,905)
	(79,203)	(103,544)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30TH SEPTEMBER 2019

	Notes	**As at 30th September 2019** *HK$'000* **(Unaudited)**	As at 31st March 2019 *HK$'000* (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**86,231**	116,767
Right-of-use assets	*3*	**49,773**	—
Investment properties		**1,370,677**	1,413,227
Land use rights		**—**	9,019
Intangible assets		**2,074**	2,602
Investments in joint ventures		**276,133**	299,747
Prepayments, deposits and other receivables		**19,068**	19,084
Deferred income tax assets		**49,412**	47,082
Financial assets at fair value through other comprehensive income		**107**	144
Total non-current assets		**1,853,475**	1,907,672
Current assets			
Inventories		**421,814**	290,659
Trade and bill receivables	*11*	**440,887**	480,523
Prepayments, deposits and other receivables		**114,304**	115,410
Financial assets at fair value through profit or loss		**21,450**	36,698
Pledged bank deposits		**12,692**	38,884
Cash and cash equivalents		**150,373**	126,775
Total current assets		**1,161,520**	1,088,949
Total assets		**3,014,995**	2,996,621

	Notes	As at 30th September 2019 HK$'000 (Unaudited)	As at 31st March 2019 HK$'000 (Audited)
EQUITY			
Equity attributable to owners of the Company			
Share capital		**64,123**	64,123
Reserves		**840,708**	926,223
		904,831	990,346
Non-controlling interests		**108,475**	123,090
Total equity		**1,013,306**	1,113,436
LIABILITIES			
Non-current liabilities			
Accrued liabilities and other payables		**9,061**	15,246
Lease liabilities	*3*	**22,148**	—
Deferred income tax liabilities		**95,717**	92,162
Borrowings		**739,830**	704,839
Total non-current liabilities		**866,756**	812,247
Current liabilities			
Trade and bill payables	*12*	**167,616**	189,093
Receipts in advance		**51,448**	27,956
Accrued liabilities and other payables		**44,311**	52,819
Current income tax liabilities		**15,009**	13,360
Lease liabilities	*3*	**21,856**	—
Borrowings		**834,693**	787,710
Total current liabilities		**1,134,933**	1,070,938
Total liabilities		**2,001,689**	1,883,185
Total equity and liabilities		**3,014,995**	2,996,621

NOTES

1 Basis of preparation

This unaudited condensed consolidated interim financial information for the six months ended 30th September 2019 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**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. This unaudited condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31st March 2019, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA.

2 Accounting policies

The accounting policies applied to this condensed consolidated interim financial information are consistent with those of the annual financial statements for the year ended 31st March 2019 as described in those annual financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings and the adoption of amendments to HKFRSs effective for the financial year beginning on 1st April 2019 as described below.

(a) The following new standards, amendments and interpretation to standards and annual improvements are mandatory for the first time for the financial year beginning on 1st April 2019 and currently relevant to the Group:

Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
HKFRS 16	Leases
HK (IFRIC) – Int 23	Uncertainty over Income Tax Treatments (new interpretation)
Annual Improvements project	Annual improvements 2015-2017 cycle

The impact of the adoption of HKFRS 16 Leases is disclosed in Note 3.

Apart from aforementioned HKFRS 16, there is no other new standards or amendments and interpretation to standards that are effective for the first time for this interim period that could be expected to have a material impact on the Group.

The Group has adopted these standards and the adoption of these standards do not have significant impacts on the Group's condensed consolidated interim financial information.

(b) The following new standards, amendments to standards and annual improvement have been issued but are not effective for the financial year beginning on 1st April 2019 and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
Amendments to HKAS 1 and HKAS 8	Definition of Material	1st January 2020
Amendments to HKFRS 3	Definition of a Business	1st January 2020
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting	1st January 2020
HKFRS 17	Insurance Contracts	1st January 2020

The Group is in the process of making an assessment of what the impact of these new standards and amendments to existing standards would be in the period of initial application, but not yet in a position to state whether they would have a significant impact to the Group's results and financial position.

(c) For the period ended 30th September 2018, the reversal of provision for onerous contracts of HK$40,656,000 and the outbound freight expenses of HK$25,296,000 have been reclassified as cost of sales to in line with market practice and following the adoption of HKFRS 15.

3 Changes in accounting policies

The following explains the impact of the adoption of HKFRS 16 "Leases" on the Group's condensed consolidated interim financial information.

The Group has adopted HKFRS 16 retrospectively from 1st April 2019, but has not restated comparatives information, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening statement of financial position on 1st April 2019.

(a) Adjustments recognised on adoption of HKFRS 16

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principle of HKAS 17 "Leases". These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at 1st April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1st April 2019 range from 4.5% to 5.8%.

	Total
	HK$'000
Operating lease commitments disclosed as at 31st March 2019	58,009
Less: Leases committed but not yet commenced as at 1st April 2019	(49)
Operating lease commitments of leases commenced as at 1st April 2019	57,960
Discounted using the lessee's incremental borrowing rate at the date of initial application	54,169
Less: Short-term leases recognised on a straight-line basis as expense	(3,894)
Lease liabilities recognised as at 1st April 2019	50,275
Of which:	
Current portion	22,465
Non-current portion	27,810
	50,275

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

Leasehold land and land use rights are also reclassified to right-of-use assets with amount recognised in the consolidated statement of financial position as at 31st March 2019.

The recognised right-of-use assets relate to the following types of assets:

	Land use rights	Site, outlets, offices and warehouses	Total right-of-use assets
	HK$'000	*HK$'000*	*HK$'000*
At 1st April 2019	—	—	—
Change in accounting policy	**9,019**	**46,374**	**55,393**
Restated total at 1st April 2019	**9,019**	**46,374**	**55,393**
Additions	—	**11,293**	**11,293**
Depreciation	**(101)**	**(12,079)**	**(12,180)**
Exchange differences	—	**(4,733)**	**(4,733)**
At 30th September 2019	**8,918**	**40,855**	**49,773**

As at 30th September 2019, the lease liabilities associated with the above right-of-use assets, amounting to HK$21,856,000 and HK$22,148,000 are classified as current liabilities and non-current liabilities, respectively.

The following table shows the adjustment for change in accounting policy 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.

Statement of financial position (extract)	Audited 31st March 2019 As originally presented *HK$'000*	Unaudited 1st April 2019 HKFRS 16 *HK$'000*	Unaudited 1st April 2019 Restated *HK$'000*
Non-current assets			
Land use right	9,019	(9,019)	—
Right-of-use assets	—	55,393	55,393
Deferred income tax assets	47,082	650	47,732
Total assets	2,996,621	47,024	3,043,645
Non-current liabilities			
Lease liabilities	—	27,810	27,810
Current liabilities			
Lease liabilities	—	22,465	22,465
Total liabilities	1,883,185	50,275	1,933,460
Equity			
Reserves	926,223	(3,251)	922,972
Total equity	1,113,436	(3,251)	1,110,185

(i) Impact on segment disclosures

The non-current assets of Hong Kong and Mainland China have increased by HK$41,733,000 and HK$4,641,000 respectively as at 1st April 2019 as a result of the change in accounting policy.

(ii) Practical expedients applied

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1st April 2019 as short-term leases;

- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and

- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and HK(IFRIC) - Int 4 "Determining whether an Arrangement contains a Lease".

(b) The Group's leasing activities and how these are accounted for

As a lessee

The Group leases various retail outlets, offices, warehouses and site. Rental contracts are typically made for fixed periods of 1 to 7 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until 31st March 2019, leases of property, plant and equipment were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1st April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;

- variable lease payment that are based on an index or a rate (if any);

- amounts expected to be payable by the lessee under residual value guarantees (if any);

- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option (if any); and

- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option (if any).

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

As a lessor

The Group leases out its various offices and commercial building under non-cancellable operating lease arrangements. The Group has classified these leases as operating leases.

The accounting policies applicable to the Group as a lessor in the comparative period are not different from HKFRS 16. The Group is not required to make any adjustments on transition to HKFRS 16 for leases in which it acts as a lessor, except for a sub-lease. When the Group is an intermediate lessor, the sub-lease is classified with reference to the underlying asset.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of ‘revenue’. The Group has accounted for its lease in accordance with HKFRS 16 from the date of initial application.

4 Revenue and segment information

The Group's revenue consists of the following:

	Six months ended 30th September	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Sales of goods	**1,175,396**	1,426,514
Service income	**14,710**	31,199
Rental income	**28,982**	27,773
Total revenue	**1,219,088**	1,485,486

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 Group's Chief Operating Decision Maker ("**CODM**") that are used to make strategic decisions. 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 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 this unaudited condensed consolidated interim financial information.

Capital expenditure comprises additions to property, plant and equipment and investment properties for the six months ended 30th September 2019 and 2018.

Analysis of the Group's results by business segment for the six months ended 30th September 2019 is as follows:

	Unaudited					
	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 in time	**958,464**	**152,351**	**64,581**	**—**	**—**	**1,175,396**
– Recognised over time	**—**	**—**	**—**	**14,710**	**—**	**14,710**
– Rental income	**182**	**—**	**—**	**28,800**	**—**	**28,982**
	958,646	**152,351**	**64,581**	**43,510**	**—**	**1,219,088**
Operating profit/(loss)	**27,294**	**18,600**	**796**	**62,138**	**(51,810)**	**57,018**
Finance income	**332**	**30**	**9**	**20**	**183**	**574**
Finance costs	**(16,433)**	**(2,025)**	**(111)**	**(19,068)**	**(3,152)**	**(40,789)**
Share of result of a joint venture – net	**—**	**—**	**—**	**(5,474)**	**—**	**(5,474)**
Profit/(loss) before income tax	**11,193**	**16,605**	**694**	**37,616**	**(54,779)**	**11,329**
Other gains/(losses) – net	**862**	**1,366**	**(1,202)**	**1,762**	**(215)**	**2,573**
Fair value gain on an investment property	**—**	**—**	**—**	**36,606**	**—**	**36,606**
Capital expenditure	**4,845**	**189**	**—**	**987**	**8**	**6,029**
Depreciation and amortisation	**(2,872)**	**(2,893)**	**(130)**	**(1,459)**	**(25,694)**	**(33,048)**

Analysis of the Group's results by business segment for the six months ended 30th September 2018 is restated as follows:

	Unaudited					
	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 in time	1,057,698	194,031	174,785	—	—	1,426,514
– Recognised over time	—	—	—	28,734	2,465	31,199
– Rental income	186	—	—	27,587	—	27,773
	1,057,884	194,031	174,785	56,321	2,465	1,485,486
Operating profit/(loss)	36,414	16,007	(2,929)	31,380	(46,334)	34,538
Finance income	3,085	33	50	31	519	3,718
Finance costs	(17,525)	(1,893)	(536)	(18,628)	(2,277)	(40,859)
Share of result of an associate	2,106	—	—	—	—	2,106
Share of results of joint ventures – net	(1,377)	—	—	362	—	(1,015)
Profit/(loss) before income tax	22,703	14,147	(3,415)	13,145	(48,092)	(1,512)
Other gains/(losses) – net	17,256	(1,882)	(6,025)	(5,441)	(1,400)	2,508
Fair value gain on an investment property	—	—	—	40,846	—	40,846
Capital expenditure	344	67	22	3,535	—	3,968
Depreciation and amortisation	(2,752)	(441)	(42)	(925)	(18,104)	(22,264)

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

	Six months ended 30th September	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue		
Mainland China	**347,487**	603,128
Hong Kong	**871,601**	882,358
Total revenue	**1,219,088**	1,485,486

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

	As at 30th September 2019	As at 31st March 2019
	HK$'000	HK$'000
	(Unaudited)	(Audited)
Hong Kong	**427,069**	437,632
Mainland China	**1,376,887**	1,416,577
	1,803,956	1,854,209

5 Other gains - net

	Six months ended 30th September	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Net exchange losses	**(1,972)**	(21,382)
Net realised fair value change on financial assets at fair value through profit or loss	**—**	(1,559)
Gain on bargain purchase from the acquisition of a subsidiary	**—**	18,554
Loss on disposal of a subsidiary and an associate (Note)	**(41)**	—
Net sundry income	**4,586**	6,895
	2,573	2,508

Note:

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 agreed to acquire and Green Success agreed to sell the entire issued share capital of He Tai Steel Co., Limited ("**He Tai**"), which is principally engaged in trading of recycling steel in Hong Kong, at a consideration of HK$15,000,000. A loss on disposal of He Tai of HK$41,000 is recognised for the six months ended 30th September 2019.

On 26th July 2019 and 30th September 2019, WS Holdings Limited, VSC (China) Investments Limited, indirect wholly-owned subsidiaries of the Company, and Shanghai Bao Shun Chang International Trading Co., Ltd., an indirect subsidiary of the Company, (together as "**Vendors**") and a third party and a director of a subsidiary of the Company (together as "**Buyers**") entered into sales and purchase agreements pursuant to which the Buyers agreed to acquire and the Vendors agreed to sell an aggregate of 59.99% equity interests in Changshu Baoshunchang Steel Processing Co., Ltd., an associate of the Group, at consideration of US$2 and RMB1 respectively. The carrying amount of the investment in this associate as at 31st March 2019 was nil. The transfer of 59.99% equity interest in this associate was completed on 8th November 2019.

6 Expenses by nature

	Six months ended 30th September	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Cost of finished goods sold	**1,052,293**	1,318,031
Reversal of provision for onerous contracts	**—**	(40,656)
Provision for impairment of inventories	**592**	325
Depreciation of property, plant and equipment	**20,340**	21,488
Depreciation of right-of-use assets	**12,180**	—
Gain on disposals of property, plant and equipment	**(66)**	(57)
Amortisation of land use rights	**—**	101
Amortisation of intangible assets	**528**	675
Employee benefit expenses	**60,783**	63,001
Legal and professional fees	**3,068**	5,286
Professional fees associated with the formation of a joint venture	**—**	37,383
Storage and handling charges	**4,401**	4,334
Expenses relating to short-term or low-value leases	**2,724**	—
Operating lease rental expenses in respect of retail outlets, offices and warehouses	**—**	21,889
(Reversal of)/provision for impairment of trade receivables, net	**(4,044)**	2,785
Freight charges	**24,944**	33,223
Others	**23,506**	26,494
Total	**1,201,249**	1,494,302

7 Finance income and costs

	Six months ended 30th September	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Finance income		
– interest income on short-term bank deposits	**574**	3,718
Finance costs		
– interest expenses on bank borrowings	**(37,365)**	(37,781)
– interest expenses arising from lease liabilities	**(1,129)**	—
– bank charges	**(2,295)**	(3,078)
	(40,789)	(40,859)
Net finance costs	**(40,215)**	(37,141)

8 Income tax expense/(credit)

Hong Kong profits tax has been provided at the rate of 16.5% except for one of the Hong Kong incorporated subsidiaries which is subject to 8.25% for its first HK$2,000,000 of assessable profits under the two-tiered profit tax regime during the period (2018: Same). Subsidiaries established in Mainland China are subject to China corporate income tax at the rate of 25% (2018: Same).

The amount of income tax expense/(credit) recorded in the unaudited condensed consolidated interim statement of profit or loss represents:

	Six months ended 30th September	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current income tax		
– Hong Kong profits tax	**2,177**	2,936
– China corporate income tax	**550**	3,484
Deferred income tax	**7,247**	(9,957)
	9,974	(3,537)

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

9 Dividends

The Board does not declare the payment of an interim dividend for the six months ended 30th September 2019 (2018: Nil).

A final dividend in respect of the year ended 31st March 2019 of HK2.0 cents per ordinary share, amounting to approximately HK$12,825,000, was approved at the annual general meeting of the Company held on 14th August 2019 and was paid on 30th August 2019.

10 Earnings per ordinary share

(a) Basic

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

	Six months ended 30th September	
	2019	2018
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company (HK$'000)	**2,467**	8,131
Weighted average number of ordinary shares in issue ('000)	**641,232**	640,547
Basic earnings per ordinary share (HK cents)	**0.4**	1.3

(b) Diluted

Diluted earnings 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.

	Six months ended 30th September	
	2019	2018
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company and used to determine diluted earnings per ordinary share (HK$'000)	**2,467**	8,131
Weighted average number of ordinary shares in issue ('000)	**641,232**	640,547
Adjustment for share options ('000)	**3,538**	6,034
Weighted average number of ordinary shares for diluted earnings per ordinary share ('000)	**644,770**	646,581
Diluted earnings per ordinary share (HK cents)	**0.4**	1.3

11 Trade and bill receivables

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:

	As at 30th September 2019	As at 31st March 2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 - 60 days	**346,251**	340,981
61 - 120 days	**48,478**	82,306
121 - 180 days	**15,373**	39,709
181 - 365 days	**24,897**	16,813
Over 365 days	**23,899**	23,928
	458,898	503,737
Less: Provision for impairment	**(18,011)**	(23,214)
	440,887	480,523

The carrying amounts of net trade and bill receivables approximated their fair values.

12 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 the trade and bill payables by invoice date is as follows:

	As at 30th September 2019 *HK$'000* **(Unaudited)**	As at 31st March 2019 *HK$'000* (Audited)
0 - 60 days	**120,782**	188,702
61 - 120 days	**44,978**	18
121 - 180 days	**992**	174
181 - 365 days	**616**	22
Over 365 days	**248**	177
	167,616	189,093

The carrying amounts of trade and bill payables approximated their fair values.

13 Commitments

(a) Commitments under operating leases

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:

	As at 30th September 2019 *HK$'000* **(Unaudited)**	As at 31st March 2019 *HK$'000* (Audited)
Not later than one year	**26,133**	30,829

(b) Capital commitments

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

	As at 30th September 2019 *HK$'000* **(Unaudited)**	As at 31st March 2019 *HK$'000* (Audited)
Contracted but not provided for:		
Renovation work for the investment property	**499**	1,403

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30th September 2019 (the "**Period**"), the Group recorded an unaudited net profit of approximately HK$1.4 million, and net profit attributable to owners of the Company of approximately HK$2.5 million, on a revenue of approximately HK$1,219.1 million, versus an unaudited net profit of approximately HK$2.0 million, and net profit attributable to owners of the Company of approximately HK$8.1 million, on a revenue of approximately HK$1,485.5 million for the same period of last year. The decline in unaudited net profit for the Period was primarily due to the net effect of last year's one-off income for the reversal of provision for onerous contracts of approximately HK$40.7 million, gain on bargain purchase from the acquisition of a subsidiary of approximately HK$18.6 million, along with the professional fees associated with the formation of a joint venture of approximately HK$37.4 million.

The unaudited basic earnings per ordinary share was HK0.4 cent for the Period, versus HK1.3 cents of the same period last year. The Board does not declare the payment of an interim dividend for the Period (2018: Nil).

During the Period, the Group continued to excel in its Property Investment and Project Management Business under its project management arm, Hongkong and Shanghai Land Capital Ltd. (together with its affiliated companies, collectively "**HSL**"). Despite the challenging leasing market in Shanghai and the slowing down of economic growth in Mainland China, which created pressure on occupancy and rent rate, the Group was able to maintain a high occupancy rate and achieved a slight increase in revenue to approximately HK$30.3 million for its wholly-owned Central Park·Pudong, as compared to approximately HK$27.6 million in the same period last year through our value enhancement and tenant upgrade effort.

Following the formation of a co-investment venture (the "**JV**") with Reco Wisteria Private Limited (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), the JV has accomplished its first acquisition in Longyu International Plaza last year. Moving on to 2019, the JV has successfully rebranded and renovated the commercial property, renaming it as Central Park·Jing'an. The renovation project has effectively raised its quality, diversifying its tenants mix and enhancing both rental yield and occupancy rate since the completion of the renovation work.

Leveraging our partnership with GIC, a leading world-wide real estate investor, our HSL specialists continued to identify under-utilised office buildings in prime locations in Shanghai for potential revitalisation and optimisation. The Group also endeavors to reach out to business partners for co-operation, so as to further diversify its investment portfolio, as well as to better allocate and deploy its capital for capturing opportunities in a vast range of investment projects.

On the other hand, although the market trend has created top line pressure to our Construction Materials Business, particularly to our surface critical coil processing business in Mainland China caused by weak demand in the automotive industry, the Group continued to dedicate efforts in leading the transformation of the Hong Kong construction market by promulgating the adoption of offsite prefabricated steel reinforcement, which has since demonstrated an up-and-coming rebound. With our effort on continuous integration of the distribution and processing business, as well as streamlining our process flow to reduce the overhead cost and increase production efficiency, we have achieved a considerable increment during the Period, with our aggregated distribution and reinforcing bar processing output (tons) increased by approximately 31.9%.

Moreover, the Building and Design Solutions Business and Engineering Plastics Business also continued to thrive through the challenging market environment amidst trade conflicts between major nations and sluggish economic growth in Hong Kong. As a result of our efforts devoted in streamlining operations, cultivating relationship with our brand partners and offering our expertise and product application knowledge to our customers, the unaudited operating profit of the Building and Design Solutions Business has increased by approximately 16.2%, while the Engineering Plastics Business has turned around from operating loss to operating profit during the Period.

BUSINESS REVIEW

Property Investment and Project Management Business

We are a leading private equity real estate investor and investment manager, focusing on being a niche market player and specialist in property value enhancement with successful track records.

Our Property Investment and Project Management Business consists of (i) direct acquisitions of properties for investment such as our wholly-owned Central Park·Pudong, which generates rental and property management fee 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 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 mainly rests with the ability of the property team in identifying potential projects which are currently undervalued or under-utilised, and generating and unlocking value of property projects through alterations and additions works and along with the provision of active property management services. Comprising a team of industry veterans, HSL carries a proven track record in asset revitalisation and optimisation. HSL specialises in providing integrated value-adding framework which involves re-positioning, re-development, re-leasing and refurbishment of commercial assets. Through performing value enhancement works on the properties and their surrounding common areas at a minimum renovation cost, HSL has devised a successful leasing strategy to upgrade tenant mix and raise rental income, with the eventual target of generating significant capital gains for the Group's and partner's investments. The HSL team has substantial business experience in Greater China, and has developed a solid and extensive business network with leading state-owned enterprises, local governments and property developers. Noting the prime locational advantage of Shanghai, where the city was regarded as the most significant financial hub of China, the Group is expecting a sustainable demand in premium-grade offices, as well as steady appreciation of rental rate, and will continue to unleash the potentials of undervalued properties through revitalisation and rebranding together with HSL.

During the Period, our Property Investment and Project Management Business recorded an unaudited profit before income tax of approximately HK$37.6 million on revenue of approximately HK$43.5 million, versus an unaudited profit before income tax of approximately HK$13.1 million on revenue of approximately HK$56.3 million of the same period last year. The revenue of approximately HK$43.5 million during the Period comprised (i) rental and property management fee of approximately HK$30.3 million from our wholly-owned investment property — Central Park·Pudong, up by 9.8% on year-on-year ("**YOY**") basis; and (ii) asset management and consultancy fee income of approximately HK$13.2 million, compared to HK$28.7 million of the same period last year, primarily due to the one-off acquisition fee of approximately HK$19.4 million recognised in the same period last year. The improvement in unaudited profit before income tax in the Period was mainly due to the elimination of one-off professional fees incurred last year, amounting to an approximate of HK$37.4 million, associated with the formation of the JV charged by several independent third parties.

Central Park·Pudong is a 12-storey (plus basement level) office building with a total gross floor area of about 33,191 square meters located in Pudong, Shanghai, China. Despite facing the recent challenging office leasing market in Shanghai, where the increase in supply of office premises drove up vacancy rate and put pressure on rent, the occupancy rate of Central Park·Pudong continued to be high at approximately 84.7% (2018: 91.0%), and hence, its revenue contribution increased slightly to approximately HK$30.3 million during the Period (2018: HK$27.6 million). Based on a valuation report issued by an independent international property valuer, the carrying amount of Central Park·Pudong was approximately HK$1,362.9 million (equivalent to RMB1,239.0 million), resulted in a valuation gain of approximately HK$36.6 million and a deferred tax liability of approximately HK$9.2 million for the Period.

With the collaborative efforts between our HSL specialists and our partners, the JV with GIC has completed the renovation of its first investment in May 2019 and has rebranded it as Central Park·Jing'an. Central Park·Jing'an is a Grade A-office building with a total leasable area of about 58,601 square meters, conveniently located in Jing'an District, Shanghai, China with direct access to 3 metro lines. The occupancy rate has steadily increased to approximately 65.0% and the average daily rent rate has also demonstrated notable increment since the completion of the renovation. During the Period, the Group shared the loss of the JV of approximately HK$5.5 million from its investment in the JV.

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 extensive product portfolio covering various well-known brands.

During the Period, the Building and Design Solutions Business recorded an unaudited profit before income tax of approximately HK$16.6 million on revenue of approximately HK$152.4 million, versus an unaudited profit before income tax of approximately HK$14.1 million on revenue of approximately HK$194.0 million of the same period last year. The drop in revenue was due to completion of several major real estate and hotel projects in Hong Kong and Macau last year, together with the delay of new hotel upgrade projects and the slowdown of the wholesale market as a result of the recent social circumstances in Hong Kong. Meanwhile, the improvement in unaudited profit before income tax was mainly attributable to the improvement in gross margin and the reversal of provision of doubtful debt of approximately HK$2.0 million.

Construction Materials Business

The Construction Materials Business comprises (i) Hong Kong construction products processing and distribution; (ii) reinforcing bar processing and assembly business conducted through our wholly-owned subsidiary, VSC Construction Steel Solutions Limited; and (iii) PRC surface critical coil processing and distribution. During the Period, 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 the slow but ongoing transition from on-site cut-and-bend to off-site prefabricated steel reinforcement component.

With the aim of focusing on our core competencies and competitive edges, the Group has completed the sale of its steel recycling business operated through a wholly-owned subsidiary, He Tai Steel Co., Limited, and the steel processing business in Mainland China operated through its associate, Changshu Baoshunchang Steel Processing Co., Ltd., with an aggregated loss on disposal of HK$41,000 during the Period.

The Construction Materials Business recorded a total revenue of approximately HK$958.6 million for the Period, down by approximately 9.4% compared to the same period last year. If excluding the revenue contributed by the steel recycling business which was disposed by the Group in April 2019, revenue dropped by approximately 3.2% YOY, as the significant increase of 31.9% in output (tons) of our Hong Kong construction product distribution and reinforcing bar processing business, as a result of the increase in order and utilisation, partially offsetting the decline of 44.9% in the PRC's surface critical coil processing and distribution output, primarily caused by the slack in demand from automotive sector.

Unaudited profit before income tax of the Construction Materials Business was approximately HK$11.2 million for the Period. Excluding the one-off impact for the reversal of provision for onerous contract of approximately HK$40.7 million and gain on bargain purchase from the acquisition of a subsidiary of approximately HK$18.6 million of the same period last year, the YOY results of Construction Materials Business has rebounded from an unaudited loss before income tax of approximately HK$36.5 million, to an unaudited profit before income tax of approximately HK$11.2 million.

Engineering Plastics Business

Facing an unstable economic environment as a result of the trade conflicts between major trade nations and the slowdown of China's economic growth, the Engineering Plastics Business recorded a revenue of approximately HK$64.6 million during the Period, down by approximately 63.1% on a YOY basis, with tons sold also decreased by approximately 56.4% as compared to the same period last year. The Group continued to strategically focus on high growth segments, and has moved away from customers where margins were too low or credit risk was high. Benefited from the above measures, the business has recorded an unaudited profit before income tax of approximately HK$0.7 million, which represents a turnaround from an unaudited loss before income tax of approximately HK$3.4 million of the same period last year, primarily contributed by the reversal of provision of doubtful debts of approximately HK$1.5 million, and a lower translation loss resulted from depreciation in renminbi ("**RMB**") as compared to the same period of last year.

OUTLOOK

Property Investment and Project Management Business

Due to the influx of new supply and the slowing down of China's economic growth, there is an increasing competition in the Shanghai commercial building leasing market. However, as Shanghai continues its transformation of becoming a global hub, the Group expects the demand for commercial properties will remain strong in long run. The Group will maintain its focus on the Shanghai market, and will look to provide one-stop solutions through our professional teams of HSL, revitalising under-performing commercial buildings and cultivating relationship with local and international partners to fully realise asset values.

Building and Design Solutions Business

The Group will continue to roll out its segment-based growth strategy in Hong Kong and Macau. Our latest line of sanitary products will allow us to capture market opportunities arising from change in housing size and needs in Hong Kong and the booming hotel industry in Macau. Leveraging the strong market presence of our brand partners, along with our project strategy, we will continue to target large and iconic projects in Hong Kong and Macau.

The Group will also seize the opportunities from urbanisation and the expansion of middle and upper class in Mainland China. This does not only provide us with a new growth engine for our sanitary products business, but also allow us to further entrench ourselves in the high-end market.

In the future, the Group will work closely with its brand partners in targeting new market segments in Hong Kong. The Group will also explore further opportunities outside of Hong Kong, particularly in the Greater Bay Area, where its GDP is expected to reach US$4.6 trillion by 2030, as its infrastructure development would stimulate significant demand to our Building and Design Solutions Business.

Construction Materials Business

We expect the global steel market will remain volatile due to the uncertainties arisen from trade tension and geopolitical issues. China's demand for steel has slowed, particularly in the automotive industry, while its production output continued to be impacted by environmental initiatives and industry consolidation. The Group will continue to search for the most cost-efficient steel supply around the globe, seizing opportunities to improve margin for its steel distribution business.

Despite the unpredictable global steel market and the recent decline in building and construction expenditure in Hong Kong since the last quarter of 2018, primarily caused by the completion of the key construction projects as well as the accumulating list of projects for funding, the Group remains cautiously optimistic in the long-term development of the industry in Hong Kong.

The Hong Kong Government is expected to raise the annual capital works investment to over HK$100 billion for the next few years, encompassing the public housing development, hospital redevelopment and expansion and new towns development. In addition, favorable policies were also introduced to support the upgrade of the construction industry. The setting up of HK$1 billion "Construction Innovation and Technology Fund", together with the proactive promotion in adopting technologies and innovative construction methods to improve quality, productivity and cost-effectiveness, should aid to expedite the transformation of the industry, and specifically, encouraging the adoption of off-site cut-and-bend production. The Group will look to contribute to the downward migration along the value chain of the construction industry, by providing one-stop solutions for its customers, covering their distribution, processing, logistics and new product needs.

Since the completion of the acquisition of the remaining stake of VSC Construction Steel Solutions Limited, which operates one of the leading government approved automated rebar processing and assembly plant in Hong Kong, from NatSteel Holdings Pte. Ltd. last year, the Group has successfully streamlined its sales, marketing and operational function and further reduced its overhead cost, laying a solid foundation for its profitability. In the future, the Group will continue the integration of its steel distribution and steel processing businesses by streamlining its process flow, seizing opportunities for cross-selling, and providing one-stop solutions to its customers in order to fully realise the synergy of the acquisition as well as the vast potential from the increasing emphasis of off-site, pre-fabricated construction materials in Hong Kong. This will also allow us to capture opportunities from the flourishing Hong Kong construction sector as well as the Greater Bay Area. The Group will also continue to actively pursue other marketing and promotional activities in order to drive up order volume and utilisation.

Our Construction Materials Business in Hong Kong has already demonstrated a rebound during the Period. We believe these combined moves would further lay a solid foundation for future growth, strengthening our position of providing differentiated values to the Hong Kong construction market.

Engineering Plastics Business

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

FINANCIAL REVIEW

Financial Positions

Compared with the financial year ended 31st March 2019, as at 30th September 2019, the Group's total assets increased from approximately HK$2,996.6 million to approximately HK$3,015.0 million. The Group's inventories increased from approximately HK$290.7 million to approximately HK$421.8 million, mainly for the preparation of inventories for orders in second half of the fiscal year. The overall average days of inventory increased to 71 days. The Group's trade and bill receivables decreased from approximately HK$480.5 million to approximately HK$440.9 million. The overall average days of sales outstanding decreased to 58 days. Net assets value ("**NAV**") of the Group maintained at approximately HK$1,113.4 million as at 31st March 2019 to approximately HK$1,013.3 million; NAV per ordinary share was HK$1.41 as at 30th September 2019.

Compared with the financial position as at 31st March 2019, the Group's cash and cash equivalents and pledged bank deposits, slightly decreased by approximately HK$2.6 million to approximately HK$163.1 million as at 30th September 2019. On the other hand, the Group's borrowings increased by approximately HK$82.0 million to approximately HK$1,574.5 million due to the increase in inventory level as at 30th September 2019. Current ratio maintained at 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 slightly from 57.3% to 60.9%. 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 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 30th September 2019, about 58.6% of the Group's interest-bearing borrowings for trade financing purpose and financing of investment properties were denominated in HK dollar, about 31.7% in RMB and about 9.7% in United State dollar. These facilities are either secured by the Group's inventories 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 in Hong Kong plus very competitive margin. RMB loans of the Group have been obtained from domestic and foreign banks in the amount of RMB453.5 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.

Charges on Assets

As at 30th September 2019, the Group had certain charges on assets which included (i) bank deposits of approximately HK$12.7 million (31st March 2019: approximately HK$38.9 million) which were pledged as collateral for the Group's bill payables; and (ii) an investment property of approximately HK$1,362.9 million (31st March 2019: 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.

Capital Expenditure

During the Period, the Group's capital expenditures amounted to approximately HK$6.0 million (2018: approximately HK$4.0 million), including cost of leasehold improvement, furniture and equipment, machinery and additions to investment properties.

Capital Commitments

As at 30th September 2019, the Group's total capital commitments amounted to approximately HK$0.5 million (31st March 2019: approximately HK$1.4 million).

Contingent Liabilities

As at 30th September 2019, the Group's had no material contingent liabilities (31st March 2019: Same).

Material Acquisitions and Disposals

Save as disclosed in Note 5 to the accompanying condensed consolidated interim financial information, the Group did not have any material acquisitions and disposals of subsidiaries and associated companies during the Period.

HUMAN CAPITAL

The Group is focusing on building talent development to help lead the Group to future success. Our growth strategy has always included a strong sense of commitment to people. We provide a competitive remuneration package to attract and motivate employees. We always provide a safe and pleasant working environment with constant learning and growth opportunities. As at 30th September 2019, the Group employed 265 staff (31st March 2019: 272 staff). Total staff costs including contribution to retirement benefits schemes incurred during the Period amounted to approximately HK$60.8 million. During the Period, no options have been offered and/or granted to Directors and our employees under the share option scheme adopted on 11th August 2011.

INTERIM DIVIDEND

The Board does not declare the payment of an interim dividend for the Period (2018: Nil).

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

During the Period, 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, risk management and financial reporting matters including review of the results for the six months ended 30th September 2019.

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 (the "**CG Code**") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") except for CG Code provision A.2.1 for the Period.

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 (i.e. the Chief Executive). 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 INTERIM 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 interim report for the six months ended 30th September 2019 of the Company 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, 29th November 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).