

2019

INTERIM REPORT

中期業績報告



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Corporate Information 公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Kwong Jimmy Cheung Tim
(Chairman and Chief Executive Officer)
Ms. Lui Yuk Chu
(Deputy Chairman)

Independent Non-Executive Directors

Mr. Kan Ka Hon
Mr. Lau Sin Ming
Mr. Foo Tak Ching (retired on 1 August 2019)
Mr. Wu Koon Yin Welly

AUDIT COMMITTEE

Mr. Kan Ka Hon (Chairman)
Mr. Lau Sin Ming
Mr. Foo Tak Ching (retired on 1 August 2019)
Mr. Wu Koon Yin Welly

REMUNERATION COMMITTEE

Mr. Lau Sin Ming (Chairman)
Mr. Kan Ka Hon
Mr. Foo Tak Ching (retired on 1 August 2019)
Mr. Wu Koon Yin Welly
Mr. Kwong Jimmy Cheung Tim

NOMINATION COMMITTEE

Mr. Wu Koon Yin Welly (Chairman)
(appointed on 1 August 2019)
Mr. Foo Tak Ching (Chairman)
(retired on 1 August 2019)
Mr. Kan Ka Hon
Mr. Lau Sin Ming
Mr. Kwong Jimmy Cheung Tim

董事會

執行董事

鄭長添先生
(主席兼首席行政總裁)
雷玉珠女士
(副主席)

獨立非執行董事

簡嘉翰先生
劉善明先生
傅德楨先生(2019年8月1日退任)
吳冠賢先生

審核委員會

簡嘉翰先生(主席)
劉善明先生
傅德楨先生(2019年8月1日退任)
吳冠賢先生

薪酬委員會

劉善明先生(主席)
簡嘉翰先生
傅德楨先生(2019年8月1日退任)
吳冠賢先生
鄭長添先生

提名委員會

吳冠賢先生(主席)
(2019年8月1日委任)
傅德楨先生(主席)
(2019年8月1日退任)
簡嘉翰先生
劉善明先生
鄭長添先生

Corporate Information 公司資料

EXECUTIVE COMMITTEE

Mr. Kwong Jimmy Cheung Tim (*Chairman*)
Ms. Lui Yuk Chu

COMPANY SECRETARY

Mr. Lee Po Wing

AUDITOR

Deloitte Touche Tohmatsu

LEGAL ADVISERS

As to Hong Kong law:
David Norman & Co.

As to Bermuda law:
Conyers Dill & Pearman

PRINCIPAL BANKER

Hang Seng Bank Limited

REGISTERED OFFICE

Clarendon House
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Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS

Block A, 7th Floor
Hong Kong Spinners Building, Phase 6
481-483 Castle Peak Road
Cheung Sha Wan, Kowloon
Hong Kong

執行委員會

鄺長添先生(主席)
雷玉珠女士

公司秘書

李寶榮先生

核數師

德勤 • 關黃陳方會計師行

法律顧問

香港法律：
David Norman & Co.

百慕達法律：
康德明律師事務所

主要往來銀行

恒生銀行有限公司

註冊辦事處

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Bermuda

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香港
九龍長沙灣
青山道481-483號
香港紗廠大廈第6期
7樓A座

Corporate Information

公司資料

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MUFG Fund Services (Bermuda) Limited
4th Floor North Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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183 Queen's Road East
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STOCK CODE

616

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Management Discussion and Analysis

管理層討論及分析

The board of directors (the “Board”) of Eminence Enterprise Limited (the “Company”) (the “Directors”) is pleased to announce the results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2019 (the “Period”). These interim results have been reviewed by the Company’s audit committee.

INTERIM RESULTS

The Group’s unaudited consolidated loss attributable to shareholders of the Company for the Period was approximately HK\$12,369,000 as compared to consolidated loss of approximately HK\$39,592,000 for the corresponding period in 2018 (“2018 Period”). The decrease in loss was mainly attributable to the increase in rental income, gain on disposal of subsidiaries and the decrease in loss on changes in fair value of financial assets at fair value through profit or loss during the Period. Such decrease in loss was partially offset by the net loss on modification of terms of convertible note as well as the impairment loss on properties held for development for sale during the Period.

Basic and diluted loss per share for the Period was approximately 0.38 HK cent as compared with basic and diluted loss per share of approximately 1.33 HK cents for 2018 Period.

INTERIM DIVIDEND

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

高山企業有限公司(「本公司」)董事會(「董事會」)(「董事」)欣然公佈本公司及其附屬公司(統稱「本集團」)截至2019年9月30日止六個月(「本期間」)之業績。本中期業績已由本公司之審核委員會審閱。

中期業績

於本期間，本公司股東應佔本集團之未經審核綜合虧損約為12,369,000港元，相比2018年同期(「2018期間」)之綜合虧損約為39,592,000港元。虧損減少主要由於本期間之租金收入增加，出售附屬公司之收益及金融資產之公平值變動產生之虧損減少。部分相關虧損減少由修訂可換股票據條款之虧損淨額及持作出售發展物業之減值虧損所抵銷。

於本期間之每股基本及攤薄虧損約為0.38港仙，2018期間每股基本及攤薄虧損約為1.33港仙。

中期股息

董事會不建議就本期間派發中期股息(2018期間：無)。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

During the Period, the Group was principally engaged in the property development, property investment, comprising the ownership and rental of investment properties, investment in securities and loan financing business which property development and property investment are the core business of the Group. The review of the individual business segments of the Group are set out below.

(i) Property Investment

One of the Group's core businesses is property investment.

During the Period, the total rental income of the Group increased by approximately 64.8% to approximately HK\$23,899,000 (2018 Period: approximately HK\$14,502,000). The increase was primarily due to the contributions from newly acquired properties, increased occupancy rate as well as continued management of tenant mix and rental revision of major investment properties and properties held for development for sale during the Period.

Hong Kong

In Hong Kong, the Group owns residential units, commercial units and industrial units with a total carrying amount of approximately HK\$826,200,000 as at 30 September 2019 (31 March 2019: approximately HK\$1,129,400,000). During the Period, the Group recorded property rental income of approximately HK\$14,006,000 (2018 Period: approximately HK\$4,783,000).

業務回顧

於本期間，本集團主要從事物業發展、物業投資(包括擁有及租賃投資物業)、證券投資及貸款融資業務，而物業發展及物業投資為本集團之核心業務。本集團之業務分部回顧載於下文。

(i) 物業投資

本集團的核心業務之一為物業投資。

於本期間內，本集團之租金收入總額增長約64.8%至約23,899,000港元(2018期間：約14,502,000港元)。該增長主要由於本期間新購置物業、出租率上升、持續管理租戶組合、主要投資物業及持作出售發展物業租金調整所推動。

香港

於2019年9月30日，本集團於香港擁有住宅單位、商業單位及工業單位，總賬面值約為826,200,000港元(2019年3月31日：約1,129,400,000港元)。於本期間，本集團錄得物業租金收入約14,006,000港元(2018期間：約4,783,000港元)。

Management Discussion and Analysis 管理層討論及分析

BUSINESS REVIEW (CONTINUED)

(i) Property Investment (continued)

Hong Kong (continued)

One of the major property investments of the Group during the Period was the office units and car parks at Capital Centre, No. 151 Gloucester Road, Hong Kong ("Capital Centre"). On 24 May 2019, the Group successfully disposed of Capital Centre at a consideration of HK\$361,600,000 through an open tender to an independent third party. Through such disposal, the Group recorded a gain on disposal of subsidiaries of approximately HK\$57,511,000.

For further information, please refer to "Material Acquisition and Disposal" section below.

Singapore

In Singapore, the Group owns 3 residential units with a total carrying amount of approximately HK\$154,941,000 as at 30 September 2019 (31 March 2019: approximately HK\$159,831,000). For the Period, the Group received property rental income of approximately HK\$1,392,000 (2018 Period: approximately HK\$1,422,000).

業務回顧(續)

(i) 物業投資(續)

香港(續)

於本期間內，本集團的一項主要物業投資是於香港告士打道151號資本中心(「資本中心」)的辦公室及停車場。於2019年5月24日，本集團透過公開招標成功向獨立第三方出售資本中心，代價為361,600,000港元。透過是次出售，本集團錄得出售附屬公司之收益約57,511,000港元。

詳細資料請參閱下列「重大收購及出售」一節。

新加坡

於2019年9月30日，本集團於新加坡擁有3個住宅單位，總賬面值為約154,941,000港元(2019年3月31日：約159,831,000港元)。於本期間，本集團收取物業租金收入約1,392,000港元(2018期間：約1,422,000港元)。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (CONTINUED)

(i) Property Investment (continued)

People's Republic of China (the "PRC")

In Huzhou City, Zhejiang Province of the PRC, the Group has 15 blocks of factory premises and 5 blocks of dormitories with a total carrying amount of approximately HK\$351,125,000 as at 30 September 2019 (31 March 2019: approximately HK\$374,130,000). For the Period, the Group recorded property rental income and management fee income of approximately HK\$8,501,000 and HK\$5,993,000 respectively (2018 Period: approximately HK\$8,297,000 and HK\$5,681,000 respectively).

(ii) Property Development

The other core business of the Group is property development. The Group has extensive experience in property redevelopment, in particular, acquisition of old buildings for renewal and redevelopment. Below are the major projects of the Group during the Period.

(a) Project Matheson

As at 30 September 2019, the Group, through its wholly-owned subsidiary, owns the site at Nos. 11, 13 and 15 Matheson Street, Causeway Bay, Hong Kong. The total area of the site is approximately 2,858 sq.ft. and is currently under construction. After redevelopment, the site will provide a gross floor area of approximately 42,759 sq.ft. of commercial/office mixed-use building. The project is expected to complete in the fourth quarter of 2021.

業務回顧(續)

(i) 物業投資(續)

中華人民共和國(「中國」)

於2019年9月30日，本集團於中國浙江省湖州市擁有15座廠房及5座宿舍，總賬面值約為351,125,000港元(2019年3月31日：約374,130,000港元)。於本期間，本集團收取物業租金收入及管理費收入分別約8,501,000港元及5,993,000港元(2018期間：分別約8,297,000港元及5,681,000港元)。

(ii) 物業發展

本集團的另一項核心業務為物業發展。本集團在物業重建方面擁有豐富經驗，尤其是收購舊樓以進行翻新及重建。以下是本集團於本期間內的主要項目。

(a) 勿地臣街項目

於2019年9月30日，本集團透過其全資附屬公司擁有香港銅鑼灣勿地臣街11號、13號及15號。總地盤面積約為2,858平方呎，該地盤目前正進行發展。重建發展完成後，該地盤將提供總建築面積約為42,759平方呎之商業／辦公室綜合樓宇。該項目預期將於2021年第四季度完工。

Management Discussion and Analysis 管理層討論及分析

BUSINESS REVIEW (CONTINUED)

(ii) Property Development (continued)

(b) Project Wing Cheong

As at 30 September 2019, the Group, through its wholly-owned subsidiary, owns approximately 86.36% of Wing Cheong Factory Building (“Wing Cheong Factory Building”), a building located at No. 121 King Lam Street, Kowloon, Hong Kong. The site area is approximately 5,483 sq.ft. If the Group successfully acquired the remaining units of Wing Cheong Factory Building, the Group plans to redevelop Wing Cheong Factory Building into an industrial building with modern amenities and facilities, more loading/unloading bays and maximise floor area allowable under all relevant laws and regulations which maximize the usage and potential of the lot to its fullest extent.

For further information, please refer to “Material Acquisition and Disposal” section below.

業務回顧(續)

(ii) 物業發展(續)

(b) 永昌項目

於2019年9月30日，本集團透過其全資附屬公司擁有位於香港九龍瓊林街121號的永昌工業大廈(「永昌工業大廈」)約86.36%。該註冊地盤面積約為5,483平方呎。倘本集團能成功收購永昌工業大廈之餘下單位，本集團計劃將永昌工業大廈重建為一幢設有現代化設備及設施工業大廈，並盡用在所有相關法例及法規下允許之樓面面積設更多貨物起卸區或非起卸區，發揮該地段之最大用途和潛力。

詳細資料請參閱下列「重大收購及出售」一節。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (CONTINUED)

(ii) Property Development (continued)

(c) *Project Fung Wah*

As at 30 September 2019, the Group, through its wholly-owned subsidiaries, owns 90.83% of Fung Wah Factorial Building, Nos. 646, 648, 648A Castle Peak Road, Kowloon (collectively, the “Fung Wah Factorial Building”). On 6 September 2019, the Company filed an application under the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545 of the Laws of Hong Kong) to the Lands Tribunal for an order to auction all the undivided shares of the Fung Wah Factorial Building (including those owned by the Group) for the purposes of redevelopment of the site. If the Group successfully acquires all the units of the Fung Wah Factorial Building, the tentative plan is to redevelop the site into a high rise composite commercial building to maximize its usage of the site.

For further information, please refer to the announcement dated 6 September 2019 published by the Company.

業務回顧(續)

(ii) 物業發展(續)

(c) 豐華項目

於2019年9月30日，本集團透過其全資附屬公司擁有九龍青山道646號、648號、648A號豐華工業大廈(統稱為「豐華工業大廈」)中的90.83%。於2019年9月6日，本公司根據《土地(為重新發展而強制售賣)條例》(香港法例第545章)向土地審裁處提出申請，申請拍賣豐華工業大廈的所有未分割股份(包括本集團所擁有者)以重新發展該土地。倘若本集團能成功收購豐華工業大廈的所有單位，則暫定計劃是將土地重新發展為高層綜合商業大廈，以發揮該地段之最大用途。

詳細資料請參閱本公司發佈日期為2019年9月6日之公告。

Management Discussion and Analysis 管理層討論及分析

BUSINESS REVIEW (CONTINUED)

業務回顧(續)

(ii) Property Development (continued)

(ii) 物業發展(續)

(d) Project Kennedy Town

(d) 堅尼地城項目

On 23 September 2019 and 31 October 2019, the Group completed the acquisition of all the units of Nos. 1B and 1C and Nos. 1D and 1E of Davis Street, Kennedy Town, Hong Kong respectively. The registered site area is approximately 4,941 sq.ft. The Company plans to demolish the properties on the site and redevelop the site into a commercial/residential/service apartment building with car parking spaces (if any).

於2019年9月23日及2019年10月31日，本集團分別完成收購香港堅尼地城爹核士街1B及1C號及1D及1E號之所有單位。該地盤的總註冊面積約為4,941平方呎。本公司計劃拆除於該地盤之物業，並將該地盤重新發展為帶有停車場(如有)的商業／住宅／服務式樓宇。

For further information, please refer to “Material Acquisition and Disposal” section below.

詳細資料請參閱下列「重大收購及出售」一節。

(iii) Securities Investment

(iii) 證券投資

During the Period, the Group adopted a prudent attitude in its securities investments. The Group had acquired listed securities investments and disposed of some shares in the investment portfolio. The Group recorded fair value loss in securities investments of approximately HK\$6,992,000 (2018 Period: approximately HK\$25,483,000). As a result, the Group reported segment loss of approximately HK\$8,640,000 (2018 Period: segment loss of approximately HK\$25,567,000) during the Period. The Group received dividend income from the listed securities investments of approximately HK\$1,626,000 during the Period.

於本期間內，本集團對其證券投資採取謹慎態度。本集團購入上市證券投資，並售出投資組合中的部分股份。本集團錄得證券投資之公平值虧損約6,992,000港元(2018期間：約25,483,000港元)。因此，於本期間內，本集團錄得分部虧損約8,640,000港元(2018期間：分部虧損約為25,567,000港元)。於本期間內，本集團從上市證券投資中獲得股息收入約為1,626,000港元。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (CONTINUED)

(iii) Securities Investment (continued)

During the Period, the Group had several major actions in relation to securities investments, one of which was the possible disposal of the shares of China SCE Group Holdings Limited ("CSCE") (stock code: 1966). The Company on 16 September 2019 successfully obtained the shareholders' approval at the special general meeting to dispose of all or in part(s) of the 6,800,000 CSCE shares held by the Group during the 12-months from the date of approval. Details of the possible disposal and the mandate can be found in the announcement dated 12 July 2019 and circular dated 30 August 2019 published by the Company.

As at 30 September 2019, the Group had not disposed of any CSCE shares and therefore the Group still owns a total of 6,800,000 CSCE Shares as at 30 September 2019.

As at 30 September 2019, the Group's investment in equity securities listed in Hong Kong amounted to approximately HK\$48,109,000 (31 March 2019: approximately HK\$56,338,000). The movement during the Period were: (a) the disposal of securities investments which had a fair value of approximately HK\$4,000; and (b) net decrease in market value of securities investments in the amount of approximately HK\$8,225,000. This value represented an investment portfolio comprising 4 (31 March 2019: 4) equity securities which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

業務回顧(續)

(iii) 證券投資(續)

於本期間，本集團在證券投資方面採取了幾項重大行動，其中一項為可能出售中駿集團控股有限公司（「中駿」）（股份代號：1966）的股份。本公司於2019年9月16日之股東特別大會上成功獲得股東批准，於自批准日起12個月期間內全部或逐步出售本集團持有之6,800,000股中駿股份。有關可能出售事項和授權之詳細資料請參閱本公司發佈日期為2019年7月12日之公告及日期為2019年8月30日之通函。

截至2019年9月30日，本集團沒有出售任何中駿股份，因此，於2019年9月30日本集團仍擁有6,800,000股中駿股份。

於2019年9月30日，本集團之證券投資達約48,109,000港元（2019年3月31日：約56,338,000港元）。本期間之變動乃由於：(a)出售證券投資之公平值約為4,000港元；及(b)證券投資市值金額淨減少約8,225,000港元。該價值對應的投資組合包括4隻（2019年3月31日：4隻）於香港聯合交易所有限公司（「聯交所」）主板上市的股本證券。

Management Discussion and Analysis 管理層討論及分析

BUSINESS REVIEW (CONTINUED)

(iii) Securities Investment (continued)

The Group considers the prospects in respect of the listed shares investments are healthy. The Group understands that the performance of the investments may be affected by the degree of volatility in the Hong Kong stock market and subject to other external factors. Accordingly, the Group will continue to maintain a diversified portfolio of investment of different segments of markets to minimise the possible financial risks. The Group will also closely monitor the performance progress of the investment portfolio from time to time.

(iv) Loan Financing

For the Period, the Group recorded interest income from the loan financing business amounting to approximately HK\$10,058,000 (2018 Period: approximately HK\$9,035,000), representing approximately 11.3% increase comparing with 2018 Period. The segment profit of loan financing business was approximately HK\$7,027,000 for the Period (2018 Period: approximately HK\$6,491,000). The outstanding principal amount of loans receivable as at 30 September 2019 was approximately HK\$292,122,000 (31 March 2019: approximately HK\$336,010,000). During the Period, net reversal of impairment allowance was recognized in profit or loss amounting to approximately HK\$606,000 in its loan financing business. The Group will continue to develop this segment in order to earn higher interest income.

業務回顧(續)

(iii) 證券投資(續)

本集團認為上市證券之投資前景穩健。本集團明白，投資表現或受香港股市波動程度影響，並受到其他外部因素限制。因此，本集團將繼續維持不同市場的多元化投資組合，以盡量降低潛在的金融風險。此外，本集團亦將不時密切監察投資組合的表現發展狀況。

(iv) 貸款融資

本集團錄得來自貸款融資業務之利息收入約為10,058,000港元(2018期間：約9,035,000港元)，較2018期間增加約11.3%。於本期間，貸款融資業務之分部溢利約為7,027,000港元(2018期間：約6,491,000港元)。於2019年9月30日應收貸款之未償還本金額為約292,122,000港元(2019年3月31日：約336,010,000港元)。於本期間內，就貸款融資業務於損益確認之減值撥備淨撥回約為606,000港元。本集團將繼續發展該分部以賺取更高利息收入。

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Liquidity and Financial Resources

As at 30 September 2019, total assets of the Group amounted to approximately HK\$3,948,543,000 (31 March 2019: approximately HK\$4,034,545,000). In terms of financial resources as at 30 September 2019, the Group's total bank balances and cash was approximately HK\$158,797,000 (31 March 2019: approximately HK\$154,345,000).

As at 30 September 2019, the Group has total bank borrowings of approximately HK\$922,442,000 (31 March 2019: approximately HK\$1,075,229,000). The Group's gearing ratio, which is calculated as a ratio of total bank borrowings to shareholders' equity was approximately 0.3 (31 March 2019: approximately 0.4). As at 30 September 2019, the Group's current ratio was approximately 4.4 (31 March 2019: approximately 4.8).

The Group financed its operations primarily with recurring cash flow generated from its operations, proceeds raised from the capital market and bank financing.

財務回顧

流動資金及財務資源

於2019年9月30日，本集團之資產總額約為3,948,543,000港元(2019年3月31日：約4,034,545,000港元)。財務資源方面，於2019年9月30日，本集團之銀行結餘及現金總額約為158,797,000港元(2019年3月31日：約154,345,000港元)。

於2019年9月30日，本集團之銀行借貸總額約為922,442,000港元(2019年3月31日：約1,075,229,000港元)。本集團之資本負債比率(即銀行借貸總額佔股東資產之百分比)約為0.3(2019年3月31日：約0.4)。於2019年9月30日，本集團流動比率約為4.4(2019年3月31日：約4.8)。

本集團之營運資金主要來自其營運產生的循環現金流、在資本市場募集的資金及銀行融資。

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FINANCIAL REVIEW (CONTINUED)

Fund Raising

Below is the major fund-raising activity of the Company during the Period.

Issue of 2019CN

On 17 June 2019, the Company entered into a subscription agreement with the subscriber, Goodco Development Limited (a substantial shareholder of the Company and a wholly-owned subsidiary of Easyknit International Holdings Limited (stock code: 1218)), in relation to the 3% per annum coupon rate convertible note ("2019CN") in the principal amount of HK\$70,000,000, conferring rights to convert at any time before the fifth anniversary of the issue thereof the principal amount into the shares of the Company ("Shares") on the basis of the conversion price of HK\$0.055 per Share. The transaction was approved by the independent shareholders of the Company on 21 August 2019 and the completion took place on 28 August 2019. The net proceeds was approximately HK\$69,500,000 which was intended to finance the acquisition of the remaining units of Wing Cheong Factory Building and related preliminary investigation, planning and design costs for its redevelopment. Any proceeds from the issue of the 2019CN not utilized for the acquisition of Wing Cheong Factory Building project will be used towards financing the acquisition of properties at Davis Street, Kennedy Town, Hong Kong, and their development, as well as future projects and for general working capital. As at the date of this report, the net proceeds of approximately HK\$55,000,000 was still retained for the acquisition of the remaining units of Wing Cheong Factory Building, which the remaining of approximately HK\$14,500,000 have been used for acquisition of properties on Davis Street, Kennedy Town, Hong Kong and general working capital of the Group.

財務回顧(續)

集資

以下是本公司於本期間的主要集資活動。

2019年可換股票據

於2019年6月17日，本公司與作為認購人的佳豪發展有限公司(本公司的主要股東及永義國際集團有限公司(股份代號：1218)的全資附屬公司)訂立認購協議，有關認購每年3%票面息率本金金額為70,000,000港元的可換股票據(「2019年可換股票據」)，授權於發行五週年之前的任何時間按每股兌換價0.055港元將2019年可換股票據之本金金額兌換為本公司股份(「股份」)。該交易已於2019年8月21日獲得本公司獨立股東的批准，並於2019年8月28日完成。所得款項淨額約為69,500,000港元，擬用於收購永昌工業大廈餘下單位及就重建永昌工業大廈的初步調查、規劃及設計成本。發行2019年可換股票據任何所得款項若未用作永昌工業大廈項目將用作撥付收購香港堅尼地城爹核士街物業及相關重建及日後項目所需資金，以及一般營運資金。於本報告日期，所得款項淨額之約55,000,000港元仍預留於收購永昌工業大廈餘下單位，而餘下約14,500,000港元已用作收購香港堅尼地城爹核士街物業資金所需以及本集團一般營運資金。

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Outstanding Convertible Notes

(1) 2015 Convertible Note ("2015CN")

During the Period, 2015CN had been further amended. Pursuant to the amendments of the 2015CN terms under the fourth deed of amendment dated 8 April 2019 and the shareholders' approval on 21 May 2019, the conversion price of 2015CN was revised to HK\$0.06 per conversion share.

Particulars of the 2015CN are summarized as follows:

Holder of the 2015CN
2015年可換股票據持有人

Principal amount
本金金額

Issue date
發行日期

Maturity date
到期日

Conversion price
兌換價

財務回顧(續)

未兌換之可換股票據

(1) 2015年可換股票據(「2015年可換股票據J」)

於本期間，2015年可換股票據已作進一步修訂。根據2019年4月8日的第四份修訂契據修訂2015年可換股票據之條款及2019年5月21日之股東批准，2015年可換股票據之兌換價修訂為每股兌換股份0.06港元。

2015年可換股票據詳情概述如下：

Madian Star Limited

HK\$86,000,000
86,000,000港元

12 June 2015
2015年6月12日

12 June 2022
2022年6月12日

HK\$0.06 (subject to adjustment)
0.06港元(可予調整)

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FINANCIAL REVIEW (CONTINUED)

財務回顧(續)

Outstanding Convertible Notes (continued)

未兌換之可換股票據(續)

(1) 2015 Convertible Note ("2015CN") (continued)

On 27 May 2019 and 2 August 2019, Madian Star Limited exercised partially the conversion rights attached to the 2015CN which HK\$8,400,000 and HK\$37,200,000 had been converted into 140,000,000 and 620,000,000 Shares respectively.

As at the date of this report, the outstanding principal amount of the 2015CN is HK\$40,400,000.

(1) 2015年可換股票據(「2015年可換股票據」)(續)

於2019年5月27日及2019年8月2日，Madian Star Limited行使部分2015年可換股票據附帶之權利，分別將8,400,000港元及37,200,000港元兌換為140,000,000股及620,000,000股股份。

於本報告日期，2015年可換股票據之尚未被兌換金額為40,400,000港元。

(2) 2017 Convertible Note 1 ("2017CN1")

Particulars of the 2017CN1 are summarized as follows:

Holder of the 2017CN1
2017年可換股票據－1持有人

: Goodco Development Limited
佳豪發展有限公司

Principal amount
本金金額

: HK\$16,000,000
16,000,000港元

Issue date
發行日期

: 11 May 2017
2017年5月11日

Maturity date
到期日

: 11 May 2022
2022年5月11日

Conversion price
兌換價

: HK\$0.16 (subject to adjustment)
0.16港元(可予調整)

Management Discussion and Analysis

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FINANCIAL REVIEW (CONTINUED)

財務回顧(續)

Outstanding Convertible Notes (continued)

未兌換之可換股票據(續)

(2) 2017 Convertible Note 1 (“2017CN1”) (continued)

As at the date of this report, no exercise of the conversion rights of 2017CN1 was made since the issue date, the outstanding principal amount is HK\$16,000,000.

(2) 2017年可換股票據－1(「2017年可換股票據－1」)(續)

於本報告日期，自發行日期起沒有行使任何2017年可換股票據－1兌換權，尚未被兌換金額為16,000,000港元。

(3) 2017 Convertible Note 2 (“2017CN2”)

Particulars of the 2017CN2 are summarized as follows:

(3) 2017年可換股票據－2(「2017年可換股票據－2」)

2017年可換股票據－2詳情概述如下：

Holder of the 2017CN2
2017年可換股票據－2持有人

:

Goodco Development Limited
佳豪發展有限公司

Principal amount
本金金額

:

HK\$28,200,000
28,200,000港元

Issue date
發行日期

:

26 September 2017
2017年9月26日

Maturity date
到期日

:

26 September 2020
2020年9月26日

Conversion price
兌換價

:

HK\$0.06 (subject to adjustment)
0.06港元(可予調整)

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FINANCIAL REVIEW (CONTINUED)

財務回顧(續)

Outstanding Convertible Notes (continued)

未兌換之可換股票據(續)

(3) 2017 Convertible Note 2 (“2017CN2”) (continued)

On 18 October 2017, Goodco Development Limited exercised partially the conversion rights attached to the 2017CN2 for the amount of HK\$16,920,000 and 282,000,000 conversion shares of the Company were issued and allotted on 18 October 2017.

As at the date of this report, the outstanding principal amount of 2017CN2 is HK\$11,280,000.

(3) 2017年可換股票據－2(「2017年可換股票據－2」)(續)

於2017年10月18日，佳豪發展有限公司行使2017年可換股票據－2附帶之權利，以16,920,000港元行使部份兌換權並於2017年10月18日發行及配發本公司282,000,000股兌換股份。

於本報告日期，2017年可換股票據－2之尚未被兌換金額為11,280,000港元。

(4) 2019 Convertible Note (“2019CN”)

(4) 2019年可換股票據(「2019年可換股票據」)

Particulars of the 2019CN are summarized as follows:

2019年可換股票據詳情概述如下：

Holder of the 2019CN 2019年可換股票據持有人	:	Goodco Development Limited 佳豪發展有限公司
Principal amount 本金金額	:	HK\$70,000,000 70,000,000 港元
Issue date 發行日期	:	28 August 2019 2019年8月28日
Maturity date 到期日	:	28 August 2024 2024年8月28日
Conversion price 兌換價	:	HK\$0.055 (subject to adjustment) 0.055 港元(可予調整)

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (CONTINUED)

Outstanding Convertible Notes (continued)

(4) 2019 Convertible Note ("2019CN") (continued)

As at the date of this report, no exercise of the conversion rights of 2019CN was made since the issue date, the outstanding principal amount is HK\$70,000,000.

Charges on Assets

As at 30 September 2019, the Group had bank loans amounting to approximately HK\$922,442,000 (31 March 2019: approximately HK\$1,075,229,000) which were secured by the Group's properties with an aggregate net book value of approximately HK\$459,141,000 (investment properties) and approximately HK\$1,731,999,000 (properties held for development for sale) respectively (31 March 2019: approximately HK\$776,431,000 and approximately HK\$1,730,263,000).

財務回顧(續)

未兌換之可換股票據(續)

(4) 2019年可換股票據(「2019年可換股票據」)(續)

於本報告日期，自發行日期起沒有行使任何2019年可換股票據兌換權，尚未被兌換金額為70,000,000港元。

資產抵押

於2019年9月30日，本集團之銀行貸款約為922,442,000港元(2019年3月31日：約1,075,229,000港元)乃以本集團之物業作為抵押，賬面總淨值分別約為459,141,000港元(投資物業)及約1,731,999,000港元(持作出售發展物業)(2019年3月31日：約776,431,000港元及約1,730,263,000港元)。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (CONTINUED)

財務回顧(續)

Material Acquisition and Disposals

重大收購及出售

(i) Disposal of Office Units and Car Parks in Capital Centre

The Group in April 2018 acquired the office units 01, 02, 03, 05, 06, 07, 08 and 09 on the 12th Floor and carparking spaces numbers 329, 330 and 331 on the 3rd Floor of Capital Centre, No. 151 Gloucester Road, Hong Kong ("Capital Centre") as part of the Group's investment. On 24 April 2019, the Company launched the open tender for the sale of such office units and car parks in Capital Centre and on 24 May 2019, a sale and purchase agreement was entered into between Lion Capital Investment Limited, a subsidiary of the Company, as seller, and Create Success Investments Limited, as buyer, under which such office units and car parks in Capital Centre and intermediate subsidiaries of the Company were sold to the buyer at a consideration of HK\$361,600,000. Such disposal was duly completed on 23 August 2019 and the Group recorded a gain on disposal of subsidiaries of approximately HK\$57,511,000.

Further information can be found in the announcements of the Company dated 24 May 2019 and 27 May 2019.

(i) 出售資本中心的辦公室單位及車位

本集團於2018年4月收購位於香港告士打道151號資本中心12樓的01、02、03、05、06、07、08和09的辦公單位以及第三層329、330和331號之車位(「資本中心」)作為本集團投資。於2019年4月24日，本公司以公開招標方式出售資本中心的辦公室單位及車位，而於2019年5月24日，本公司透過其附屬公司Lion Capital Investment Limited作為賣方與致祥投資有限公司作為買方訂立買賣協議，據此，本公司以代價361,600,000港元出售予買方資本中心的辦公室單位及車位及本公司之中介附屬公司。出售事項已於2019年8月23日完成，而本集團錄得出售附屬公司之收益約為57,511,000港元。

詳細資料請參閱本公司日期為2019年5月24日及2019年5月27日之公佈。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (CONTINUED)

Material Acquisition and Disposals (continued)

(ii) Project Wing Cheong

As at 30 September 2019, the Group, through its wholly-owned subsidiary, owns approximately 86.36% of Wing Cheong Factory Building, a building located at No. 121 King Lam Street, Kowloon, Hong Kong. The hearing by the Lands Tribunal was held on 21 October 2019 which would set down the date for auction to sell all the undivided shares of Wing Cheong Factory Building (including those owned by the Group, as required by the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545)). The Group intends to bid at the auction for the purpose of acquiring the remaining units (being 6 units) of Wing Cheong Factory Building held by the registered owners (who are independent third parties) representing approximately 13.64% of the undivided shares of Wing Cheong Factory Building.

The tentative plan of the Group is to acquire the entire Wing Cheong Factory Building and redevelop the site into an industrial building with modern amenities and facilities, more loading/unloading bays and maximise floor area allowable under all relevant laws and regulations which maximize the usage and potential of the lot to its fullest potential.

Further information can be found in the circular of the Company dated 30 September 2019.

財務回顧(續)

重大收購及出售(續)

(ii) 永昌項目

於2019年9月30日，本集團透過其全資附屬公司擁有永昌工業大廈約86.36%，該大廈位於香港九龍瓊林街121號。土地審裁處於2019年10月21日舉行之聆訊將訂立拍賣日期以出售永昌工業大廈所有不可分割份數（按照《土地（為重新發展而強制售賣）條例》（第545章）之規定，包括由本集團擁有者）。本集團計劃在該拍賣中投標從而收購由登記業主（獨立第三方）持有之永昌工業大廈餘下單位（即6個單位），佔永昌工業大廈不可分割份數約13.64%。

本集團暫時計劃為將永昌工業大廈重建為一幢設有現代化設備及設施之工業大廈，並盡用所有相關法例及法規下允許之樓面面積設更多貨物起卸區及非起卸區，發揮該地段之最大用途和潛力。

詳細資料請參閱本公司日期為2019年9月30日之通函。

Management Discussion and Analysis 管理層討論及分析

FINANCIAL REVIEW (CONTINUED)

財務回顧(續)

Material Acquisition and Disposals (continued)

重大收購及出售(續)

(iii) Project Kennedy Town

(iii) 堅尼地城項目

On 9 July 2019, Above Ace Limited, a wholly-owned subsidiary of the Company, as buyer, entered into a sale and purchase agreement with an independent third party, Mr. Ng Kwai Tung, as seller, under which Above Ace Limited agreed to acquire two companies which (i) the sole asset of one company was a sale share agreement committing such to acquire two subsidiaries, one of which being the owner of the properties at Nos. 1B and 1C of Davis Street, Kennedy Town, Hong Kong; and (ii) the sole asset of another company was various property purchase agreements committing the acquisition of the properties at Nos. 1D and 1E of Davis Street, Kennedy Town, Hong Kong. The completion took place on 23 September 2019 and 31 October 2019 respectively and that the Group as at the date of this report owns the entire combined site at Nos. 1B, 1C, 1D and 1E of Davis Street, Kennedy Town, Hong Kong. The registered area of the combined site is approximately 4,940 sq.ft. The Company plans to demolish the properties and redevelop the site into a commercial/residential/service apartment building with car parking spaces (if any) to maximize the usage of the site.

Further information can be found in the circular of the Company dated 6 September 2019.

本公司全資附屬公司Above Ace Limited作為買方與一位獨立第三方吳桂東先生作為賣方於2019年7月9日訂立了買賣協議，根據該協議，Above Ace Limited同意收購兩家公司(i)其中一間公司之唯一資產為股份銷售協議，按約定收購兩間附屬公司，其中一間為香港堅尼地城爹核士街1B及1C號物業之業主；而(ii)另一間公司之唯一資產為多份物業購買協議，按約定收購香港堅尼地城爹核士街1D及1E號之物業。完成日期分別為2019年9月23日及2019年10月31日，而本集團於本報告日期擁有位於香港堅尼地城爹核士街1B、1C、1D及1E號整個合併地盤。該合併地盤的總註冊面積約為4,940平方呎。本公司計劃拆卸該等物業，並將該地盤重新發展為帶有停車位(如有)的商業／住宅／服務式樓宇，從而以最大限度地發展該地盤。

詳細資料請參閱本公司日期為2019年9月6日之通函。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (CONTINUED)

Exposure of Foreign Exchange Fluctuations

Most of the Group's revenues and payments are in Hong Kong dollars, United States dollars, Singapore dollars and Renminbi. During the Period, the Group did not have significant exposure to the fluctuation in exchange rates and thus, no financial instrument for hedging purposes was employed.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 30 September 2019 (31 March 2019: nil).

Capital Structure

As at 30 September 2019, the total number of issued ordinary shares of the Company was 3,725,832,059 (31 March 2019: 2,965,832,059 shares).

Capital Expenditures and Capital Commitments

During the Period, the Group invested approximately HK\$975,000 (2018 Period: approximately HK\$638,000) in the purchase of property, plant and equipment, and spent approximately HK\$3,072,000 (2018 Period: approximately HK\$282,996,000) on addition of investment properties. These capital expenditures were financed from internal resources and funds from previous fund raising activities of the Company.

財務回顧(續)

外匯波動之風險

本集團之營業額與支出以港元、美元、新加坡元及人民幣為主。於本期間，本集團並無因匯率波動而承受重大風險，因此並無運用任何金融工具作對沖用途。

或然負債

於2019年9月30日，本集團並無任何重大或然負債(2019年3月31日：無)。

股本結構

於2019年9月30日，本公司已發行普通股總數為3,725,832,059股(2019年3月31日：2,965,832,059股)。

資本開支及資本承擔

於本期間，本集團投資約975,000港元(2018期間：約638,000港元)購置物業、廠房及設備，並動用約3,072,000港元(2018期間：約282,996,000港元)於增置投資物業。該等資本開支的資金均來自內部資源及先前本公司之集資活動。

Management Discussion and Analysis 管理層討論及分析

FINANCIAL REVIEW (CONTINUED)

Capital Expenditures and Capital Commitments (continued)

As at 30 September 2019, the Group had capital commitments in respect of capital expenditure contracted for but not provided of approximately HK\$55,622,000 (31 March 2019: approximately HK\$40,684,000).

Changes in Fair Value of Investment Properties

During the Period, there was a loss of approximately HK\$1,714,000 on changes in fair value of investment properties (2018 Period: loss of approximately HK\$2,288,000).

Finance Costs

Finance costs were approximately HK\$14,198,000 for the Period, which decreased by approximately HK\$5,222,000 or approximately 26.9% from approximately HK\$19,420,000 in the 2018 Period, of which approximately HK\$7,613,000 (2018 Period: approximately HK\$8,193,000) was the effective interest expense on the convertible notes.

Changes since 31 March 2019

Save as disclosed, there were no other significant changes in the Group's financial statements or from the information disclosed under Management Discussion and Analysis in 2019 Annual Report.

財務回顧(續)

資本開支及資本承擔(續)

於2019年9月30日，本集團已訂約但未撥備之資本性開支的資本承擔約為55,622,000港元(2019年3月31日：約40,684,000港元)。

投資物業之公平值變動

於本期間，投資物業之公平值變動產生虧損約為1,714,000港元(2018期間：虧損約為2,288,000港元)。

融資成本

融資成本由2018期間約19,420,000港元減少約5,222,000港元或約26.9%至本期間約14,198,000港元，其中約7,613,000港元(2018期間：約8,193,000港元)為可換股票據之實際利息支出。

自2019年3月31日起變動

除上文披露者外，本集團的財務報表或2019年年報中管理層討論及分析所披露的資料並無其他重大變動。

Management Discussion and Analysis

管理層討論及分析

PROSPECTS

Given the softening global economic growth, trade war between US and China and technology disputes, Hong Kong's equity and financial environment will continue to be affected. Although the trade war is not expected to be resolved in the near future, the Group is prudently optimistic about the prospects of the property and securities market in Hong Kong and believes these markets will continue to grow over the longer term.

In line with its investment strategy and policy, the Company will continue to identify appropriate investment and divestment opportunities that fit the objective and investment criteria of the Company, and will continue to seek opportunities to replenish its property portfolio as an ongoing business exercise. The Board would exercise utmost caution, so as to bring positive impact on the operating and financial results to the Company in the foreseeable future.

前景

由於環球經濟增長放緩、中美貿易戰及科技範疇之爭議，本港的股票投資及金融環境將繼續受到影響。儘管貿易戰預期不會於短期內解決，本集團對香港物業及證券市場的前景持審慎樂觀的態度，並認為市場能夠繼續維持長期增長。

根據其投資策略及政策，本公司將繼續物色符合本公司目標及投資準則的合適投資及套現機會，並將繼續尋求機會以補充其物業組合，作為一項持續業務活動。董事會將盡量審慎行事，以於可預見未來為本公司經營及財務業績帶來正面影響。

Disclosure of Interests 權益披露

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2019, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules, were as follows:

董事及主要執行人員於股份、相關股份及債權證之權益

於2019年9月30日，本公司董事及主要執行人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及第8分部條文須知會本公司及聯交所的權益及淡倉（包括彼等根據證券及期貨條例之該等條文被視為擁有之權益及淡倉），或記載於本公司按證券及期貨條例第352條須存置之登記冊內的權益及淡倉，或根據上市規則附錄十所載之上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益及淡倉如下：

Disclosure of Interests

權益披露

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

董事及主要執行人員於股份、相關股份及債權證之權益(續)

Long positions in ordinary shares and underlying shares of the Company

於本公司普通股股份及相關股份之好倉

Name of Director	Capacity	Number of ordinary shares held	Number of underlying shares held	Total	Approximate percentage of the total issued shares of the Company 佔本公司已發行股份總數之概約百分比
董事名稱	身份	持有普通股股份數目	持有相關股份數目	總計	概約百分比
Lui Yuk Chu 雷玉珠	Interest of controlled corporation (Note i) 受控制法團之權益(附註i)	739,330,692	1,560,727,272	2,300,057,964	
	Interest of spouse (Note ii) 配偶權益(附註ii)	–	11,300,000	11,300,000	
	Beneficial owner (Note iii) 實益擁有人(附註iii)	–	11,300,000	11,300,000	
				2,322,657,964	62.34%
Kwong Jimmy Cheung Tim 鄭長添	Beneficial owner (Note iv) 實益擁有人(附註iv)	–	11,300,000	11,300,000	0.30%

Disclosure of Interests 權益披露

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

董事及主要執行人員於股份、相關股份及債權證之權益(續)

Notes:

附註：

- | | |
|--|--|
| <p>(i) In the 739,330,692 shares, 93,549,498 shares and 645,781,194 shares are registered in the name of and beneficially owned by Landmark Profits Limited ("Landmark Profits") and Goodco Development Limited ("Goodco") respectively, both are the wholly-owned subsidiaries of Easyknit International Holdings Limited ("Easyknit"). Sea Rejoice Limited is interested in approximately 19.09% of the total number of issued shares of Easyknit and it is wholly-owned by Ms. Lui Yuk Chu, a Director. As for the 1,560,727,272 underlying shares, they comprise of (i) 100,000,000 conversion shares (subject to adjustment) to be issued upon the full conversion of a convertible note held by Goodco and convertible into shares; (ii) 188,000,000 conversion shares (subject to adjustment) to be issued upon the full conversion of a convertible note held by Goodco and convertible into shares; and (iii) 1,272,727,272 conversion shares (subject to adjustment) to be issued upon the full conversion of a convertible note held by Goodco and convertible into shares.</p> | <p>(i) 於739,330,692股股份中，93,549,498股股份及645,781,194股股份分別以Landmark Profits Limited (「Landmark Profits」)及佳豪發展有限公司(「佳豪」)之名義登記及由其實益擁有，該等公司為永義國際集團有限公司(「永義」)之全資附屬公司。樂洋有限公司於永義已發行股份總數中擁有約19.09%之權益而其由董事雷玉珠女士全資擁有。而該1,560,727,272股相關股份包括(i)由佳豪持有並可兌換為股份之可換股票據獲悉數兌換時發行之100,000,000股兌換股份(可予調整)；(ii)由佳豪持有並可兌換為股份之可換股票據獲悉數兌換時發行之188,000,000股兌換股份(可予調整)；及(iii)由佳豪持有並可兌換為股份之可換股票據獲悉數兌換時發行之1,272,727,272股兌換股份(可予調整)。</p> |
| <p>(ii) These underlying shares are share options granted by the Company on 14 October 2016 to Mr. Koon Wing Yee, the spouse of Ms. Lui Yuk Chu, under the Share Option Scheme. By virtue of SFO, Ms. Lui Yuk Chu is deemed to be interested in these 11,300,000 underlying shares held by Mr. Koon Wing Yee.</p> | <p>(ii) 此等相關股份均為本公司於2016年10月14日根據購股權計劃授予官永義先生(雷玉珠女士之配偶)之購股權之權益。根據證券及期貨條例，雷玉珠女士被視為於該11,300,000股官永義先生持有的相關股份中擁有權益。</p> |
| <p>(iii) These underlying shares are share options granted by the Company 14 October 2016 to Ms. Lui Yuk Chu under the share option scheme adopted and approved by the shareholders of the Company at the annual general meeting of the Company held on 29 June 2012 (the "Share Option Scheme").</p> | <p>(iii) 此等相關股份均為本公司於2016年10月14日根據本公司股東於2012年6月29日舉行的股東週年大會上通過並批准的購股權計劃(「購股權計劃」)授予雷玉珠女士之購股權之權益。</p> |
| <p>(iv) These underlying shares are share options granted by the Company on 14 October 2016 to Mr. Kwong Jimmy Cheung Tim under the Share Option Scheme.</p> | <p>(iv) 此等相關股份均為本公司於2016年10月14日根據購股權計劃授予鄭長添先生之購股權之權益。</p> |

Disclosure of Interests

權益披露

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

Save as disclosed above, as at 30 September 2019, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the Share Option Scheme, at no time during the six months ended 30 September 2019 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18, was granted any right to subscribe for the equity or debt securities of the Company or any other body corporate nor had exercised any such right.

董事及主要執行人員於股份、相關股份及債權證之權益(續)

除上文所披露者外，於2019年9月30日，本公司董事或主要執行人員概無於本公司及其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及第8分部條文須知會本公司及聯交所的任何權益或淡倉(包括彼等根據證券及期貨條例之該等條文被視為擁有的權益或淡倉)，或記載於本公司按證券及期貨條例第352條須存置之登記冊內的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉。

董事認購股份或債權證之權利

本公司或其任何附屬公司於截至2019年9月30日止六個月內任何時間概無訂立任何安排，致使本公司董事可藉購買本公司或任何其他法人團體之股份或債權證而獲益，以及並無董事或其配偶或18歲以下之子女獲授予任何權利以認購本公司或其他法人團體之股本或債務證券，或已行使任何該等權利。

Disclosure of Interests 權益披露

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

主要股東於股份及相關股份之權益

Long positions in ordinary shares and underlying shares of the Company

於本公司普通股股份及相關股份之好倉

Name of substantial shareholder	Notes	Capacity	Number of ordinary shares held	Number of underlying shares held	Total	Approximate percentage of the total issued shares of the Company 佔本公司 已發行股份 總數之 概約百分比
主要股東名稱	附註	身份	持有普通股 股份數目	持有相關 股份數目	總計	
Koon Wing Yee 官永義	i	Interest of spouse 配偶權益	739,330,692	1,572,027,272	2,311,357,964	
	ii	Beneficial owner 實益擁有人	—	11,300,000	11,300,000	
					2,322,657,964	62.34%
Goodco 佳豪	i	Beneficial owner 實益擁有人	645,781,194	1,560,727,272	2,206,508,466	59.22%
Easyknit 永義	i & iii	Interest of controlled corporation 受控制法團之權益	739,330,692	1,560,727,272	2,300,057,964	61.73%
Magical Profits Limited	i & iii	Interest of controlled corporation 受控制法團之權益	739,330,692	1,560,727,272	2,300,057,964	61.73%
Accumulate More Profits Limited	i & iii	Interest of controlled corporation 受控制法團之權益	739,330,692	1,560,727,272	2,300,057,964	61.73%
The Winterbotham Trust Company Limited 溫特博森信託有限公司	i & iii	Trustee 信託人	739,330,692	1,560,727,272	2,300,057,964	61.73%

Disclosure of Interests

權益披露

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES (CONTINUED)

主要股東於股份及相關股份之權益(續)

Long positions in ordinary shares and underlying shares of the Company (continued)

於本公司普通股股份及相關股份之好倉(續)

Name of substantial shareholder	Notes	Capacity	Number of ordinary shares held	Number of underlying shares held	Total	Approximate percentage of the total issued shares of the Company 佔本公司已發行股份總數之概約百分比
主要股東名稱	附註	身份	持有普通股股份數目	持有相關股份數目	總計	
Winterbotham Holdings Limited	iii	Interest of controlled corporation 受控制法團之權益	739,330,692	1,560,727,272	2,300,057,964	61.73%
Markson International Holding Limited	iii	Interest of controlled corporation 受控制法團之權益	739,330,692	1,560,727,272	2,300,057,964	61.73%
Christopher Geoffrey Douglas Hooper	iii	Interest of controlled corporation 受控制法團之權益	739,330,692	1,560,727,272	2,300,057,964	61.73%
Ivan Geoffrey Douglas Hooper	iii	Interest of controlled corporation 受控制法團之權益	739,330,692	1,560,727,272	2,300,057,964	61.73%
Sea Rejoice Limited 樂洋有限公司	i	Interest of controlled corporation 受控制法團之權益	739,330,692	1,560,727,272	2,300,057,964	61.73%
Madian Star Limited	iv	Beneficial owner 實益擁有人	349,290,000	673,333,333	1,022,623,333	27.45%
Hu Rong 胡榮		Beneficial owner 實益擁有人	709,050,000	—	709,050,000	19.03%

Disclosure of Interests 權益披露

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES (CONTINUED)

主要股東於股份及相關股份之權益(續)

Long positions in ordinary shares and underlying shares of the Company (continued)

於本公司普通股股份及相關股份之好倉(續)

Notes:

附註：

- i. In the 739,330,692 shares, 93,549,498 shares and 645,781,194 shares are registered in the name of and beneficially owned by Landmark Profits Limited and Goodco respectively, both are the wholly-owned subsidiaries of Easyknit. Sea Rejoice Limited, which is wholly-owned by Ms. Lui Yuk Chu, a Director, is interested in approximately 19.09% of the issued share capital of Easyknit. Magical Profits Limited is interested in approximately 31.95% of the issued share capital of Easyknit. Magical Profits Limited is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by The Winterbotham Trust Company Limited as the trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu's family members other than herself and her spouse). As for the 1,572,027,272 underlying shares, 1,560,727,272 underlying shares comprise of (i) 100,000,000 conversion shares (subject to adjustment) to be issued upon the full conversion of a convertible note held by Goodco and convertible into shares; (ii) 188,000,000 conversion shares (subject to adjustment) to be issued upon the full conversion of a convertible note held by Goodco and convertible into shares; (iii) 1,272,727,272 conversion shares (subject to adjustment) to be issued upon the full conversion of a convertible note held by Goodco and convertible into shares. The remaining 11,300,000 underlying share are interests through share options granted to Ms. Lui Yuk Chu on 14 October 2016 under the Share Option Scheme. Ms. Lui Yuk Chu is the spouse of Mr. Koon Wing Yee. By virtue of the SFO, Mr. Koon Wing Yee, being the spouse of Ms. Lui Yuk Chu, is deemed to be interested in the 739,330,692 shares and the 1,572,027,272 underlying shares of Ms. Lui Yuk Chu.
- ii. These underlying shares are interests through share options granted by the Company on 14 October 2016 to Mr. Koon Wing Yee under the Share Option Scheme.

- i. 於該739,330,692股股份中，93,549,498股及645,781,194股分別以Landmark Profits及佳豪之名義登記及由其實益擁有，該等公司為永義之全資附屬公司。由董事雷玉珠女士全資擁有之樂洋有限公司於永義之已發行股本中擁有約19.09%權益。Magical Profits Limited於永義之已發行股本中擁有約31.95%權益。Magical Profits Limited由Accumulate More Profits Limited全資擁有，而Accumulate More Profits Limited由The Magical 2000 Trust（其受益人包括雷玉珠女士之家族成員，但不包括其本人及其配偶）之信託人溫特博森信託有限公司全資擁有。至於該1,572,027,272股相關股份，1,560,727,272股相關股份中包括(i)由佳豪持有並可兌換為股份之可換股票據獲悉數兌換時發行之100,000,000股兌換股份（可予調整）；(ii)由佳豪持有並可兌換為股份之可換股票據獲悉數兌換時發行之188,000,000股兌換股份（可予調整）；及(iii)由佳豪持有並可兌換為股份之可換股票據獲悉數兌換時發行之1,272,727,272股兌換股份（可予調整）。其餘11,300,000股相關股份為透過於2016年10月14日根據購股權計劃授予雷玉珠女士之購股權之權益。雷玉珠女士為官永義先生之配偶。根據證券及期貨條例，官永義先生（即雷玉珠女士之配偶）被視為於雷玉珠女士持有之739,330,692股股份及1,572,027,272股相關股份中擁有權益。
- ii. 此等相關股份為透過本公司於2016年10月14日根據購股權計劃授予官永義先生之購股權之權益。

Disclosure of Interests

權益披露

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES (CONTINUED)

Long positions in ordinary shares and underlying shares of the Company (continued)

Notes: (continued)

- iii. The Winterbotham Trust Company Limited is trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu's family members other than herself and her spouse). The Winterbotham Trust Company Limited is owned as to 75% by Winterbotham Holdings Limited ("Winterbotham Holdings") and 25% by Markson International Holding Limited ("Markson") respectively. Winterbotham Holdings is owned as to approximately 99.99% by Mr. Christopher Geoffrey Douglas Hooper. Approximately 99.99% of Markson is owned by Mr. Ivan Geoffrey Douglas Hooper.
- iv. The 673,333,333 underlying shares are the outstanding convertible shares to be issued upon the full conversion of the convertible note issued by the Company to Madian Star Limited on 12 June 2015.

Save as disclosed above, as at 30 September 2019, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register kept by the Company under Section 336 of the SFO.

主要股東於股份及相關股份之權益(續)

於本公司普通股股份及相關股份之好倉(續)

附註：(續)

- iii. 溫特博森信託有限公司為The Magical 2000 Trust(其受益人包括雷玉珠女士之家族成員，但不包括其本人及其配偶)之信託人。Winterbotham Holdings Limited(「Winterbotham Holdings」)及Markson International Holding Limited(「Markson」)分別擁有溫特博森信託有限公司75%及25%之權益。Christopher Geoffrey Douglas Hooper先生擁有Winterbotham Holdings約99.99%權益。Ivan Geoffrey Douglas Hooper先生擁有Markson約99.99%權益。
- iv. 該673,333,333股相關股份為將於本公司在2015年6月12日向Madian Star Limited發行之2015年可換股票據獲悉數兌換時發行之未兌換可換股票據。

除上文所披露者外，於2019年9月30日，概無任何人士(董事或本公司主要執行人員除外)曾知會本公司擁有根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露或記載於本公司按證券及期貨條例第336條須存置之登記冊內的本公司股份或相關股份之權益或淡倉。

Disclosure of Interests 權益披露

SHARE OPTION SCHEME

On 29 June 2012, a share option scheme (the "Share Option Scheme") was adopted and approved by the shareholders of the Company for a period of 10 years commencing on the adoption date whereby the Board, may at its discretion, grant share options to any eligible participants to subscribe for the shares in the Company subject to the terms and conditions as stipulated in the Share Option Scheme. The Share Option Scheme will expire on 28 June 2022. On 14 October 2016, the Company granted a total of 113,000,000 share options under the Share Option Scheme with the exercise period from 14 October 2016 to 13 October 2019. All the outstanding share options granted under the Share Option Scheme had been lapsed following the expiry of the exercise period on 14 October 2019. Below are the movements of such share options from the date of grant to the date of this report:

購股權計劃

於2012年6月29日，本公司股東已採納及批准一項購股權計劃（「該計劃」），年期由採納日期起計10年。自採納日期起，董事會可酌情向任何合資格認購本公司股份人士授出購股權，惟須受該計劃的條款及細則所限。於2016年10月14日，本公司根據購股權計劃授出合共113,000,000購股權，行使期由2016年10月14日至2019年10月13日。所有未獲行使之購股權隨行使期於2019年10月14日期滿而失效。以下為該等購股權自授出日期至本報告日期之變動：

Category and name of participant(s)	Date of grant	Exercise period	Exercise price per share	At the date of grant	Balance as at 01/04/2019 and 30/09/2019 於2019年4月1日及2019年9月30日之結餘	Number of share options 購股權數目			Balance as at the date of this report 於本報告之結餘
						Exercised	Cancelled	Lapsed	
<i>Directors</i>									
<i>董事</i>									
KWONG Jimmy Cheung Tim 鄭長添	14/10/2016	14/10/2016– 13/10/2019	0.176	11,300,000	11,300,000	-	-	(11,300,000)	0
LUI Yuk Chu 雷玉珠	14/10/2016	14/10/2016– 13/10/2019	0.176	11,300,000	11,300,000	-	-	(11,300,000)	0
<i>Other participants</i> <i>其他參與者</i>	14/10/2016	14/10/2016– 13/10/2019	0.176	90,400,000	45,200,000	-	-	(45,200,000)	0
Total 合計	-	-	-	113,000,000	67,800,000	-	-	(67,800,000)	0

Disclosure of Interests 權益披露

SHARE OPTION SCHEME (CONTINUED)

At the annual general meeting of the Company held on 1 August 2019, the scheme mandate limit for the Share Option Scheme was refreshed to allow the Company to issue a maximum of 310,583,205 share options under the Share Option Scheme. Save as disclosed above, there were no outstanding share options granted under the Share Option Scheme as at the date of this report.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's issued shares were held by the public as at the date of this report.

購股權計劃(續)

於2019年8月1日舉行之本公司股東週年大會上，購股權計劃之計劃授權獲更新，批准本公司根據購股權計劃發行最多310,583,205份購股權。除上述所披露者外，於本報告日期，概無購股權計劃下尚未授予之購股權。

公眾持股量

根據本公司可公開獲得的資料及董事所知，於本報告日期，本公司已發行股份的至少25%由公眾持有。

Corporate Governance and Other Information 企業管治及其他資料

CORPORATE GOVERNANCE

The Company has applied the principles and complied with all the code provisions as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 of the Listing Rules during the Period, with the exception of the following deviations:

Code Provision A.2.1

The roles of chairman and chief executive should be separate and should not be performed by the same individual

Under code provision A.2.1 of the CG Code provides that the roles of Chairman and Chief Executive should be separate and should not be performed by the same individual. Mr. Kwong Jimmy Cheung Tim serves as Chairman as well as Chief Executive Officer of the Company and this dual leadership role has been adopted by the Company for a number of years. Such deviation is deemed appropriate as it is considered to be more efficient to have one single person to be the Chairman of the Company as well as to discharge the executive functions of the Chief Executive thereby enabling more effective planning and better execution of long-term strategies. The Board believes that the balance of power and authority is adequately ensured by the operations and governance of the Board which comprises experienced and high calibre individuals, with over half of them being independent non-executive Directors. The Company will review the current structure when and as it becomes appropriate.

企業管治

於本期間，本公司一直遵守上市規則附錄14所載《企業管治守則》（「企業管治守則」）之原則及所有守則條文，惟下文所披露之偏離情況除外：

守則條文第A.2.1條

主席與行政總裁之角色應有區分，並不應由一人同時兼任

根據企業管治守則第A.2.1條守則條文之規定，主席與行政總裁之角色應有區分，並不應由一人同時兼任。鄭長添先生同時擔任本公司主席及首席行政總裁，而此雙角色領導模式於本公司推行已久且行之有效。此偏離情況被視為恰當，原因是由同一人擔任本公司主席兼履行首席行政總裁的執行職能被視為更具效率，能提高長遠策略的有效規劃及執行表現。董事會認為董事會成員不乏經驗豐富及具才幹之人士（其中逾半數為獨立非執行董事），其營運及管治足以確保權力及職能平衡。本公司將於適當時檢討現行架構。

Corporate Governance and Other Information

企業管治及其他資料

CORPORATE GOVERNANCE (CONTINUED)

Code Provision C.2.5

The issuer should have an internal audit function

Code provision C.2.5 of the CG Code provides that the Group should have an internal audit function. The Group does not have an internal audit function. During the year ended 31 March 2019, the Board reviewed the effectiveness of the internal control system of the Group and there were no major issues but areas for improvement have been identified by the Audit Committee and appropriate measures have been taken. In addition, the Board was of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. The situation will be reviewed annually.

企業管治(續)

守則條文第C.2.5條

發行人應設立內部審核功能

企業管治守則第C.2.5條守則條文規定本集團應設立內部審核功能。本集團沒有設立內部審核功能。於2019年3月31日之年度，董事會已對本集團內部監控制度的有效性進行了檢討，並沒有發現重大問題，但審核委員會已經確定有待改進的範疇，並採取了適當措施。此外，董事會認為，鑑於本集團業務規模、性質及複雜性，本集團目前並無設立內部審核功能的急切需要。本集團將每年審查上述情況。

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of the Directors since the date of the Company's latest published 2019 Annual Report and up to the date of this report are set out below:

董事資料的變動

根據上市規則第13.51B(1)條，董事資料自本公司最近刊發之2019年年報日期起至本報告日期止之變動如下：

- (a) Mr. Foo Tak Ching has retired as an independent non-executive Director and ceased to be a member of the audit committee and remuneration committee of the Company and the chairman of the nomination committee of the Company (the "Nomination Committee") at the conclusion of the annual general meeting of the Company held on 1 August 2019.

- (a) 傅德楨先生於2019年8月1日本公司之股東週年大會結束時退任獨立非執行董事職務，並同時停任本公司審核委員會及薪酬委員會之成員及提名委員會之主席。

Corporate Governance and Other Information 企業管治及其他資料

CHANGES IN DIRECTORS' INFORMATION (CONTINUED)

董事資料的變動(續)

- | | |
|--|--|
| <p>(b) Mr. Wu Koon Yin Welly has been appointed as the chairman of the Nomination Committee with effect from 1 August 2019.</p> | <p>(b) 吳冠賢先生獲委任為本公司提名委員會之主席，自2019年8月1日起生效。</p> |
| <p>(c) There were changes to the directorships of each of Mr. Kwong Jimmy Cheung Tim and Ms. Lui Yuk Chu in certain members of the Group.</p> | <p>(c) 鄭長添先生及雷玉珠女士各自於本集團若干成員公司所擔任的董事職務上有所替換。</p> |
| <p>(d) The director's fee of Ms. Lui Yuk Chu, executive Director, was changed from HK\$2,400,000 per annum to HK\$2,640,000 per annum with effect from 1 April 2019.</p> | <p>(d) 執行董事雷玉珠女士之董事袍金由每年2,400,000港元更改至每年2,640,000港元。自2019年4月1日起生效。</p> |

Save as disclosed above, there is no other change in information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

除上文所披露者外，概無其他董事資料變動須根據上市規則第13.51B(1)條須予披露。

COMPLIANCE WITH THE MODEL CODE

遵守標準守則

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by directors, who are likely to be in possession of inside information in relation to the securities of the Company. All Directors have confirmed, following specific enquiries by the Company, their compliance with the required standards set out in the Model Code throughout the Period.

本公司已採納上市規則附錄10所載之標準守則，作為其本身有關董事(可能擁有與本公司證券有關的內幕消息)進行證券交易之行為守則。經本公司作出具體查詢後，所有董事確認，彼等於本期間內一直遵守標準守則所規定之準則。

Corporate Governance and Other Information

企業管治及其他資料

AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Kan Ka Hon (Chairman of the Audit Committee), Mr. Lau Sin Ming and Mr. Wu Koon Yin Welly. The Audit Committee has reviewed with the management on the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, including the review of the unaudited interim condensed consolidated financial statements for the six months ended 30 September 2019, the interim results announcement and this interim report.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Period.

EMPLOYEES

As at 30 September 2019, the Group had 59 employees (30 September 2018: 54). Staff costs (including Directors' emoluments) amounted to approximately HK\$10,627,000 for the Period (2018 Period: approximately HK\$10,087,000). The Group remunerates its employees based on their performance, experience and prevailing industry practice. The Group has participated in the Mandatory Provident Fund Scheme for the Hong Kong's employees and has made contributions to the state-sponsored pension scheme operated by the PRC government for the PRC employees. The Group has a share option scheme to motivate valued employees.

審核委員會

審核委員會現時由3位獨立非執行董事組成，分別為簡嘉翰先生(審核委員會主席)、劉善明先生及吳冠賢先生。審核委員會已與管理層審閱本集團採納之會計準則及常規，並討論審核、內部監控和財務報告等事項，包括審閱截至2019年9月30日止六個月之未經審核中期簡明綜合財務報表及本中期業績公佈。

購買、出售及贖回本公司之上市證券

於本期間，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

僱員

於2019年9月30日，本集團有59名員工(2018年9月30日：54名)。於本期間，員工成本(包括董事酬金)約為10,627,000港元(2018期間：約10,087,000港元)。本集團根據僱員之表現、經驗及現行業內慣例而釐定彼等之薪酬。本集團已參與為香港僱員設立之強制性公積金計劃，並為中國僱員向中國政府設立之國家資助退休金計劃作出供款。本集團設有購股權計劃，以鼓勵優秀員工。

Corporate Governance and Other Information 企業管治及其他資料

EVENTS AFTER THE END OF THE REPORTING PERIOD

The Company intends to effect share consolidation on the basis that every twenty (20) issued and unissued Shares of HK\$0.01 each will be consolidated into one (1) issued consolidated Share of HK\$0.20, and upon the share consolidation having become effective, issue rights Shares at the subscription price of HK\$0.483 per rights Share on the basis of four (4) rights Shares for every one (1) consolidated Share. These are subject to, inter alia, the Company's independent shareholders' approval at the special general meeting of the Company to be held in January 2020. Further information can be found in the announcements of the Company dated 6 November 2019 and 18 November 2019 and the circular to be published by the Company in December 2019.

FORWARD LOOKING STATEMENTS

Certain information in this interim report contains forward-looking statements relating to the Group. These statements are based on the current beliefs, predictions, assumptions, projections and expectations of the Board towards the industries and markets in which the Group operates. These forward-looking statements do not guarantee or assure future performance or development of the Group and are subject to risks and uncertainties which might cause deviations from those expressed or implied statements. Investors and shareholders are advised not to place reliance on any forward-looking statements.

報告期末後事項

本公司擬進行股份合併，將每二十(20)股已發行及未發行每股0.01港元的股份合併為一(1)股0.20港元的已發行合併股份，並待股份合併生效後供股，每持有一(1)股合併股份將獲發四(4)股供股股份，認購價為每股供股股份0.483港元。上述需獲(其中包括)本公司獨立股東於2020年1月舉行之股東特別大會批准。詳情載了列於本公司日期為2019年11月6日及2019年11月18日之公佈及本公司將於2019年12月刊發之通函。

前瞻性陳述

本中期報告中的若干資料載有與本集團有關的前瞻性陳述。該等陳述乃基於董事會對本集團經營所在行業及市場的現有信念、預測、假設、預算及預期。該等前瞻性陳述不保證或確保本集團未來的業績或發展，並受可能導致偏離該等明示或暗示陳述的風險和不確定因素影響。投資者及股東不可依賴任何前瞻性陳述。

Corporate Governance and Other Information

企業管治及其他資料

ACKNOWLEDGEMENT

The Board would like to offer its sincere gratitude to the management team and all other employees for their hard work and dedication. Their excellence and commitment are of vital importance in enhancing the Company's growth.

Finally, the Board would like to take this opportunity to thank the shareholders of the Company and all other stakeholders for their continuous support and confidence in the Company.

By Order of the Board
Eminence Enterprise Limited

Kwong Jimmy Cheung Tim
Chairman and Chief Executive Officer

Hong Kong, 20 November 2019

In case of any inconsistency, the English version of this interim report shall prevail over the Chinese version.

致謝

董事會謹向管理層團隊及所有其他僱員的努力及熱誠，致以真誠的謝意。彼等的卓越表現及承擔對提高本公司的發展起著關鍵作用。

最後，董事會藉此機會感謝本公司各股東及所有其他利益相關者一直以來對本公司的鼎力支持及信任。

承董事會命
高山企業有限公司

主席兼首席行政總裁
鄭長添

香港，2019年11月20日

本中期報告之中，英文版如有任何歧義，概以英文版為準。

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收益表

For the six months ended 30 September 2019 截至2019年9月30日止六個月

		Six months ended 30 September 截至9月30日止六個月	
		2019 HK\$'000 千港元 (Unaudited) (未經審核)	2018 HK\$'000 千港元 (Unaudited) (未經審核) (Restated) (重列)
NOTES 附註			
Revenue	營業額		
Rental income	租金收入	23,899	14,502
Management fee income	管理費收入	5,993	5,681
Interest income from loan financing	來自貸款融資之利息收入	10,058	9,035
		39,950	29,218
Cost of services rendered	提供服務成本	(2,088)	(1,547)
		37,862	27,671
Other income	其他收入	4,593	4,858
Other gains and losses	其他收益及虧損	(374)	(551)
Other expenses	其他開支	(43)	(28)
Distribution and selling expenses	經銷成本	—	(76)
Administrative expenses	行政開支	(27,992)	(22,876)
Net loss on modification of terms of convertible note	更改可換股票據條款之虧損淨額	(37,526)	—
Loss on changes in fair value of investment properties	投資物業之公平值變動虧損	(1,714)	(2,288)
Impairment loss on properties held for development for sale	持作出售發展物業之減值虧損	(24,051)	—
Impairment loss on financial assets, net of reversal:	金融資產之減值虧損，扣除撥回：		
– Debt instruments at fair value through other comprehensive income	– 按公平值計入其他全面收益之債務工具	(185)	—
– Loans receivable	– 應收貸款	606	(2,321)
Loss on changes in fair value of financial assets at fair value through profit or loss	按公平值計入損益之金融資產之公平值變動虧損	(6,992)	(25,483)
Gain on disposal of subsidiaries	出售附屬公司之收益	57,511	—
Finance costs	融資成本	(14,198)	(19,420)
Loss before taxation	除稅前虧損	(12,503)	(40,514)
Taxation	稅項	134	922

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收益表

For the six months ended 30 September 2019 截至2019年9月30日止六個月

		Six months ended 30 September 截至9月30日止六個月	
		2019 HK\$'000 千港元 (Unaudited) (未經審核)	2018 HK\$'000 千港元 (Unaudited) (Restated) (重列)
NOTE 附註			
Loss for the period attributable to owners of the Company	本公司股東應佔本期間虧損	(12,369)	(39,592)
Other comprehensive (expense) income:	其他全面(開支)收入：		
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>隨後可能重新分類至損益之項目：</i>		
Exchange differences arising on translation of financial statements of foreign operations	換算海外營運於財務報表之匯兌差異	(25,841)	(37,825)
Change in fair value of debt instruments at fair value through other comprehensive income	按公平值計入其他全面收益之債務工具公平值變動	(988)	—
Impairment loss on debt instruments at fair value through other comprehensive income included in profit or loss	計入損益之按公平值計入其他全面收益之債務工具之減值虧損	185	—
Other comprehensive expense for the period	本期間其他全面開支	(26,644)	(37,825)
Total comprehensive expense for the period attributable to owners of the Company	本公司股東應佔本期間全面開支總額	(39,013)	(77,417)
Basic and diluted loss per share (HK cents)	每股基本及攤薄虧損(港仙)	7 (0.38)	(1.33)

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 September 2019 於2019年9月30日

			30 September 9月30日 2019 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2019 HK\$'000 千港元 (Audited) (經審核)
	NOTES 附註			
Non-current assets		非流動資產		
Property, plant and equipment	8	物業、廠房及設備	3,695	3,686
Right-of-use assets		使用權資產	2,228	–
Investment properties	9	投資物業	1,332,266	1,359,361
Loans receivable	10	應收貸款	13,580	29,676
Financial assets at fair value through profit or loss	14	按公平值計入損益之金融資產	18,864	13,903
Debt instruments at fair value through other comprehensive income	11	按公平值計入其他全面收益之債務工具	39,996	11,826
Deposits paid for acquisition of a subsidiary	26(a)	收購附屬公司之已付按金	50,000	–
			1,460,629	1,418,452
Current assets		流動資產		
Properties held for development for sale	12	持作出售發展物業	1,801,982	1,730,263
Trade and other receivables	13	貿易及其他應收款項	12,662	8,797
Loans receivable	10	應收貸款	278,542	306,334
Financial assets at fair value through profit or loss	14	按公平值計入損益之金融資產	94,031	108,323
Debt instruments at fair value through other comprehensive income	11	按公平值計入其他全面收益之債務工具	–	4,031
Deposits paid for acquisition of properties held for development for sale		收購持作出售發展物業之已付按金	141,900	–
Bank deposits with original maturity of more than three months	15	超過三個月到期之銀行存款	13,498	12,763
Bank balances and cash	15	銀行結餘及現金	145,299	141,582
			2,487,914	2,312,093
Assets classified as held for sale – investment properties	9	分類為持作出售之資產 – 投資物業	–	304,000
			2,487,914	2,616,093

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 September 2019 於2019年9月30日

			30 September 9月30日 2019 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2019 HK\$'000 千港元 (Audited) (經審核)
	NOTES 附註			
Current liabilities		流動負債		
Trade and other payables		貿易及其他應付款項		
	17		113,581	120,798
Tax payable		應付稅項	8,606	8,705
Convertible notes		可換股票據	80,644	62,986
Secured bank borrowings		有抵押銀行借貸	362,100	354,620
Lease liabilities		租賃負債	2,248	—
			567,179	547,109
Net current assets		流動資產淨值	1,920,735	2,068,984
Total assets less current liabilities		資產總額減流動負債	3,381,364	3,487,436
Non-current liabilities		非流動負債		
Deferred tax liabilities		遞延稅項負債	32,173	32,657
Secured bank borrowings		有抵押銀行借貸	560,342	720,609
			592,515	753,266
			2,788,849	2,734,170
Capital and reserves		資本及儲備		
Share capital		股本	37,258	29,658
Reserves		儲備	2,751,591	2,704,512
			2,788,849	2,734,170

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 September 2019 截至2019年9月30日止六個月

	Share capital	Share premium	Convertible note equity reserve	Capital reserve	Contributed surplus	Exchange reserve	Investment revaluation reserve	Property revaluation reserve	Share options reserve	Accumulated profits	Total
	股本	股份溢價	可換股票據權益儲備	股本儲備	繳入盈餘	匯兌儲備	投資重估儲備	物業重估儲備	購股權儲備	累計溢利	總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2018 (audited)	29,658	2,076,148	63,988	53,194	261,126	41,079	-	40,624	1,652	141,435	2,708,904
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	-	-	(37,825)	-	-	-	-	(37,825)
Loss for the period	-	-	-	-	-	-	-	-	-	(39,592)	(39,592)
Total comprehensive expense for the period	-	-	-	-	-	-	-	-	-	-	-
Transfer upon cancellation of share options	-	-	-	-	-	-	-	-	(197)	197	-
At 30 September 2018 (unaudited)	29,658	2,076,148	63,988	53,194	261,126	3,254	-	40,624	1,455	102,040	2,631,487
At 1 April 2019 (audited)	29,658	2,076,148	56,646	53,194	261,126	14,900	758	40,624	1,257	198,859	2,734,170
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	-	-	(25,841)	-	-	-	-	(25,841)
Change in fair value of debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	(988)	-	-	-	(988)
Impairment loss on debt instruments at fair value through other comprehensive income included in profit or loss	-	-	-	-	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	-	185	-	-	-	185
At 30 September 2019 (unaudited)	-	-	-	-	-	-	-	-	-	(12,369)	(12,369)

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 September 2019 截至2019年9月30日止六個月

	Share capital	Share premium	Convertible equity reserve	Capital reserve	Contributed surplus	Exchange reserve	Investment revaluation reserve	Property revaluation reserve	Share options reserve	Accumulated profits	Total
	股本	股份溢價	可換股票據權益儲備	股本儲備	繳入盈餘	匯兌儲備	投資重估儲備	物業重估儲備	購股權儲備	累計溢利	總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Total comprehensive expense for the period	-	-	-	-	-	(25,841)	(803)	-	-	(12,389)	(38,013)
Recognition of equity component of convertible notes	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liability on recognition of equity component of convertible notes	-	-	30,213	-	-	-	-	-	-	-	30,213
Transfer upon modification of terms of convertible note	-	-	(4,985)	-	-	-	-	-	-	-	(4,985)
Deferred tax liabilities released upon modification of terms of convertible note	-	-	(48,710)	-	-	-	-	-	-	48,710	-
Recognition upon modification of terms of convertible note	-	-	6,132	-	-	-	-	-	-	-	6,132
Deferred tax liability on recognition of equity component upon modification of terms of convertible note	-	-	42,456	-	-	-	-	-	-	-	42,456
Issue of shares on conversion of convertible note	-	-	(7,005)	-	-	-	-	-	-	-	(7,005)
Deferred tax liability released upon conversion of convertible note	7,600	38,000	(22,418)	-	-	-	-	-	-	-	23,182
	-	-	3,699	-	-	-	-	-	-	-	3,699
At 30 September 2019 (unaudited)	37,258	2,114,148	56,028	53,194	261,126	(10,941)	(45)	40,624	1,257	236,200	2,786,849

於2019年9月30日(未經審核)

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 September 2019 截至2019年9月30日止六個月

The capital reserve of the Group represents the credit arising from the reduction of share capital of the Company in March 2004 and September 2005 and can be applied in the future for distribution to the shareholders.

本集團之股本儲備代表來自2004年3月及2005年9月削減本公司股本之進賬以及可供將來分派予股東。

The contributed surplus of the Group represents the credit arising from the reduction of share capital of the Company in February 2003, October 2009, December 2012, November 2013, October 2014, March 2015 and October 2015, part of which was applied to set off against accumulated losses of the Company in October 2009, December 2012, November 2013, October 2014, March 2015 and October 2015. The balance may be utilised by the directors in accordance with the Company's Bye-laws and all applicable laws, including to eliminate the accumulated losses of the Company.

本集團之繳入盈餘代表本公司於2003年2月、2009年10月、2012年12月、2013年11月、2014年10月、2015年3月及2015年10月削減股本時所產生之進賬，部分已於2009年10月、2012年12月、2013年11月、2014年10月、2015年3月及2015年10月用作抵銷本公司之累計虧損。董事可根據本公司章程細則及所有適用之法例予以使用該結餘，包括用以抵銷本公司之累計虧損。

The property revaluation reserve of the Group represents the gain on revaluation of certain leasehold properties and prepaid lease payments of the Group when these leasehold properties and prepaid lease payments were transferred to investment properties.

本集團之物業重估儲備代表本集團轉撥出租物業及預付租賃款項至投資物業時重估若干出租物業及預付租賃款項之收益。

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 September 2019 截至2019年9月30日止六個月

		Six months ended 30 September 截至9月30日止六個月	
		2019 HK\$'000 千港元 (Unaudited) (未經審核)	2018 HK\$'000 千港元 (Unaudited) (未經審核)
	Note 附註		
Operating cash flows before movements in working capital	未計營運資金變動前之經營現金流量	13,869	5,755
Increase in properties held for development for sale	持作出售發展物業增加	(45,741)	(231,555)
Decrease (increase) in loans receivable	應收貸款減少(增加)	43,034	(64,386)
(Increase) decrease in financial assets at fair value through profit or loss	按公平值計入損益之金融資產(增加)減少	(1,646)	146,037
(Decrease) increase in trade and other payables	貿易及其他應付款項(減少)增加	(6,527)	179,009
Other cash flows (used in) from operating activities	其他(用於)來自經營活動之現金流量	(25,599)	16,196
Net cash (used in) from operating activities	(用於)來自經營活動之現金淨額	(22,610)	51,056
Investing activities	投資活動		
Net cash outflow on acquisition of properties held for development for sale through acquisition of subsidiaries	透過收購附屬公司收購持作出售發展物業之現金流出淨額	24 (153,833)	—
Deposits paid for acquisition of a subsidiary	收購一間附屬公司之已付按金	(50,000)	—
Purchase of debt instruments at fair value through other comprehensive income	購入按公平值計入其他全面收益之債務工具	(29,946)	—
Additions of investment properties	添置投資物業	(3,072)	(17,496)
Purchase of property, plant and equipment	購入物業、廠房及設備	(975)	(638)

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 September 2019 截至2019年9月30日止六個月

		Six months ended 30 September 截至9月30日止六個月	
		2019 HK\$'000 千港元 (Unaudited) (未經審核)	2018 HK\$'000 千港元 (Unaudited) (未經審核)
Note	附註		
Placement of bank deposits with original maturity of more than three months	敘做超過三個月到期之銀行存款	(735)	—
Net cash inflow on disposal of subsidiaries	出售附屬公司之現金流入淨額	360,997	—
Proceeds from maturity of debt instruments at fair value through other comprehensive income	按公平值計入其他全面收益之債務工具到期之所得款項	4,421	—
Net cash outflow on acquisition of investment properties through acquisition of a subsidiary	透過收購一間附屬公司購入投資物業之現金流出淨額	—	(265,500)
Purchase of financial assets at fair value through profit or loss	購入按公平值計入損益之金融資產	—	(68,832)
Proceeds from disposal of financial assets at fair value through profit or loss	出售按公平值計入損益之金融資產之所得款項	—	67,874
Other investing cash flows	其他投資現金流量	3,133	611
Net cash from (used in) investing activities	來自(用於)投資活動之現金淨額	129,990	(283,981)

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 September 2019 截至2019年9月30日止六個月

		Six months ended 30 September 截至9月30日止六個月	
		2019 HK\$'000 千港元 (Unaudited) (未經審核)	2018 HK\$'000 千港元 (Unaudited) (未經審核)
	Note 附註		
Financing activities	融資活動		
Proceeds from issue of convertible notes	發行可換股票據之所得款項	70,000	—
Bank borrowings raised	籌集銀行借貸	48,815	672,249
Repayment of bank borrowings	償還銀行借貸	(201,601)	(417,394)
Interest paid	已付利息	(19,376)	(25,497)
Repayment of lease liabilities	租賃負債償還	(1,248)	—
Interest paid on lease liabilities	租賃負債之已付利息	(52)	—
Net cash (used in) from financing activities	(用於)來自融資活動之現金淨額	(103,462)	229,358
Net increase (decrease) in cash and cash equivalents	現金及等同現金之淨額減少	3,918	(3,567)
Cash and cash equivalents at beginning of the period	期初之現金及等同現金	141,582	125,422
Effect of foreign exchange rate changes	外匯匯率變動之影響	(201)	1,211
Cash and cash equivalents at end of the period, represented by bank balances and cash	期末之現金及等同現金，指銀行結餘及現金	145,299	123,066

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

1. GENERAL INFORMATION AND BASIS OF PREPARATION

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

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Stock Exchange.

The Company is an associate of Easyknit International Holdings Limited (“Easyknit International”), an exempted company incorporated in Bermuda with its shares also listed on the Stock Exchange. At 30 September 2019, Easyknit International had 19.84% (31 March 2019: 24.93%) of the issued share capital of the Company.

1. 一般資料及編製基準

高山企業有限公司(「本公司」; 本公司及其附屬公司稱為「本集團」)之簡明綜合財務報表乃根據香港會計師公會(「香港會計師公會」)所頒佈之香港會計準則(「香港會計準則」)第34號「中期財務報告」及香港聯合交易所有限公司(「聯交所」)證券上市規則附錄16適用之披露規定而編製。

本公司於百慕達註冊成立之獲豁免有限公司，其股份於聯交所上市。

本公司為永義國際集團有限公司(「永義國際」)之聯營公司，一間於百慕達註冊成立為獲豁免之有限公司而其股份亦於聯交所上市。於2019年9月30日，永義國際持有本公司已發行股本之19.84%(2019年3月31日：24.93%)。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2019 are the same as those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2019.

2. 主要會計政策

簡明綜合財務報表除投資物業及若干金融工具以公平值計量外(如適用)，乃根據歷史成本法編製。

除應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)導致會計政策變動外，截至2019年9月30日止六個月之簡明綜合財務報表所採納之會計政策及計算方法與本集團編製截至2019年3月31日止年度之全年綜合財務報表所採用者相同。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2. 主要會計政策(續)

Application of new and amendments to HKFRSs

應用新訂及經修訂香港財務報告準則

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2019 for the preparation of the Group's condensed consolidated financial statements:

於本中期期間，本集團已首次應用下列由香港會計師公會所頒佈之新訂及經修訂香港財務報告準則，就編製本集團之簡明綜合財務報表而言，該等準則及修訂乃於2019年4月1日或之後開始之年度期間強制生效：

HKFRS 16	Leases	香港財務報告準則 第16號	租賃
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments	香港(國際財務報告 詮釋委員會) – 詮釋 第23號	所得稅處理之不確定 因素
Amendments to HKFRS 9	Prepayment Features with Negative Compensation	香港財務報告準則 第9號之修訂本	具有負補償之預付 特性
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement	香港會計準則第19號 之修訂本	計劃修訂、縮減或清償
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures	香港會計準則第28號 之修訂本	於聯營公司及合營 企業之長期權益
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle	香港財務報告準則之 修訂本	香港財務報告準則 2015年至2017年 週期之年度改進

Except as described below, the application of the new and amendments to HKFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

除下文所述者外，於本期間應用其他新訂及經修訂香港財務報告準則並無對本集團於本期間及過往期間的財務表現及狀況及／或簡明綜合財務報表所載披露有任何重大影響。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2. 主要會計政策(續)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 “Leases” (“HKFRS 16”)

The Group has applied HKFRS 16 for the first time in the current interim period. HKFRS 16 superseded HKAS 17 “Leases” (“HKAS 17”) and the related interpretations.

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16

The Group applied the following accounting policies in accordance with the transition provisions of HKFRS 16.

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

2.1 應用香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)的影響及會計政策變動

本集團已於本中期期間首次應用香港財務報告準則第16號。香港財務報告準則第16號取代了香港會計準則第17號「租賃」(「香港會計準則第17號」)及其相關詮釋。

2.1.1 應用香港財務報告準則第16號所導致的會計政策的主要變動

本集團已根據香港財務報告準則第16號的過渡條文應用以下會計政策。

租賃的定義

倘合約為換取代價而給予在一段時間內控制已識別資產使用的權利，則該合約為租賃或包含租賃。

就於首次應用日期或之後訂立或修改的合約而言，本集團根據香港財務報告準則第16號的定義於開始或修改日期評估該合約是否為一項租賃或包含一項租賃。除非合約的條款及條件其後出現變動，否則有關合約將不予重新評估。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 “Leases” (“HKFRS 16”) (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

2. 主要會計政策(續)

2.1 應用香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)的影響及會計政策變動(續)

2.1.1 應用香港財務報告準則第16號所導致的會計政策的主要變動(續)

作為承租人

將合約代價分配至各組成部分

對於包含一項租賃組成部分及一項或多項額外的租賃或非租賃組成部分的合約，本集團根據租賃組成部分的相對單獨價格及非租賃組成部分的單獨價格總和將合約代價分配至各個租賃組成部分。

本集團亦採用可行權宜方法，不會分開呈列非租賃組成部分與租賃組成部分，而將租賃組成部分及任何相關的非租賃組成部分入賬列作單一租賃組成部分。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 “Leases” (“HKFRS 16”) (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee (Continued)

Right-of-use assets

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;

2. 主要會計政策(續)

2.1 應用香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)的影響及會計政策變動(續)

2.1.1 應用香港財務報告準則第16號所導致的會計政策的主要變動(續)

作為承租人(續)

使用權資產

除短期租賃及低價值資產租賃外，本集團於租賃開始日期(即相關資產可供使用當日)確認使用權資產。使用權資產按成本減任何累計折舊及減值虧損計量，並於租賃負債重新計量時作出調整。

使用權資產的成本包括：

- 租賃負債的初始計量金額；

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 “Leases” (“HKFRS 16”) (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee (Continued)

Right-of-use assets (Continued)

- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

2. 主要會計政策(續)

2.1 應用香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)的影響及會計政策變動(續)

2.1.1 應用香港財務報告準則第16號所導致的會計政策的主要變動(續)

作為承租人(續)

使用權資產(續)

- 於開始日期或之前作出的任何租賃付款，減任何已收租賃優惠；
- 本集團產生的任何初始直接成本；及
- 本集團於拆解及搬遷相關資產、復原相關資產所在場地或復原相關資產至租賃的條款及條件所規定的狀況時產生的成本估計，惟該等成本因生產存貨而產生除外。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2. 主要會計政策(續)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 “Leases” (“HKFRS 16”) (Continued)

2.1 應用香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)的影響及會計政策變動(續)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

2.1.1 應用香港財務報告準則第16號所導致的會計政策的主要變動(續)

As a lessee (Continued)

作為承租人(續)

Right-of-use assets (Continued)

使用權資產(續)

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

就本集團於租賃期結束時合理確定獲取相關租賃資產所有權的使用權資產而言，有關使用權資產自開始日期起至可使用年期結束期間計提折舊。否則，使用權資產按直線基準於其估計可使用年期及租賃期(以較短者為準)內計提折舊。

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line item on the condensed consolidated statement of financial position. The right-of-use assets that meet the definition of investment property are presented within “investment properties”.

本集團於簡明綜合財務狀況表內將不符合投資物業定義的使用權資產呈列為單獨項目。符合投資物業定義的使用權資產呈列於「投資物業」內。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2. 主要會計政策(續)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 “Leases” (“HKFRS 16”) (Continued)

2.1 應用香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)的影響及會計政策變動(續)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

2.1.1 應用香港財務報告準則第16號所導致的會計政策的主要變動(續)

As a lessee (Continued)

作為承租人(續)

Leasehold land and building

租賃土地及樓宇

For payments of a property interest which includes both leasehold land and building elements, the entire property is presented as property, plant and equipment of the Group when the payments cannot be allocated reliably between the leasehold land and building elements, except for those that are classified and accounted for as investment properties.

就物業權益(包括租賃土地及樓宇部分)的付款而言,當有關付款無法於租賃土地及樓宇部分之間可靠分配時,則整項物業呈列為本集團的物業、廠房及設備,惟分類及入賬為投資物業者除外。

Refundable rental deposits

可退還租賃按金

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

已付可退還租賃按金乃根據香港財務報告準則第9號「金融工具」(「香港財務報告準則第9號」)入賬並初始按公平值計量。於初始確認時對公平值的調整被視為額外租賃付款並計入使用權資產成本。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2. 主要會計政策(續)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 “Leases” (“HKFRS 16”) (Continued)

2.1 應用香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)的影響及會計政策變動(續)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

2.1.1 應用香港財務報告準則第16號所導致的會計政策的主要變動(續)

As a lessee (Continued)

作為承租人(續)

Lease liabilities

租賃負債

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

於租賃開始日期，本集團按該日未付的租賃付款現值確認及計量租賃負債。於計算租賃付款現值時，倘租賃隱含的利率難以釐定，則本集團使用租賃開始日期的遞增借款利率計算。

The lease payments include:

租賃付款包括：

- fixed payments (including in-substance fixed payments) less any lease incentives receivable; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

- 固定付款(包括實質性的固定付款)減任何應收租賃優惠；及
- 倘租賃期反映本集團會行使選擇權終止租賃，則計入終止租賃的罰款。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 “Leases” (“HKFRS 16”) (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee (Continued)

Lease liabilities (Continued)

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

2. 主要會計政策(續)

2.1 應用香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)的影響及會計政策變動(續)

2.1.1 應用香港財務報告準則第16號所導致的會計政策的主要變動(續)

作為承租人(續)

租賃負債(續)

於開始日期後，租賃負債就利息增長及租賃付款作出調整。

倘租賃期有所變動或行使購買選擇權的評估發生變化，在此情況下，相關租賃負債透過使用重新評估日期的經修訂貼現率貼現經修訂租賃付款而重新計量，則本集團重新計量租賃負債(並就相關使用權資產作出相應調整)。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 "Leases" ("HKFRS 16") (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee (Continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

2. 主要會計政策(續)

2.1 應用香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)的影響及會計政策變動(續)

2.1.1 應用香港財務報告準則第16號所導致的會計政策的主要變動(續)

作為承租人(續)

租賃修訂

倘出現以下情況，本集團將租賃修訂作為一項單獨的租賃進行入賬：

- 該項修訂通過增加使用一項或多項相關資產的權利擴大了租賃範圍；及
- 調增租賃的代價，增加的金額相當於範圍擴大對應的單獨價格，加上按照特定合約的實際情況對單獨價格進行的任何適當調整。

就未作為一項單獨租賃入賬的租賃修訂而言，本集團基於透過使用修訂生效日期的經修訂貼現率貼現經修訂租賃付款的經修訂租賃的租賃期重新計量租賃負債。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2. 主要會計政策(續)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 “Leases” (“HKFRS 16”) (Continued)

2.1 應用香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)的影響及會計政策變動(續)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

2.1.1 應用香港財務報告準則第16號所導致的會計政策的主要變動(續)

As a lessee (Continued)

作為承租人(續)

Taxation

稅項

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

為計量本集團於其確認使用權資產及相關租賃負債的租賃交易的遞延稅項，本集團會首先釐定稅項扣減是否歸屬於使用權資產或租賃負債。

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 “Income Taxes” requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

就稅項扣減歸屬於租賃負債的租賃交易而言，本集團將香港會計準則第12號「所得稅」的規定分別應用於使用權資產及租賃負債。由於應用初始確認豁免，故與使用權資產及租賃負債相關的暫時差額不會於初始確認時及於租賃期內確認。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2. 主要會計政策(續)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 “Leases” (“HKFRS 16”) (Continued)

2.1 應用香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)的影響及會計政策變動(續)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

2.1.1 應用香港財務報告準則第16號所導致的會計政策的主要變動(續)

As a lessor

作為出租人

Allocation of consideration to components of a contract

將合約代價分配至各組成部分

Effective on 1 April 2019, the Group applies HKFRS 15 “Revenue from Contracts with Customers” to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

自2019年4月1日起，本集團應用香港財務報告準則第15號「來自客戶合約的營業額」將合約的代價分配至租賃及非租賃部分。非租賃部分因彼等的較單獨價格而有別於租賃部分。

Refundable rental deposits

可退還租賃按金

Refundable rental deposits received are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

已收可退還租賃按金乃根據香港財務報告準則第9號入賬並初始按公平值計量。於初始確認時對公平值的調整被視為來自承租人的額外租賃付款。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 “Leases” (“HKFRS 16”) (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessor (Continued)

Lease modification

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) – Int 4 “Determining whether an Arrangement Contains a Lease” and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

2. 主要會計政策(續)

2.1 應用香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)的影響及會計政策變動(續)

2.1.1 應用香港財務報告準則第16號所導致的會計政策的主要變動(續)

作為出租人(續)

租賃修訂

本集團將經營租賃修改自修改生效日期起作為新租賃入賬，並將有關原定租賃的任何預付或應計租賃付款視為新租賃的租賃付款一部分。

2.1.2 首次應用香港財務報告準則第16號而進行的過渡及產生的影響概要

租賃的定義

本集團已選擇可行權宜方法，就先前應用香港會計準則第17號及香港(國際財務報告詮釋委員會)–詮釋第4號「釐定安排是否包括租賃」識別為租賃的合約應用香港財務報告準則第16號，而並無對先前並未識別為包括租賃的合約應用該準則。因此，本集團並無重新評估於首次應用日期前已存在的合約。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 “Leases” (“HKFRS 16”) (Continued)

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16 (Continued)

Definition of a lease (Continued)

For contracts entered into or modified on or after 1 April 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease. The application of new definition of a lease does not have material impact on the condensed consolidated financial statements.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 April 2019. Any difference at the date of initial application is recognised in the opening accumulated profits and comparative information has not been restated.

2. 主要會計政策(續)

2.1 應用香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)的影響及會計政策變動(續)

2.1.2 首次應用香港財務報告準則第16號而進行的過渡及產生的影響概要(續)

租賃的定義(續)

就於2019年4月1日或之後訂立或修訂的合約而言，本集團於評估合約是否包含租賃時根據香港財務報告準則第16號所載的規定應用租賃的定義。應用租賃的新定義並無對簡明綜合財務報表有任何重大影響。

作為承租人

本集團已追溯應用香港財務報告準則第16號，累計影響於首次應用日期(2019年4月1日)確認。於首次應用日期的任何差額於期初累計溢利確認且比較資料不予重列。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2. 主要會計政策(續)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 “Leases” (“HKFRS 16”) (Continued)

2.1 應用香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)的影響及會計政策變動(續)

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16 (Continued)

2.1.2 首次應用香港財務報告準則第16號而進行的過渡及產生的影響概要(續)

As a lessee (Continued)

作為承租人(續)

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

於過渡時應用香港財務報告準則第16號項下的經修訂追溯方法時，本集團按逐項租賃基準就先前根據香港會計準則第17號分類為經營租賃且與各租賃合約相關的租賃應用以下可行權宜方法：

- i. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application; and
- ii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application.

- i. 選擇不就租賃期於首次應用日期起計12個月內結束的租賃確認使用權資產及租賃負債；及
- ii. 於首次應用日期計量使用權資產時撇除初始直接成本。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 “Leases” (“HKFRS 16”) (Continued)

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16 (Continued)

As a lessee (Continued)

On transition, the Group has made the following adjustments upon application of HKFRS 16:

As at 1 April 2019, the Group recognises lease liabilities of HK\$3,444,000 and right-of-use assets at amounts equal to the related lease liabilities by applying HKFRS 16.C8(b)(ii) transition.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average lessee's incremental borrowing rate applied is 3.55%.

2. 主要會計政策(續)

2.1 應用香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)的影響及會計政策變動(續)

2.1.2 首次應用香港財務報告準則第16號而進行的過渡及產生的影響概要(續)

作為承租人(續)

於過渡時，本集團已於應用香港財務報告準則第16號後作出以下調整：

於2019年4月1日，本集團確認租賃負債3,444,000港元，並透過應用香港財務報告準則第16.C8(b)(ii)號過渡條文按相當於相關租賃負債的金額確認使用權資產。

於確認先前分類為經營租賃的租賃的租賃負債時，本集團已應用於首次應用日期相關集團實體的遞增借款利率。所用承租人的加權平均遞增借款利率為3.55%。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2. 主要會計政策(續)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 "Leases" ("HKFRS 16") (Continued)

2.1 應用香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)的影響及會計政策變動(續)

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16 (Continued)

2.1.2 首次應用香港財務報告準則第16號而進行的過渡及產生的影響概要(續)

As a lessee (Continued)

作為承租人(續)

At 1 April 2019

於2019年4月1日

HK\$'000

千港元

Operating lease commitments disclosed as at 31 March 2019	於2019年3月31日披露的經營租賃承擔	3,536
Discounting effect at relevant incremental borrowing rates	按相關遞增借款利率的貼現影響	(92)
Lease liabilities relating to operating leases recognised upon application of HKFRS 16 as at 1 April 2019	於2019年4月1日應用香港財務報告準則第16號時確認與經營租賃有關的租賃負債	3,444
Analysed as	分析為	
Current	流動	2,413
Non-current	非流動	1,031
		3,444

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2. 主要會計政策(續)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 “Leases” (“HKFRS 16”) (Continued)

2.1 應用香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)的影響及會計政策變動(續)

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16 (Continued)

2.1.2 首次應用香港財務報告準則第16號而進行的過渡及產生的影響概要(續)

As a lessee (Continued)

作為承租人(續)

The carrying amount of right-of-use assets as at 1 April 2019 comprises the following:

使用權資產於2019年4月1日的賬面值包括以下各項：

	Right-of-use assets 使用權資產 HK\$'000 千港元
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	3,444
By class:	
Leasehold land and buildings	3,444

應用香港財務報告準則第16號時確認與經營租賃有關的使用權資產

按類別：

租賃土地及樓宇

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1 April 2019. Line items that were not affected by the changes have not been included.

已對於2019年4月1日的簡明綜合財務狀況表確認的金額作出以下調整。並無載入未受變動所影響的項目。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2. 主要會計政策(續)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 “Leases” (“HKFRS 16”) (Continued)

2.1 應用香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)的影響及會計政策變動(續)

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16 (Continued)

2.1.2 首次應用香港財務報告準則第16號而進行的過渡及產生的影響概要(續)

As a lessee (Continued)

作為承租人(續)

		Carrying amounts previously reported at 31 March 2019 先前於2019年3月31日報告的賬面值 HK\$'000 千港元	Adjustment 調整 HK\$'000 千港元	Carrying amounts at 1 April 2019 於2019年4月1日的賬面值 HK\$'000 千港元
Non-current Assets	非流動資產			
Right-of-use assets	使用權資產	—	3,444	3,444
Current Liabilities	流動負債			
Lease liabilities	租賃負債	—	2,413	2,413
Non-current Liabilities	非流動負債			
Lease liabilities	租賃負債	—	1,031	1,031

Note: For the purpose of reporting cash flows for the six months ended 30 September 2019, movements have been computed based on opening consolidated statement of financial position as at 1 April 2019 as disclosed above.

附註：就呈報截至2019年9月30日止六個月的現金流量而言，變動根據上文所披露於2019年4月1日的期初簡明綜合財務狀況表計算。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 “Leases” (“HKFRS 16”) (Continued)

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16 (Continued)

As a lessor

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated.

The directors of the Company consider that the application of HKFRS 16 in the current period has had no material impact on the Group's financial position and performance for the current period.

2. 主要會計政策(續)

2.1 應用香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)的影響及會計政策變動(續)

2.1.2 首次應用香港財務報告準則第16號而進行的過渡及產生的影響概要(續)

作為出租人

根據香港財務報告準則第16號的過渡條文，本集團毋須就本集團為出租人的租賃作出任何過渡調整，惟須根據香港財務報告準則第16號自初始應用日期起為該等租賃入賬，而就此並無重列比較資料。

本公司董事認為，於本期間應用香港財務報告準則第16號並無對本集團於本期間的財務狀況及表現有任何重大影響。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

3. SEGMENT INFORMATION

Information reported to the Group's chief executive officer, being the chief operating decision maker (the "CODM"), for the purposes of resources allocation and assessment of segment performance focuses on types of services provided. This is also the basis of organisation, whereby the management has chosen to organise the Group around differences in services.

The Group's operating and reportable segments under HKFRS 8 "Operating Segments" are: (a) property investment, (b) property development, (c) investment in securities and (d) loan financing.

3. 分部資料

就資源分配及分部表現評估而言，呈報給本集團之主要經營決策者（「主要經營決策者」），為首席行政總裁之資料，乃集中於服務提供之種類。此亦為組織之基準，管理層選擇以此來組織本集團服務之差異。

根據香港財務報告準則第8號「經營分部」，本集團之經營及呈報分部為：(a)物業投資、(b)物業發展、(c)證券投資及(d)貸款融資。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

3. SEGMENT INFORMATION (CONTINUED)

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

3. 分部資料(續)

回顧本期間按經營及呈報分部劃分本集團之營業額及業績之分析如下：

For the six months ended 30 September 2019

截至2019年9月30日止六個月

		Property investment 物業投資 HK\$'000 千港元 (Unaudited) (未經審核) (note) (附註)	Property development 物業發展 HK\$'000 千港元 (Unaudited) (未經審核) (note) (附註)	Investment in securities 證券投資 HK\$'000 千港元 (Unaudited) (未經審核)	Loan financing 貸款融資 HK\$'000 千港元 (Unaudited) (未經審核)	Consolidated 綜合 HK\$'000 千港元 (Unaudited) (未經審核)
Segment revenue	分部營業額					
External	外來	29,892	-	-	10,058	39,950
Segment profit (loss)	分部溢利(虧損)	14,424	(28,091)	(8,640)	7,027	(15,280)
Other gains and losses	其他收益及虧損					(374)
Other expenses	其他開支					(43)
Finance costs	融資成本					(14,198)
Gain on disposal of subsidiaries	出售附屬公司之收益					57,511
Net loss on modification of terms of convertible note	更改可換股票據條款之虧損淨額					(37,526)
Unallocated corporate income	無分配之公司收入					4,593
Unallocated corporate expenses	無分配之公司開支					(7,186)
Loss before taxation	除稅前虧損					(12,503)

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

3. SEGMENT INFORMATION (CONTINUED)

3. 分部資料(續)

For the six months ended 30 September
2018

截至2018年9月30日止六個月

		Property investment 物業投資 HK\$'000 千港元 (Unaudited) (未經審核) (note) (附註)	Property development 物業發展 HK\$'000 千港元 (Unaudited) (未經審核) (note) (附註)	Investment in securities 證券投資 HK\$'000 千港元 (Unaudited) (未經審核)	Loan financing 貸款融資 HK\$'000 千港元 (Unaudited) (未經審核)	Consolidated 綜合 HK\$'000 千港元 (Unaudited) (未經審核)
Segment revenue	分部營業額					
External	外來	20,183	-	-	9,035	29,218
Segment profit (loss)	分部溢利(虧損)	11,272	(3,564)	(25,567)	6,491	(11,368)
Other gains and losses	其他收益及虧損					(551)
Other expenses	其他開支					(28)
Finance costs	融資成本					(19,420)
Unallocated corporate income	無分配之公司收入					4,860
Unallocated corporate expenses	無分配之公司開支					(14,007)
Loss before taxation	除稅前虧損					(40,514)

Note: Rental income generated from properties held for development for sale (included in property development segment) was included in property investment segment. Management fee income was presented separately in the condensed consolidated statement of profit or loss and other comprehensive income.

附註：來自持作出售發展物業(已包括在物業發展之分部內)之租金收入已包括在物業投資之分部內。管理費收入已於簡明綜合損益及其他全面收益表分開呈列。

Segment profit (loss) represents the result of each segment without allocation of other gains and losses, gain on disposal of subsidiaries, net loss on modification of terms of convertible note, other expenses, finance costs, and unallocated corporate income and expenses. This is the measure reported to the Group's CODM for the purposes of resource allocation and performance assessment.

分類溢利(虧損)乃指各分部之業績，當中沒有分配其他收益及虧損、出售附屬公司之收益、更改可換股票據條款之虧損淨額、其他開支、融資成本及無分配之公司收入及開支。用以向本集團之主要經營決策者，作為資源分配及表現評估之參考。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

3. SEGMENT INFORMATION (CONTINUED)

3. 分部資料(續)

Segment assets and liabilities

分部資產及負債

The following is an analysis of the Group's assets and liabilities by operating and reportable segment:

按經營及呈報分部分析本集團之資產及負債如下：

		30 September 9月30日 2019 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2019 HK\$'000 千港元 (Audited) (經審核)
Segment assets	分部資產		
Property investment	物業投資	1,337,175	1,666,969
Property development	物業發展	1,999,923	1,734,960
Investment in securities	證券投資	121,644	102,103
Loan financing	貸款融資	292,449	336,972
 Total segment assets	 分部資產總額	 3,751,191	 3,841,004
Unallocated financial assets at fair value through profit or loss ("FVTPL")	無分配之按公平值計入 損益之金融資產 ([公平值計入損益])	33,668	36,045
Bank deposits with original maturity of more than three months	超過三個月到期之 銀行存款	13,498	12,763
Bank balances and cash	銀行結餘及現金	145,299	141,582
Others	其他	4,887	3,151
 Consolidated assets	 綜合資產	 3,948,543	 4,034,545

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

3. SEGMENT INFORMATION (CONTINUED)

3. 分部資料(續)

Segment assets and liabilities (Continued)

分部資產及負債(續)

		30 September 9月30日 2019 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2019 HK\$'000 千港元 (Audited) (經審核)
Segment liabilities	分部負債		
Property investment	物業投資	75,643	86,424
Property development	物業發展	25,308	21,306
Investment in securities	證券投資	60	105
Loan financing	貸款融資	10,074	10,120
Total segment liabilities	分部負債總額	111,085	117,955
Secured bank borrowings	有抵押銀行借貸	922,442	1,075,229
Convertible notes	可換股票據	80,644	62,986
Unallocated	無分配	45,523	44,205
Consolidated liabilities	綜合負債	1,159,694	1,300,375

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

3. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (Continued)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating and reportable segments other than unallocated financial assets at FVTPL, bank deposits with original maturity of more than three months, bank balances and cash and other assets used jointly by operating and reportable segments.
- all liabilities are allocated to operating and reportable segments other than secured bank borrowings, liability portion of convertible notes and other liabilities for which operating and reportable segments are jointly liable.

3. 分部資料(續)

分部資產及負債(續)

就分部表現監控及分部間之資源分配而言：

- 除無分配之按公平值計入損益之金融資產、超過三個月到期之銀行存款、銀行結餘及現金及經營及呈報分部共同使用之資產外，所有資產已分配至經營及呈報分部。
- 除有抵押銀行借貸、可換股票據負債成分及經營及呈報分部共同承擔之其他負債外，所有負債已分配至經營及呈報分部。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

4. LOSS BEFORE TAXATION

4. 除稅前虧損

		Six months ended 30 September 截至9月30日止六個月	
		2019 HK\$'000 千港元 (Unaudited) (未經審核)	2018 HK\$'000 千港元 (Unaudited) (未經審核)
Loss before taxation has been arrived at after charging (crediting):	除稅前虧損已扣除(計入):		
Interest on bank borrowings	銀行借貸利息	18,062	23,592
Less: Amount capitalised in the cost of qualifying assets	減: 於合資格資產之成本資本化之金額	(11,529)	(12,365)
		6,533	11,227
Effective interest expense on convertible notes	可換股票據之實際利息開支	7,613	8,193
Interest on lease liabilities	租賃負債利息	52	—
		14,198	19,420
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	637	615
Gain on disposal of subsidiaries	出售附屬公司之收益	(57,511)	—
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	—	2
Net exchange loss (included in other gains and losses)	匯兌虧損淨額(包括在其他收益及虧損內)	374	551
Net loss on modification of terms of convertible note	更改可換股票據條款之虧損淨額	37,526	—
Total staff costs (including directors' emoluments)	職工成本總額(包含董事酬金)	10,627	10,087
and after crediting to other income:	及已計入其他收入:		
Bank and other interest income	銀行及其他利息收入	(2,047)	(1,728)
Dividend income from listed investments	來自上市投資之股息收入	(1,626)	(2,971)

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

5. TAXATION

5. 稅項

		Six months ended 30 September 截至9月30日止六個月	
		2019 HK\$'000 千港元 (Unaudited) (未經審核)	2018 HK\$'000 千港元 (Unaudited) (未經審核)
The tax charge (credit) comprises:	稅項開支(計入)包含：		
Current tax:	本期稅項：		
Hong Kong	香港	1	63
People's Republic of China ("PRC") Enterprise Income Tax	中華人民共和國(「中國」)企業所得稅	743	—
Other jurisdiction	其他司法地區	28	74
		772	137
Under(over) provision in prior years:	過往年度不足(超額)撥備：		
Hong Kong	香港	—	—
PRC	中國	163	—
Other jurisdiction	其他司法地區	41	(49)
		204	(49)
Deferred tax (note 20)	遞延稅項(附註20)	(1,110)	(1,010)
		(134)	(922)

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

5. TAXATION (CONTINUED)

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2 million of assessable profits of qualifying corporation will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%. The profits of other corporations in the Group which are not qualified for the two-tiered profits tax rates regime will continue to be taxed at the rate of 16.5%.

The directors of the Company consider the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the condensed consolidated financial statements. Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for both periods.

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

No provision for PRC Enterprise Income Tax has been made during the six months ended 30 September 2018 as the assessable profit was wholly absorbed by tax losses brought forward for that period.

Taxation arising in other jurisdiction is calculated at the rates prevailing in the relevant jurisdiction.

5. 稅項(續)

根據香港的利得稅兩級制，合資格法團就首港幣2,000,000港元的應課稅溢利將按8.25%之稅率繳納稅項，並就超過港幣2,000,000港元的應課稅溢利將按16.5%之稅率繳納稅項。本集團不符合利得稅兩級制資格的其他法團的溢利將繼續按16.5%之稅率繳納稅項。

本公司之董事認為利得稅兩級制所涉及之利得稅金額對於簡明綜合財務報表並無重大影響。就兩個年度之香港利得稅乃根據估計應課稅溢利之16.5%計算。

根據中華人民共和國公佈企業所得稅法(「企業所得稅法」)及企業所得稅法之實施條例，於中國之附屬公司之稅率為25%。

因應課稅溢利於截至2018年9月30日止年度內被承前稅項虧損全數抵銷，故不計提中國企業所得稅撥備。

其他司法引伸之稅項乃按相關司法之現行稅率計算。

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簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

6. DIVIDEND

No dividends were paid, declared and proposed in respect of both interim periods.

6. 股息

於兩個中期內並無派付、宣派及建議任何股息。

7. BASIC AND DILUTED LOSS PER SHARE

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

7. 每股基本及攤薄虧損

本公司股東應佔之每股基本及攤薄虧損乃根據以下資料計算：

		Six months ended 30 September 截至9月30日止六個月	
		2019 HK\$'000 千港元 (Unaudited) (未經審核)	2018 HK\$'000 千港元 (Unaudited) (未經審核)
Loss for the purpose of basic and diluted loss per share	就每股基本及攤薄虧損而言之虧損	(12,369)	(39,592)
		Number of shares 股份數目	
		'000 千	'000 千
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	就每股基本及攤薄虧損而言之加權平均普通股股份數目	3,266,269	2,965,832

The computation of diluted loss per share for the six months ended 30 September 2019 and 2018 does not assume the exercise of the Company's outstanding convertible notes and share options as the exercise would result in a decrease in loss per share.

於計算截至2019年9月30日及2018年9月30日止六個月之每股攤薄虧損時並沒有假設行使本公司尚未行使之購股權會因其行使導致每股虧損減少。

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簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

8. PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group spent HK\$975,000 (six months ended 30 September 2018: HK\$638,000) on acquisition of property, plant and equipment.

8. 物業、廠房及設備

於本中期期間，本集團用於購入物業、廠房及設備之款項為975,000港元（截至2018年9月30日止六個月：638,000港元）。

9. INVESTMENT PROPERTIES

9. 投資物業

		2019			2018		
		Completed investment properties	Investment properties under development	Total	Completed investment properties	Investment properties under development	Total
		已完成投資物業	發展中投資物業	總額	已完成投資物業	發展中投資物業	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 April (audited) (note)	於4月1日(經審核)(附註)	1,611,006	52,355	1,663,361	1,656,633	-	1,656,633
Exchange adjustments	匯兌調整	(25,051)	(3,402)	(28,453)	(37,966)	(921)	(38,887)
Additions	添置	2,023	1,049	3,072	296,964	27,298	324,262
Transfer to properties held for development for sale	轉撥至持作出售發展物業	-	-	-	(832,400)	-	(832,400)
On disposal of subsidiaries	出售附屬公司	(304,000)	-	(304,000)	-	-	-
(Decrease) increase in fair value recognised in profit or loss	於損益確認之公平值(減少)增加	(4,653)	2,939	(1,714)	(2,288)	-	(2,288)
At 30 September (unaudited)	於9月30日(未經審核)	1,279,325	52,941	1,332,266	1,080,943	26,377	1,107,320
Analysed as:	分析為:						
At 30 September	於9月30日						
Non-current assets	非流動資產	1,279,325	52,941	1,332,266	1,080,943	26,377	1,107,320
At 31 March	於3月31日						
Assets classified as held for sale	分類為持作出售資產	304,000	-	304,000	-	-	-
Non-current assets	非流動資產	1,307,006	52,355	1,359,361	1,656,633	-	1,656,633
		1,611,006	52,355	1,663,361	1,656,633	-	1,656,633

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簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

9. INVESTMENT PROPERTIES (CONTINUED)

Note: Of the completed investment properties at 1 April 2019, HK\$304,000,000 were presented separately as assets classified as held for sale. These properties were disposed of through disposal of subsidiaries during the current interim period (see note 25).

All of the Group's leasehold interests in land held to earn rentals are measured using the fair value model and are classified and accounted for as investment properties.

During the six months ended 30 September 2018, the Group transferred investment properties with an aggregate carrying amount of HK\$832,400,000 to properties held for development for sale upon commencement of redevelopment with a view to sale.

9. 投資物業(續)

附註：於2019年4月1日之已完成投資物業304,000,000港元已分開列為持作出售投資物業。此等物業已於本中期報告期間透過出售附屬公司出售(見附註25)。

本集團所有於經營租約項下賺取租金之土地租約權益乃以公平值模式計量及分類為投資物業列賬。

截至2018年9月30日止六個月，於重建作為出售用途開始時，本集團轉撥合共賬面值832,400,000港元之投資物業至持作出售發展物業。

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簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

9. INVESTMENT PROPERTIES (CONTINUED)

9. 投資物業(續)

The fair values of the Group's investment properties at the end of the reporting periods were arrived at on the basis of valuation carried out as at these dates by the following independent firms of qualified professional property valuers not connected with the Group:

本集團投資物業於報告期末之公平值乃按以下與本集團沒有關連之獨立合資格專業物業估值師行於該等日期進行估值之基準釐定：

Name of valuer 估值師行名稱	Location of investment properties 投資物業之所在地	Carrying amount 賬面值	
		30 September 9月30日 2019 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2019 HK\$'000 千港元 (Audited) (經審核)
Vigers Appraisal and Consulting Limited 威格斯資產評估顧問 有限公司	Hong Kong 香港	826,200	1,129,400
Vigers Appraisal and Consulting Limited 威格斯資產評估顧問 有限公司	PRC 中國	351,125	374,130
Edmund Tie & Company (SEA) Pte Ltd	Singapore 新加坡	154,941	159,831
		1,332,266	1,663,361

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簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

9. INVESTMENT PROPERTIES (CONTINUED)

The fair value of completed investment properties in Hong Kong amounting to HK\$826,200,000 (31 March 2019: HK\$1,129,400) was arrived at by reference to market evidence of recent transaction prices for similar properties and price per net saleable area, adjusted to reflect the locations and conditions of the subject properties and by reference to net rental income allowing for reversionary income potential using the applicable market yields for the respective locations and types of properties.

The fair values of completed investment properties and investment properties under development in the PRC amounting to HK\$298,184,000 and HK\$52,941,000 (31 March 2019: HK\$321,775,000 and HK\$52,355,000), respectively, were arrived at by reference to net rental income allowing for reversionary income potential using the applicable market yields for respective locations and types of properties. The valuation of investment properties under development in the PRC also takes into account of the stage of completion of these properties and estimated construction and professional cost to complete at the end of the reporting periods.

The fair value of completed investment properties in Singapore amounting to HK\$154,941,000 (31 March 2019: HK\$159,831,000) was arrived at by reference to market evidence of recent transaction prices for similar properties and price per net saleable area, adjusted to reflect the locations and conditions of the subject properties.

9. 投資物業(續)

於香港之已完成投資物業之公平值為826,200,000港元(2019年3月31日：1,129,400港元)乃參考同類型物業之近期成交價格之市場情況、每平方尺價格，調整至反映相關物業之位置及狀況及參考採用適用市場收益之相關地區及物業類型之歸屬潛在收入得出之租金收入淨額。

於中國之已完成投資物業及發展中投資物業之公平值分別為298,184,000港元及52,941,000港元(2019年3月31日：321,775,000港元及52,355,000港元)乃參考採用適用市場收益之相關地區及物業類型之歸屬潛在收入得出之租金收入淨額。於中國之發展中投資物業之估值亦已考慮此等物業於報告期末之完成階段及估計至完成之建築及專業成本。

於新加坡之已完成投資物業之公平值為154,941,000港元(2019年3月31日：159,831,000港元)乃參考同類型物業之近期成交價格之市場情況釐定，調整至反映相關物業之位置及狀況。

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簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

10. LOANS RECEIVABLE

10. 應收貸款

		30 September 9月30日 2019 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2019 HK\$'000 千港元 (Audited) (經審核)
Fixed rate loans receivable	定息應收貸款	300,708	345,202
Less: Impairment allowance	減：減值撥備	(8,586)	(9,192)
		292,122	336,010
Analysed as:	分析為：		
Current portion	流動部分	278,542	306,334
Non-current portion	非流動部分	13,580	29,676
		292,122	336,010
Secured	有抵押	107,522	158,610
Unsecured	無抵押	184,600	177,400
		292,122	336,010

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簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

10. LOANS RECEIVABLE (CONTINUED)

The movement of impairment allowance for loans receivable during the six months ended 30 September 2019 is as follows:

10. 應收貸款(續)

截至2019年9月30日止六個月內，應收貸款之減值撥備之變動如下：

		Impairment allowance for loans receivable* 應收貸款之 減值撥備* HK\$'000 千港元
At 1 April 2019 (audited)	於2019年4月1日(經審核)	9,192
Changes due to loans receivable recognised as at 1 April 2019	於2019年4月1日由於已確認 應收貸款之變動	
– Repayments	– 還款	(826)
– Net remeasurement of ECL	– 預期信貸虧損之重新 計量淨額	(160)
New loans granted	授出的新貸款	380
At 30 September 2019 (unaudited)	於2019年9月30日(未經審核)	8,586

* Measured on 12-month ECL ("12m ECL" where "ECL" represents expected credit losses) basis.

* 12個月預期信貸虧損計量基準(「12個月預期信貸虧損」，而「預期信貸虧損」代表預期信貸虧損)。

At 30 September 2019, the range of interest rates on the Group's loans receivable is 4% to 8.52% (31 March 2019: 4% to 8.32%) per annum.

於2019年9月30日，本集團之應收貸款年利率介乎4%至8.52%(2019年3月31日：4%至8.32%)。

The management closely monitors the credit quality of loans receivable amounting to HK\$292,122,000 at 30 September 2019. During the six months ended 30 September 2019, reversal of allowance for loans receivable of HK\$606,000 was recognised in profit or loss (six months ended 30 September 2018: HK\$2,321,000 allowance for loans receivable). As at 30 September 2019, allowance for loans receivable amounted to HK\$8,586,000. There are no loans receivable which are past due at the end of the reporting period.

管理層緊密監控於2019年9月30日之應收貸款292,122,000港元之信貸質素。截至2019年9月30日止六個月，應收貸款之撥備撥回606,000港元已於損益確認(截至2018年9月30日止六個月，應收貸款之撥備為2,321,000港元)。於2019年9月30日，應收貸款之撥備為8,586,000港元。於報告期末，並無已逾期應收貸款。

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10. LOANS RECEIVABLE (CONTINUED)

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the one as at the date of initial recognition. In making this assessment, the loans receivable from borrowers are assessed individually by the management of the Group based on the financial background, financial condition and historical settlement records, including past due dates and default rates, of each borrower and reasonable and supportable forward-looking information such as macroeconomic data that is available without undue cost or effort. Each borrower is assigned a risk grading under internal credit ratings to calculate the ECL, taking into consideration of the estimates of expected cash shortfalls which are driven by estimates of possibility of default and the amount and timing of cash flows that are expected from foreclosure on the collaterals (if any) less the costs of obtaining and selling the collaterals. At every reporting date, the financial background, financial condition and historical settlement records are reassessed and changes in the forward-looking information are considered.

The Group is not permitted to sell or repledge the collaterals in the absence of default by the borrower. There have not been any significant changes in the quality of the collateral held for the loans receivable.

10. 應收貸款(續)

評估信貸風險自初始確認以來是否顯著上升時，本集團比較金融工具於報告日期發生違約的風險與金融工具於初始確認日期發生違約的風險。作出評估時，本集團管理層評估各借款人之應收貸款乃根據其財務背景、財務狀況及過往還款記錄，包括逾期日及違約率，以及有合理理據之前瞻性資料，例如毋須繁重成本或努力可得之宏觀經濟數據。各借款人根據內部信貸評級獲分配風險等級以計算預期信貸虧損，並經考慮預期現金短缺之估計，乃根據估計違約之可能性及預期抵押品止贖之現金流的金額及時間(如有)減去取得及出售抵押品之成本。於各報告日期，財務背景、財務狀況及過往還款記錄會重新評估，並考慮前瞻性資料的變動。

在借款人並無違約之情況下，本集團不得出售或再抵押該等抵押品。就應收貸款所持有之抵押品之質素並無任何重大變動。

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簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

11. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

11. 按公平值計入其他全面收益之債務工具

	30 September 9月30日 2019 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2019 HK\$'000 千港元 (Audited) (經審核)
Listed investments, at fair value:		
Debt securities listed in Hong Kong or overseas with fixed interest ranging from 4.6% to 7.9% (31 March 2019: 4.6% to 7.875%) per annum and maturity dates ranging from 6 March 2021 to 15 April 2023 (31 March 2019: 25 June 2019 to 21 November 2022)	於香港或海外上市之債務證券，固定年利率介乎4.6%至7.9% (2019年3月31日4.6%至7.875%)及到期日介乎2021年3月6日至2023年4月15日 (2019年3月31日：2019年6月25日至2022年11月21日)	
	39,996	15,857
Analysed as:	分析為：	
Current portion	流動部分	—
Non-current portion	非流動部分	4,031
	39,996	11,826
	39,996	15,857

As at 30 September 2019, debt instruments at fair value through other comprehensive income ("FVTOCI") are stated at fair values which were determined based on the quoted market closing prices available on the Stock Exchange or an overseas recognised stock exchange.

於2019年9月30日，按公平值計入其他全面收益之債務工具以公平值列賬，並根據聯交所或其他海外認可證券交易所所報之市場收市價釐定。

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簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

11. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

Debt instruments at FVTOCI are listed bonds with the credit loss allowance measured on 12m ECL basis as the credit risk on financial instrument has not increased significantly since initial recognition. The Group assesses the ECL for debt instruments at FVTOCI by reference to credit rating of the bond investment by rating agencies, macroeconomic factors affecting the respective industry for each issuer, corporate historical default and loss rate and exposure of default of each bond investment.

Credit loss allowance of HK\$185,000 was recognised in profit or loss in the current period (six months ended 30 September 2018: Nil).

Details of impairment assessment are set out in note 16.

All debt instruments at FVTOCI are denominated in United States dollars ("USD"), currency other than the functional currencies of the relevant group entities, at the end of the reporting period.

During the current interim period, the Group spent HK\$29,946,000 (six months ended 30 September 2018: Nil) on acquisition of listed debt securities and received HK\$4,421,000 (six months ended 30 September 2018: Nil) from settlement of matured listed debt securities.

11. 按公平值計入其他全面收益之債務工具(續)

按公平值計入其他全面收益之債務工具為按12個月預期信貸虧損基準計量信貸虧損撥備之上市債券，乃由於自初始確認後金融工具之信貸風險並無顯著增加。本集團參考評級機構對債券投資之信貸評級、影響各發行人各自行業之宏觀經濟因素、企業歷史違約率及損失率以及各債券投資違約風險，評估按公平值計入其他全面收益之債務工具之預期信貸虧損。

本年度預期信貸虧損撥備185,000港元於損益中確認(2018年9月30日止六個月：無)。

減值評估之詳情載於附註16。

於報告期末，所有按公平值計入其他全面收益之債務工具以相關集團實體功能性貨幣以外的貨幣美元計值(「美元」)。

於本中期期間，本集團動用29,946,000港元(截至2018年9月30日止六個月：無)收購上市債務證券及從已到期之上市債務證券收取4,421,000港元(截至2018年9月30日止六個月：無)。

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簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

12. PROPERTIES HELD FOR DEVELOPMENT FOR SALE

At 30 September 2019 and 31 March 2019, the whole amount of properties held for development for sale is expected to be completed more than twelve months after the end of the reporting periods.

12. 持作出售發展物業

於2019年9月30日及2019年3月31日，本集團之持作出售發展物業之整體金額預期於報告期末後超過十二個月內完成。

13. TRADE AND OTHER RECEIVABLES

The Group did not grant any credit period to its tenants in property investment segment. The aged analysis of trade receivables, based on the invoice date, at the end of the reporting period is as follows:

13. 貿易及其他應收款項

本集團沒有給予於物業投資分部之租戶賒賬期。於報告期末，根據發票日期，貿易應收款項之賬齡分析如下：

		30 September 9月30日 2019 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2019 HK\$'000 千港元 (Audited) (經審核)
Trade receivables:	貿易應收款項：		
0-60 days	0-60日	1,349	1,596
61-90 days	61-90日	95	19
91-120 days	91-120日	40	8
		1,484	1,623
Prepayments	預付款	7,163	3,868
Interest receivable	應收利息	392	1,158
Other receivables	其他應收款項	3,623	2,148
		12,662	8,797

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簡明綜合財務報表附註

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14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

14. 按公平值計入損益之金融資產

	30 September 9月30日 2019 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2019 HK\$'000 千港元 (Audited) (經審核)
Listed investments, at fair value:		
– Equity securities listed in Hong Kong (note (a))	48,109	56,338
– Perpetual bond (note (b))	13,362	4,012
– Contingent convertible notes (note (c))	8,237	15,940
Unlisted investments, at fair value		
– Principal protected deposits (note (d))	23,916	25,800
– Convertible note (note (e))	9,519	9,891
– Investment fund (note (f))	9,752	10,245
	112,895	122,226
Analysed as:		
Current portion	94,031	108,323
Non-current portion	18,864	13,903
	112,895	122,226

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For the six months ended 30 September 2019 截至2019年9月30日止六個月

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The directors of the Company have no intention to redeem the convertible note within twelve months from the end of the reporting period. Also, the earliest possible exit dates of some perpetual bond are after twelve months from the end of the reporting period. These investments are therefore classified as non-current assets in the condensed consolidated statement of financial position.

The Group's financial assets at FVTPL that are denominated in currency other than the functional currencies of the relevant group entities are set out below:

14. 按公平值計入損益之金融資產 (續)

本公司董事並無意於報告期末十二個月內贖回可換股票據。此外，某些永久債券之最早可能退出日期是從報告期結束起12個月後。該等投資因此於簡明綜合財務狀況表內分類為非流動資產。

本集團按公平值計入損益的金融資產以相關集團實體功能貨幣以外的貨幣計值載列如下：

	30 September 9月30日 2019 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2019 HK\$'000 千港元 (Audited) (經審核)
USD 美元	21,599	19,952

Notes:

- (a) The fair values of the listed equity securities are determined based on the quoted market closing prices available on the Stock Exchange.

附註：

- (a) 上市股本證券之公平值根據聯交所所報之市場收市價釐定。

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For the six months ended 30 September 2019 截至2019年9月30日止六個月

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Notes: (continued)

- (b) The fair value of the perpetual bond as at 30 September 2019, which amounted to HK\$13,362,000 (31 March 2019: HK\$4,012,000), is determined based on the quoted market closing prices available on an overseas recognised stock exchange, with fixed interest ranging from 6.25% to 6.875% (31 March 2019: 6.375%) per annum.

The perpetual bond is recognised as follows:

14. 按公平值計入損益之金融資產 (續)

附註：(續)

- (b) 永久債券於2019年9月30日之公平值13,362,000港元(2019年3月31日：4,012,000港元)根據海外確認的證券交易所所報之市場收市價釐定，固定年利率介乎6.25%至6.875%(2019年3月31日：6.375%)。

永久債券確認如下：

		HK\$'000 千港元
At 1 April 2019 (audited)	於2019年4月1日(經審核)	4,012
Additions	添置	9,454
Interest received	已收利息	(250)
Unrealised fair value gain recognised in profit or loss	未變現公平值收益於損益確認	164
Exchange realignment	匯兌調整	(18)
At 30 September 2019 (unaudited)	於2019年9月30日(未經審核)	13,362

- (c) The fair values of the contingent convertible bonds as at 30 September 2019, which amounted to HK\$8,237,000 (31 March 2019: HK\$15,940,000), are determined based on the quoted market closing prices available on an overseas recognised stock exchange, with fixed interest at 6% (31 March 2019: ranging from 6% to 6.625%) per annum.

- (c) 或然可換股債券於2019年3月31日之公平值8,237,000港元(2019年3月31日：15,940,000港元)根據海外確認的證券交易所所報之市場收市價釐定，固定年利率6%(2019年3月31日：介乎6%至6.625%)。

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For the six months ended 30 September 2019 截至2019年9月30日止六個月

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Notes: (continued)

(c) (continued)

The contingent convertible bonds are recognised as follows:

		HK\$'000 千港元
At 1 April 2019 (audited)	於2019年4月1日(經審核)	15,940
Settlement on early redemption	提前贖回結算	(8,037)
Unrealised fair value gain recognised in profit or loss	未變現公平值收益於損益確認	335
Exchange realignment	匯兌調整	(1)
At 30 September 2019 (unaudited)	於2019年9月30日(未經審核)	8,237

(d) The principal protected deposits are denominated in Renminbi ("RMB") and issued by banks in the PRC. They contain embedded derivative, the interest rate of which is determined with reference to the exchange rate of USD against Hong Kong dollars ("HKD") and ranges from 1.4% to 3.2% (31 March 2019: 1.4% to 3.2%) per annum with original maturity of three months.

(e) On 1 February 2019, the Group subscribed for convertible note issued by a company listed on GEM of the Stock Exchange, with principal amount of HK\$10,000,000 which carries interest at 8% per annum payable monthly in arrears with maturity on 1 February 2021 at redemption amount of 100% of the principal amount. The convertible note can be converted at any time from the date of issue to the maturity date with conversion price of HK\$0.9 per conversion share. In addition, each of the Group and the issuer has the option to early redeem the convertible note at any time from the date of issue to the maturity date at 100% of the principal amount outstanding under the convertible note together with all accrued interest.

14. 按公平值計入損益之金融資產 (續)

附註：(續)

(c) (續)

或然可換股債券確認如下：

(d) 保本存款以人民幣(「人民幣」)列值並由於中國的銀行發行。其包含內含衍生項目，息率之釐定乃參考美元兌港元之兌換率及年利率介乎1.40%至3.2% (2019年3月31日：1.40%至3.2%) 及三個月到期。

(e) 於2019年2月1日，本集團認購由聯交所創業板上市的一家公司之可換股票據，本金額為10,000,000港元，年利率為8%，於每月月末支付及於2021年2月1日到期時贖回100%之本金額。可換股票據自發行日起至到期日止之任何時間以每股0.9港元之兌換價兌換。此外，本集團及發行人均可自發行日起至到期日止之任何時間有選擇權提早贖回可換股票據尚餘之100%本金額及所有計提利息。

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簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Notes: (continued)

(e) (continued)

On 19 March 2019, the issuer and the Group entered into a deed of amendment to revise the terms of the convertible note. According to the deed of amendment, the option for each of the Group and the issuer to early redeem the convertible note at any time was cancelled from the date of signing of the deed of amendment.

The fair value of the convertible note at 30 September 2019, which amounted to HK\$9,519,000 (31 March 2019: HK\$9,891,000), is determined based on the valuation provided by Greater China Appraisal Limited (31 March 2019: APAC Appraisal and Consulting Limited), an independent firm of professional qualified valuers not connected with the Group.

The convertible note is recognised as follows:

14. 按公平值計入損益之金融資產 (續)

附註：(續)

(e) (續)

於2019年3月19日，發行人及本集團簽訂修訂契約以更改可換股票據之條款。根據修訂契約，本集團及發行人於任何時間可提早贖回可換股債券之權利自簽訂修訂契約日取消。

可換股票據於2019年9月30日之公平值9,519,000港元(2019年3月31日：9,891,000港元)乃根據由一間與本集團無關聯的獨立專業合資格估值師行漢華評值有限公司(2019年3月31日：亞太估值及顧問有限公司)提供。

可換股票據確認如下：

		HK\$'000 千港元
At 1 April 2019 (audited)	於2019年4月1日(經審核)	9,891
Interest received	已收利息	(468)
Unrealised fair value gain recognised in profit or loss	未變現公平值收益於損益確認	96
At 30 September 2019 (unaudited)	於2019年9月30日(未經審核)	9,519

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簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Notes: (continued)

(e) (continued)

The methods and assumptions applied for the valuation of the convertible note are as follows:

VALUATION OF CONVERTIBLE NOTE

The convertible note is measured at fair value using the Binomial Option Pricing Model, at initial recognition and at the end of each subsequent reporting period. The inputs into the model as at date of subscription and the end of the reporting periods are as follows:

Stock price	證券價格
Conversion price	換股價
Volatility	波動率
Dividend yield	股息率
Time to maturity	到期時間
Risk-free rate	無風險率

- (f) The investment fund is denominated in RMB and issued by an unlisted entity in the PRC. The fair value of the investment fund as at 30 September 2019, which amounted to HK\$9,752,000 (31 March 2019: HK\$10,245,000), is measured at fair value using the discounted cash flow method. The expected interest rate is 9.5% (31 March 2019: 9.5%) per annum with maturity of one year.

14. 按公平值計入損益之金融資產 (續)

附註：(續)

(e) (續)

用作估值可換股票據之方法及假設如下：

可換股票據估值

可換股票據於首次確認及於各其後報告期末使用二項式期權定價模型計量。於認購日期及報告期末，該模型之輸入數據如下：

At 30 September 2019 於2019年 9月30日	At 31 March 2019 於2019年 3月31日	Date of subscription 1 February 2019 2019年2月1日 認購日期
Stock price HK\$0.48 (港元)	HK\$0.59 (港元)	HK\$0.86 (港元)
Conversion price HK\$0.90 (港元)	HK\$0.90 (港元)	HK\$0.90 (港元)
Volatility 77.54%	70.13%	65.79%
Dividend yield 0%	0%	0%
Time to maturity 1.34 years (年)	1.84 years (年)	2 years (年)
Risk-free rate 1.69%	1.38%	1.48%

- (f) 投資基金以人民幣列值並由於中國未上市實體發行。投資基金於2019年9月30日之公平值為9,752,000港元(2019年3月31日：10,245,000港元)用貼現現金流量法按公平值計量。預期年利率為9.5%(2019年3月31日：9.5%)，一年到期。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Notes: (continued)

(f) (continued)

The investment fund is recognised as follows:

14. 按公平值計入損益之金融資產 (續)

附註：(續)

(f) (續)

投資基金確認如下：

		HK\$'000 千港元
At 1 April 2019 (audited)	於2019年4月1日(經審核)	10,245
Interest received	已收利息	(481)
Unrealised fair value gain recognised in profit or loss	未變現公平值收益於損益確認	639
Exchange realignment	匯兌調整	(651)
At 30 September 2019 (unaudited)	於2019年9月30日(未經審核)	9,752

15. BANK DEPOSITS WITH ORIGINAL MATURITY OF MORE THAN THREE MONTHS/BANK BALANCES AND CASH

Bank deposits with original maturity of more than three months

At 30 September 2019, the Group placed time deposits amounting to Singapore dollars ("SGD") 2,400,000 (equivalent to HK\$13,498,000) (31 March 2019: SGD2,200,000; equivalent to HK\$12,763,000) with a financial institution in Singapore with original maturity of more than three months. They carry interest at a fixed rate of 1.8% (31 March 2019: 1.7%) per annum.

Bank balances and cash

The bank balances and cash held by the Group comprise short-term bank deposits with an original maturity of three months or less.

15. 超過三個月到期之銀行存款／銀行結餘及現金

超過三個月到期之銀行存款

於2019年9月30日，本集團與一間於新加坡的金融機構做2,400,000新加坡元(「新加坡元」)(相等於約13,498,000港元)(2019年3月31日：2,200,000新加坡元；相等於12,763,000港元)之超過三個月到期之定期存款。其固定年息率為1.8%(2019年3月31日：1.7%)。

銀行結餘及現金

本集團持有之銀行結餘及現金包括三個月或之內到期之短期銀行存款。

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簡明綜合財務報表附註

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16. IMPAIRMENT ASSESSMENT ON OTHER FINANCIAL ASSETS SUBJECT TO ECL MODEL

Other financial assets subject to ECL model include other receivables and bank balances.

As part of the Group's credit risk management, the Group applies internal credit rating for its debtors. The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The internal credit rating is regularly reviewed by management to ensure relevant information about specific debtors is updated.

For other receivables, no allowance for impairment was made since the directors of the Company consider that the probability of default is minimal.

For the bank balances, no allowance for impairment was made since the directors of the Company consider that the probability of default is negligible as such amounts are receivable from or placed in banks with good reputation.

16. 於預期信貸虧損模式下之其他 金融資產減值評估

於預期信貸虧損模式下之其他金融資產包括其他應收款項及銀行結餘。

作為本集團之信貸風險管理之其中一部份，本集團會就其債務人應用內部信貸評級。其估計虧損級別乃根據債務人預計年期之過往可觀察違約級別及按無需過度之成本或努力之現有前瞻性資料調整而估算。管理層定期審閱內部信貸評級以確保特定債務人之相關資料為最新的。

就其他應收款項，並沒有作出減值撥備，因本公司董事認為違約可能性極少。

就銀行結餘，並沒有作出減值撥備因本公司董事認為違約可能性微不足道由於該等金額乃來自或存放於有信譽之銀行之應收款項。

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17. TRADE AND OTHER PAYABLES

17. 貿易及其他應付款項

		30 September 9月30日 2019 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2019 HK\$'000 千港元 (Audited) (經審核)
Trade payables (note (a)):	貿易應付款項 (附註(a)):		
0-60 days	0-60日	4,182	2,021
Over 90 days	超過90日	420	420
		4,602	2,441
Retention payable (note (b))	應付保修金(附註(b))	9,176	6,968
Rental deposits received and rental received in advance	已收租金按金及預收 租金	28,991	29,792
Guarantee money received (note(c))	已收保證金額 (附註(c))	10,000	10,000
Accruals	預提費用	53,522	65,008
Other taxes payable	其他應付稅項	5,785	5,028
Other payables	其他應付款項	1,505	1,561
		113,581	120,798

Notes:

- (a) The aged analysis of trade payables is determined based on the invoice date, at the end of the reporting period. The average credit period on the purchases of goods is 30 days.
- (b) Retention payable is withheld from subcontractors for construction works and will be released within twelve months upon completion of their works.
- (c) The amount represents money received from a borrower of the loan financing business as security for loan granted.

附註:

- (a) 貿易應付款項於報告期末之賬齡分析乃根據發票日期釐定。購貨之平均除賬期為30日。
- (b) 應付保修金乃就建築工程未付予承建商及將於工程完結時十二個月內支付。
- (c) 該金額代表來自貸款融資業務之一位借款人就授出貸款作為抵押之已收金額。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

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18. CONVERTIBLE NOTES CONTAINING LIABILITY AND EQUITY COMPONENTS

- (a) On 12 June 2015, the Company issued 2% convertible note due 2017 at an aggregate principal amount of HK\$86,000,000 to Madian Star Limited ("Madian"), an independent third party (the "2015 Convertible Note").

The 2015 Convertible Note is denominated in HKD and entitles the holder to convert it into ordinary shares of the Company at any time between the date of issue of the 2015 Convertible Note on 12 June 2015 and its settlement date on 12 June 2017 at a conversion price of HK\$0.85 per conversion share (subject to anti-dilutive adjustments). The holder may redeem the 2015 Convertible Note, at any time three months after the grant date, at 100% of the principal amount outstanding together with all interest accrued thereon up to and including the date of redemption. The Company may redeem the 2015 Convertible Note at its own discretion on any business day prior to the maturity date at 100% of the principal amount outstanding together with all interest accrued thereon up to and including the date of redemption. Pursuant to the adjustment provisions in the terms and conditions of the 2015 Convertible Note, adjustments have been made to the conversion price of the 2015 Convertible Note from HK\$0.85 per share to HK\$1.81 per share with effect from 9 October 2015 as a result of a capital reorganisation and the completion of the issue of rights share, and further to HK\$0.33 per share with effect from 7 January 2016 as a result of the entering into a deed of amendment to revise the conversion price which was approved by the shareholders at a special general meeting of the Company held on 7 January 2016.

18. 可換股票據包含負債及權益成分

- (a) 於2015年6月12日，本公司以本金總額86,000,000港元發行於2017年到期之2%可換股票據予Madian Star Limited（「Madian」），一名獨立第三方（「2015年可換股票據」）。

2015年可換股票據以港元列值及持有人享有以每股兌換股份0.85港元之兌換價（需按反稀釋調整改變），於2015年6月12日之2015年可換股票據發行日及其於2017年6月12日之結算日期間之任何時間，兌換票據為本公司之普通股股份。持有人可在授予日期後三個月之任何時間，以100%未償還本金金額連同直至及包括贖回日期之所有應付未付利息予以贖回2015年可換股票據。本公司亦可按其意願在到期日前任何營業日期內，以100%未償還本金金額連同直至及包括贖回日期之所有應付未付利息予以贖回2015年可換股票據。根據2015年可換股票據之規則與條例內之調整條款，股本重組及完成供股導致2015年可換股票據之兌換價由2015年10月9日起由每股0.85港元調整至每股1.81港元，於2016年1月7日本公司舉行之股東特別大會上獲股東批准簽訂更改兌換價之契約導致兌換價由2016年1月7日起進一步調整至每股0.33港元。

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18. CONVERTIBLE NOTES CONTAINING LIABILITY AND EQUITY COMPONENTS (CONTINUED)

(a) (continued)

On 1 March 2017, the Company entered into the second deed of amendment with Madian to further revise the terms of the 2015 Convertible Note. According to the second deed of amendment, (i) the exercise period of the 2015 Convertible Note is revised from 2 years to 7 years (i.e. the settlement date is extended to 12 June 2022); (ii) the conversion price is revised from HK\$0.33 per conversion share to HK\$0.16 per conversion share; and (iii) the annual interest rate is revised from 2% to 3% and the interest will be payable semi-annually in arrears instead of in one lump sum on the settlement date. The second deed of amendment was approved by the shareholders at a special general meeting of the Company held on 26 April 2017. The modification of the terms was determined to be substantial and hence resulted in the extinguishment of the original liability component of the 2015 Convertible Note and the recognition of new liability and equity components (the "First New 2015 Convertible Note"), resulting in a net loss on modification of terms of convertible note amounting to HK\$1,023,000 being recognised in profit or loss during the year ended 31 March 2018.

18. 可換股票據包含負債及權益成分 (續)

(a) (續)

於2017年3月1日，本公司及Madian訂立第二份修訂契據以進一步修訂2015年可換股票據條款。根據第二份修訂契據，(i)2015年可換股票據行使期由2年改為7年(即結算日延長至2022年6月22日)；(ii)兌換價將由每股兌換股份0.33港元修訂為每股兌換股份0.16港元；及(iii)利息年利率由2厘修訂為3厘及將按每半年期末支付一次而不是在結算日一次過支付。第二份修訂契據已於2017年4月26日召開之本公司股東特別大會上獲股東批准。該等條款之修訂已確定為重大並因此導致2015年可換股票據之原來負債部份失效及確認新負債及權益部份(「新2015可換股票據」)，更改可換股票據條款導致淨虧損金額1,023,000港元於2018年3月31日之年度損益確認。

18. 可換股票據包含負債及權益成分 (續)

(a) (續)

[illegible]

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

18. CONVERTIBLE NOTES CONTAINING LIABILITY AND EQUITY COMPONENTS (CONTINUED)

(a) (continued)

On 27 May 2019, the conversion rights attached to the Second New 2015 Convertible Note were partially exercised for HK\$8,400,000, and a total of 140,000,000 conversion shares were issued upon conversion. Further on 2 August 2019, the conversion rights attached to the Second New 2015 Convertible Note were partially exercised for HK\$37,200,000, and a total of 620,000,000 conversion shares were issued upon conversion.

On 30 September 2019, the Second New 2015 Convertible Note with principal amount of HK\$40,400,000 remained outstanding. Assuming full conversion of the Second New 2015 Convertible Note at a revised conversion price of HK\$0.06 at 30 September 2019, the Second New 2015 Convertible Note will be convertible into 673,333,333 new ordinary shares of HK\$0.01 each in the share capital of the Company.

18. 可換股票據包含負債及權益成分 (續)

(a) (續)

於2019年5月27日，8,400,000港元附帶於第二批新2015年可換股票據之換股權已獲部分行使，於兌換時發行總數140,000,000股兌換股份。於2019年8月2日，37,200,000港元附帶於第二批新2015年可換股票據之換股權已獲部分行使，於兌換時發行總數620,000,000股兌換股份。

於2019年9月30日，第二批新2015年可換股票據仍未償還本金額為40,400,000港元。假設以每股0.06港元之經修訂兌換價，於2019年9月30日全面兌換第二批新2015年可換股票據，第二批新2015年可換股票據可兌換為本公司每股票面值0.01港元之673,333,333股新普通股股份。

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簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

18. CONVERTIBLE NOTES CONTAINING LIABILITY AND EQUITY COMPONENTS (CONTINUED)

(a) (continued)

Conversion shares will be allotted and issued upon exercise of the conversion rights. If the Second New 2015 Convertible Note is not converted during the revised conversion period up to the revised maturity date, it will be redeemed on the revised maturity date at par with outstanding accrued interest. Interest of 3% per annum as revised under the second deed of amendment will be paid semi-annually in arrears up until the revised settlement date.

Each of the 2015 Convertible Note, First New 2015 Convertible Note and Second New 2015 Convertible Note contains liability component, equity component, and holder and issuer early redemption options. As the early redemption options are closely related to the host contract, they are not treated as separate derivatives. The equity component is presented in equity heading "convertible note equity reserve". The effective interest rate of the liability component of the Second New 2015 Convertible Note is 26.22% per annum at the date of initial recognition.

18. 可換股票據包含負債及權益成分 (續)

(a) (續)

於行使兌換權時將會配發及發行兌換股份。倘新2015年可換股票據於兌換期間直至經修訂到期日並沒有兌換，則將於經修訂到期日以票面值連同尚未支付之已計提利息贖回。根據第二份修訂契約經修訂年息率3%之利息將在每半年期末支付一次直至經修訂結算日為止。

每張2015年可換股票據，新2015年可換股票據及第二批新2015年可換股票據包含負債成分、權益成分、與持有人及發行人提早贖回權。由於提早贖回權跟主體合約緊密關連，故不作獨立衍生工具處理。權益成分列於「可換股票據權益儲備」之權益。第二批新2015年可換股票據之負債成分於初始確認日期之實際利率為年息率為26.22%。

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18. CONVERTIBLE NOTES CONTAINING LIABILITY AND EQUITY COMPONENTS (CONTINUED)

- (b) On 11 May 2017, the Company issued 3% convertible note due 2022 at an aggregate principal amount of HK\$16,000,000 to Easyknit International (the "First 2017 Convertible Note").

The First 2017 Convertible Note is denominated in HKD and entitles the holder to convert it into ordinary shares of the Company at any time between the date of issue of the First 2017 Convertible Note on 11 May 2017 and its settlement date on 11 May 2022 at a conversion price of HK\$0.16 per conversion share (subject to anti-dilutive adjustments). The holder may redeem the First 2017 Convertible Note, at any time three months after the grant date, at 100% of the principal amount outstanding together with all interest accrued thereon up to and including the date of redemption. The Company may redeem the First 2017 Convertible Note on any business day prior to the maturity date at 100% of the principal amount outstanding together with all interest accrued thereon up to and including the date of redemption. On 30 September 2019, the First 2017 Convertible Note with principal amount of HK\$16,000,000 remained outstanding. Assuming full conversion of the First 2017 Convertible Note at a conversion price of HK\$0.16 at 30 September 2019, the First 2017 Convertible Note will be convertible into 100,000,000 new ordinary shares of HK\$0.01 each in the share capital of the Company.

18. 可換股票據包含負債及權益成分 (續)

- (b) 於2017年5月11日，本公司以本金總額16,000,000港元發行於2022年到期之3%可換股票據予永義國際（「第一份2017年可換股票據」）。

第一份2017年可換股票據以港元列值及持有人享有以每股兌換股份0.16港元之兌換價（需按反稀釋調整改變），於2017年5月11日之第一份2017年可換股票據發行日及其於2022年5月11日之結算日期間之任何時間，兌換票據為本公司之普通股股份。持有人可在授予日期後三個月之任何時間，以100%未償還本金金額連同所有直至及包括贖回日期之應付未付利息予以贖回第一份2017年可換股票據。本公司可在到期日前任何營業日期內，以100%未償還本金金額連同所有直至及包括贖回日期之應付未付利息予以贖回第一份2017年可換股票據。於2019年3月31日，第一份2017年可換股票據仍未償還本金額為16,000,000港元。假設以每股0.16港元之兌換價，於2019年3月31日全面兌換第一份2017年可換股票據，第一份2017年可換股票據可兌換為本公司之股本內每股票面值0.01港元之100,000,000股新普通股股份。

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18. CONVERTIBLE NOTES CONTAINING LIABILITY AND EQUITY COMPONENTS (CONTINUED)

(b) (continued)

Conversion shares will be allotted and issued upon exercise of the conversion rights. If the First 2017 Convertible Note is not converted during the conversion period up to the maturity date, it will be redeemed on the maturity date at par with outstanding accrued interest. Interest of 3% per annum will be paid semi-annually in arrears up until the settlement date.

The First 2017 Convertible Note contains liability component, equity component, and holder and issuer early redemption options. As the early redemption options are closely related to the host contract, they are not treated as separate derivatives. The equity component is presented in equity heading “convertible note equity reserve”. The effective interest rate of the liability component of the First 2017 Convertible Note is 24.57% per annum at the date of initial recognition.

(c) On 26 September 2017, the Company issued 3% convertible note due 2020 at an aggregate principal amount of HK\$28,200,000 to Easyknit International (the “Second 2017 Convertible Note”).

18. 可換股票據包含負債及權益成分 (續)

(b) (續)

於行使兌換權時將會配發及發行兌換股份。倘第一份2017年可換股票據於兌換期間直至到期日並沒有兌換，則將於到期日以票面值連同尚未支付之已計提利息贖回。年息率3%之利息則每半年期末支付利息，直至結算日為止。

第一份2017年可換股票據包含負債成分、權益成分與持有人及發行人提早贖回權。由於提早贖回權跟主體合約緊密關連，故不作獨立衍生工具處理。權益成分列於「可換股票據權益儲備」之權益。第一份2017年可換股票據之負債成分於初始確認時之實際利率為年息率為24.57%。

(c) 於2017年9月26日，本公司以本金總額28,200,000港元發行於2020年到期之3%可換股票據予永義國際（「第二份2017年可換股票據」）。

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18. CONVERTIBLE NOTES CONTAINING LIABILITY AND EQUITY COMPONENTS (CONTINUED)

(c) (continued)

The Second 2017 Convertible Note is denominated in HKD and entitles the holder to convert it into ordinary shares of the Company at any time between the date of issue of the Second 2017 Convertible Note on 26 September 2017 and its settlement date on 26 September 2020 at a conversion price of HK\$0.06 per conversion share (subject to anti-dilutive adjustments). The holder may redeem the Second 2017 Convertible Note, at any time three months after the grant date, at 100% of the principal amount outstanding together with all interest accrued thereon up to and including the date of redemption. The Company may redeem the Second 2017 Convertible Note on any business day prior to the maturity date at 100% of the principal amount outstanding together with all interest accrued thereon up to and including the date of redemption. On 18 October 2017, the conversion rights attached to the Second 2017 Convertible Note were partially exercised for HK\$16,920,000, and a total of 282,000,000 conversion shares were issued upon conversion. On 30 September 2019, the Second 2017 Convertible Note with principal amount of HK\$11,280,000 remained outstanding. Assuming full conversion of the Second 2017 Convertible Note at a conversion price of HK\$0.06 at 30 September 2019, the Second 2017 Convertible Note will be convertible into 188,000,000 new ordinary shares of HK\$0.01 each in the share capital of the Company.

18. 可換股票據包含負債及權益成分 (續)

(c) (續)

第二份2017年可換股票據以港元列值及持有人享有以每股兌換股份0.06港元之兌換價(需按反稀釋調整改變)，於2017年9月26日之第二份2017年可換股票據發行日及其於2020年9月26日之結算日期間之任何時間，兌換票據為本公司之普通股股份。持有人可在授予日期後三個月之任何時間，以100%未償還本金金額連同所有直至及包括贖回日期之應付未付利息予以贖回第二份2017年可換股票據。本公司可在到期日前任何營業日期內，以100%未償還本金金額連同所有直至及包括贖回日期之應付未付利息予以贖回第二份2017年可換股票據。於2017年10月18日，第二份2017年可換股票據之兌換權部份行使16,920,000港元，並於兌換時發行合共282,000,000股兌換股份。於2019年9月30日，第二份2017年可換股票據仍未償還本金金額為11,280,000港元。假設以每股0.06港元之兌換價，於2019年9月30日全面兌換第二份2017年可換股票據，第二份2017年可換股票據可兌換為本公司之股本內每股票面值0.01港元之188,000,000股新普通股股份。

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18. CONVERTIBLE NOTES CONTAINING LIABILITY AND EQUITY COMPONENTS (CONTINUED)

(c) (continued)

Conversion shares will be allotted and issued upon exercise of the conversion rights. If the Second 2017 Convertible Note is not converted during the conversion period up to the maturity date, it will be redeemed on the maturity date at par with outstanding accrued interest. Interest of 3% per annum will be paid semi-annually in arrears up until the settlement date.

The Second 2017 Convertible Note contains liability component, equity component, and holder and issuer early redemption options. As the early redemption options are closely related to the host contract, they are not treated as separate derivatives. The equity component is presented in equity heading “convertible note equity reserve”. The effective interest rate of the liability component of the Second 2017 Convertible Note is 44.06% per annum at the date of initial recognition.

18. 可換股票據包含負債及權益成分 (續)

(c) (續)

於行使兌換權時將會配發及發行兌換股份。倘第二份2017年可換股票據於兌換期間直至到期日並沒有兌換，則將於到期日以票面值連同尚未支付之已計提利息贖回。年息率3%之利息則每半年期末支付利息，直至結算日為止。

第二份2017年可換股票據包含負債成分、權益成分與持有人及發行人提早贖回權。由於提早贖回權跟主體合約緊密關連，故不作獨立衍生工具處理。權益成分列於「可換股票據權益儲備」之權益。第二份2017年可換股票據之負債成分於初始確認時之實際利率為年息率為44.06%。

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18. CONVERTIBLE NOTES CONTAINING LIABILITY AND EQUITY COMPONENTS (CONTINUED)

- (d) On 28 August 2019, the Company issued 3% convertible note due 2024 at an aggregate principal amount of HK\$70,000,000 to Easyknit International (the “2019 Convertible Note”).

The 2019 Convertible Note is denominated in HKD and entitles the holder to convert it into ordinary shares of the Company at any time between the date of issue of the 2019 Convertible Note on 28 August 2019 and its settlement date on 28 August 2024 at a conversion price of HK\$0.055 per conversion share (subject to anti-dilutive adjustments). On 30 September 2019, the 2019 Convertible Note with principal amount of HK\$70,000,000 remained outstanding. Assuming full conversion of the 2019 Convertible Note at a conversion price of HK\$0.055 at 30 September 2019, the 2019 Convertible Note will be convertible into 1,272,727,272 new ordinary shares of HK\$0.01 each in the share capital of the Company.

18. 可換股票據包含負債及權益成分 (續)

- (d) 於2019年8月28日，本公司以本金總額70,000,000港元發行於2024年到期之3%可換股票據予永義國際（「2019年可換股票據」）。

2019年可換股票據以港元列值及持有人享有以每股兌換股份0.055港元之兌換價（需按反稀釋調整改變），於2019年8月28日之2019年可換股票據發行日及其於2024年8月28日之結算日期間之任何時間，兌換票據為本公司之普通股股份。於2019年9月30日，2019年可換股票據仍未償還本金額為70,000,000港元。假設以每股0.055港元之兌換價，於2019年9月30日全面兌換2019年可換股票據，2019年可換股票據可兌換為本公司之股本內每股票面值0.01港元之1,272,727,272股新普通股股份。

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18. CONVERTIBLE NOTES CONTAINING LIABILITY AND EQUITY COMPONENTS (CONTINUED)

(d) (continued)

Conversion shares will be allotted and issued upon exercise of the conversion rights. If the 2019 Convertible Note is not converted during the conversion period up to the maturity date, it will be redeemed on the maturity date at par with outstanding accrued interest. Interest of 3% per annum will be paid semi-annually in arrears up until the settlement date.

The 2019 Convertible Note contains liability component and equity component. The equity component is presented in equity heading “convertible note equity reserve”. The effective interest rate of the liability component of the 2019 Convertible Note is 15.80% per annum at the date of initial recognition.

18. 可換股票據包含負債及權益成分 (續)

(d) (續)

於行使兌換權時將會配發及發行兌換股份。倘2019年可換股票據於兌換期間直至到期日並沒有兌換，則將於到期日以票面值連同尚未支付之已計提利息贖回。年息率3%之利息則每半年期末支付利息，直至結算日為止。

2019年可換股票據包含負債部份及權益部份。權益部份列於「可換股票據權益儲備」之權益。2019年可換股票據負債部份於初始確認日期時之實際利率為年息率為15.80%。

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18. CONVERTIBLE NOTES CONTAINING LIABILITY AND EQUITY COMPONENTS (CONTINUED)

18. 可換股票據包含負債及權益成分 (續)

The movement of the liability component of the above convertible notes during the six months ended 30 September 2019 is set out below:

上述可換股票據負債成分截至2019年9月30日止六個月之變動載列如下：

		HK\$'000 千港元
Carrying amount at 1 April 2019 (audited)	於2019年4月1日之賬面值 (經審核)	62,986
Issue of the 2019 Convertible Note	發行2019年可換股票據	39,787
Derecognition of original liability component upon modification of terms of the First New 2015 Convertible Note	於更改新2015年可換股票據條款時取消確認原本之負債成份	(86,360)
Recognition of new liability component upon modification of terms of the First New 2015 Convertible Note	於更改新2015年可換股票據條款時確認新的負債成份	43,903
Net loss on modification of terms of First New 2015 Convertible Note	更改2015年可換股票據條款之虧損淨額	37,526
Conversion	兌換	(23,182)
Accretion of interest	利息之自然增值	7,613
Interest paid	已付利息	(1,629)
Carrying amount at 30 September 2019 (unaudited)	於2019年9月30日之賬面值 (未經審核)	80,644

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19. SECURED BANK BORROWINGS

19. 有抵押銀行借貸

		30 September 9月30日 2019 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2019 HK\$'000 千港元 (Audited) (經審核)
Carrying amount repayable as follows (based on the scheduled repayment dates set out in the loan agreements):	應償還款項之賬面值如下(根據貸款協議所列之預定還款日期)：		
– within one year	– 一年內	362,100	354,620
– within a period of more than one year but not exceeding two years	– 多於一年但不超過兩年期間內	17,507	36,208
– within a period of more than two years but not exceeding five years	– 多於兩年但不超過五年期間內	488,801	627,957
– within a period of more than five years	– 超過五年期間內	54,034	56,444
		922,442	1,075,229
Less: Amount due within one year shown under current liabilities	減：於流動負債項下之一年內到期之金額	(362,100)	(354,620)
Amount due after one year shown under non-current liabilities	於非流動負債項下之一年後到期之金額	560,342	720,609

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19. SECURED BANK BORROWINGS (CONTINUED)

During the current interim period, the Group obtained new bank loans amounting to HK\$48,815,000 (six months ended 30 September 2018: HK\$672,249,000) and repaid bank loans amounting to HK\$201,601,000 (six months ended 30 September 2018: HK\$417,394,000).

The new loans carry interest at Hong Kong Interbank Offered Rate plus 1.5% or London Interbank Offered Rate plus 0.8% per annum, with effective interest at 2.7% to 3.4% per annum.

19. 有抵押銀行借貸(續)

於本中期間，本集團取得金額為48,815,000港元(截至2018年9月30日止六個月：672,249,000港元)之新銀行貸款及償還銀行貸款金額為201,601,000港元(截至2018年9月30日止六個月：417,394,000港元)。

新貸款息率為香港銀行同業拆息加1.5%或倫敦銀行同業拆息加0.8%之年利率，實際年利率為2.7%至3.4%。

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20. DEFERRED TAX LIABILITIES

20. 遞延稅項負債

		Revaluation of properties 物業重估 HK\$'000 千港元	Convertible notes issued 可換股票據 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 April 2018 (audited)	於2018年4月1日(經審核)	(24,425)	(10,640)	(35,065)
(Charge) credit to profit or loss for the period	於本期間損益中(扣除) 計入	(28)	1,038	1,010
Currency realignment	匯兌調整	2,218	–	2,218
At 30 September 2018 (unaudited)	於2018年9月30日 (未經審核)	(22,235)	(9,602)	(31,837)
Release upon conversion of convertible note	兌換可換股票據時解除	–	177	177
(Charge) credit to profit or loss for the period	於本期間損益中(扣除) 計入	(1,542)	1,161	(381)
Currency realignment	匯兌調整	(616)	–	(616)
At 31 March 2019 (audited)	於2019年3月31日 (經審核)	(24,393)	(8,264)	(32,657)
Credit to profit or loss for the period	於本期間損益中計入	123	987	1,110
Recognition upon issue of convertible note	於發行可換股票據時 確認	–	(4,985)	(4,985)
Released upon modification of terms of convertible note	更改可換股票據條款時 解除	–	6,132	6,132
Recognition upon modification of terms of convertible note	更改可換股票據條款時 確認	–	(7,005)	(7,005)
Released upon conversion	於兌換時解除	–	3,699	3,699
Currency realignment	匯兌調整	1,533	–	1,533
At 30 September 2019 (unaudited)	於2019年9月30日 (未經審核)	(22,737)	(9,436)	(32,173)

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

20. DEFERRED TAX LIABILITIES (CONTINUED)

At 30 September 2019, the Group has unused tax losses of HK\$149,547,000 (31 March 2019: HK\$166,900,000) available for offset against future profits. The tax losses can be carried forward indefinitely. No deferred tax asset has been recognised in respect of such tax losses due to unpredictability of future profit streams.

20. 遞延稅項負債(續)

於2019年9月30日，本集團有未動用稅項虧損149,547,000港元(2019年3月31日：166,900,000港元)可供抵銷未來溢利。稅項虧損可無限期結轉。由於未能預計未來溢利收入，故並沒有確認此等稅項虧損之遞延稅項資產。

21. SHARE CAPITAL

21. 股本

		Nominal value per share 每股面值 HK\$ 港元	Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Authorised:	法定：			
At 1 April 2018, 30 September 2018, 31 March 2019 and 30 September 2019	於2018年4月1日、 2018年9月30日、 2019年3月31日及 2019年9月30日	0.01	20,000,000,000	200,000
Issued and fully paid:	已發行及繳足：			
At 1 April 2018 and 31 March 2019	於2018年4月1日及 2019年3月31日	0.01	2,965,832,059	29,658
Conversion of convertible note	兌換可換股票據	0.01	760,000,000	7,600
At 30 September 2019	於2019年9月30日	0.01	3,725,832,059	37,258

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

21. SHARE CAPITAL (CONTINUED)

On 27 May 2019, the Second New 2015 Convertible Note with a principal amount of HK\$8,400,000 was converted into shares of HK\$0.01 each in the Company at the conversion price of HK\$0.06 per share. Accordingly, a total of 140,000,000 ordinary shares of HK\$0.01 each were allocated and issued by conversion of the convertible note.

On 2 August 2019, the Second New 2015 Convertible Note with a principal amount of HK\$37,200,000 was converted into shares of HK\$0.01 each in the Company at the conversion price of HK\$0.06 per share. Accordingly, a total of 620,000,000 ordinary shares of HK\$0.01 each were allocated and issued by conversion of the convertible note.

All shares issued during the current period ranked pari passu with the then existing shares in issue in all respects.

21. 股本(續)

於2019年5月27日，本金金額8,400,000港元之第二批新2015年可換股票據以每股0.06港元之兌換價兌換為本公司每股0.01港元之股份。因此，透過兌換可換股票據合共配售及發行140,000,000股每股0.01港元之普通股股份。

於2019年8月2日，本金金額37,200,000港元之第二批新2015年可換股票據以每股0.06港元之兌換價兌換為本公司每股0.01港元之股份。因此，透過兌換可換股票據合共配售及發行620,000,000股每股0.01港元之普通股股份。

所有於本期間發行之股份於各方面與當時已發行股份享有同等權利。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

22. FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

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

- Level 1 inputs are quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 inputs are unobservable inputs for the asset or liability.

22. 金融資產之公平值計量

本集團按經常性基準以公平值計量之金融資產之公平值

部分本集團之金融資產於報告期末按公平值計量。下表提供有關如何釐定該等金融資產之公平值(特別是,所使用的估值技術及輸入數據),及根據公平值計量的輸入數據的可觀察程度以劃分公平值級別水平(第1至3級)之資料。

- 第1級輸入數據指實體於計量日可識別之相同資產或負債於活躍市場之報價(未經調整);
- 第2級輸入數據指除第1級計入之報價外,可直接(即作為價格)或間接(即按價格衍生)觀察的資產或負債數據;及
- 第3級輸入數據指資產或負債的不可觀察數據。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

22. FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS (CONTINUED)

22. 金融資產之公平值計量(續)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

本集團按經常性基準以公平值計量之金融資產之公平值(續)

		Fair value at 公平值		Fair value hierarchy	Valuation techniques and key inputs 估值技術及 主要輸入數據	Significant unobservable inputs 重大不可觀察輸入 數據
		30 September 2019	31 March 2019			
Financial assets		9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	3月31日 HK\$'000 千港元 (Audited) (經審核)	公平值階		
金融資產						
<hr/>						
Debt instruments at FVTOCI	按公平值計入其他 全面收益之 債務工具					
- Listed debt securities	- 上市債務證券	39,996	15,857	Level 1 第1級	Quoted bid prices in active markets 於活躍市場所報之 出價	N/A 不適用
Financial assets at FVTPL	按公平值計入 損益之金融資產					
- Listed equity securities	- 上市股本證券	48,109	56,338	Level 1 第1級	Quoted bid prices in active markets 於活躍市場所報之 出價	N/A 不適用
- Perpetual bond	- 永久債券	13,362	4,012	Level 1 第1級	Quoted bid prices in active markets 於活躍市場所報之 出價	N/A 不適用
- Contingent convertible notes	- 或然可換股票據	8,237	15,940	Level 1 第1級	Quoted bid prices in active markets 於活躍市場所報之 出價	N/A 不適用

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

22. FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS (CONTINUED)

22. 金融資產之公平值計量(續)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

本集團按經常性基準以公平值計量之金融資產之公平值(續)

		Fair value at 公平值			Valuation techniques and key inputs 估值技術及主要輸入數據	Significant unobservable inputs 重大不可觀察輸入數據
		30 September 2019	31 March 2019			
Financial assets		2019	2019	Fair value hierarchy		
金融資產		9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	3月31日 HK\$'000 千港元 (Audited) (經審核)	公平值階		
<hr/>						
- Principal protected deposits	- 保本存款	23,916	25,800	Level 3	Discounted cash flows - future cash flows are estimated based on exchange rate of USD against HKD and expected yields of the instruments	Potential return rate of 3.2% per annum (31 March 2019: 3.2% per annum)
				第3級	折現現金流量 - 未來現金流量乃按美元兌港元之兌換率及工具之預計回報作出估計	潛在回報率每年3.2% (2019年3月31日：每年3.2%)
- Convertible note	- 可換股票據	9,519	9,891	Level 3	Binomial Option Pricing Model	Volatility of 77.54% (31 March 2019: 70.13%)
				第3級	二項式期權定價模型	波幅77.54% (2019年3月31日：70.13%)

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

22. FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS (CONTINUED)

22. 金融資產之公平值計量(續)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

本集團按經常性基準以公平值計量之金融資產之公平值(續)

	Fair value at 公平值		Valuation techniques and key inputs 估值技術及 主要輸入數據	Significant unobservable inputs 重大不可觀察輸入 數據
	30 September 2019	31 March 2019		
Financial assets			Fair value hierarchy	
金融資產	9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	3月31日 HK\$'000 千港元 (Audited) (經審核)	公平值階	
<hr/>				
- Investment fund	- 投資基金	9,752	10,245	Level 3
				Discounted cash flows - future cash flows are estimated
			第3級	折現現金流量 - 未來現金流量 作出估計
				Weighted average cost of capital at 9.45% (31 March 2019: 9.45%) 加權平均資金成本 9.45% (2019年 3月31日: 9.45%)

A slight increase in the volatility and weighted average cost of capital used in isolation would result in a slight decrease in the fair value measurement of the convertible note and investment fund, and vice versa.

波動性和加權平均資本成本獨自使用略有增加，會導致可轉換票據和投資基金之公平值計量略有下降，反之亦然。

A slight increase in the potential return rate used in isolation would result in a slight increase in the fair value measurement of the principal protected deposits, and vice versa.

潛在回報率獨自略有增加，將導致本金保護金的公允價值計量略有增加，反之亦然。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

22. FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS (CONTINUED)

22. 金融資產之公平值計量(續)

Reconciliation of Level 3 fair value measurements

第3級公平值計量之對賬

		30 September 2019 2019年9月30日			
		Principal protected deposits 保本存款 HK\$'000 千港元 (Unaudited) (未經審核)	Convertible note 可換股票據 HK\$'000 千港元 (Unaudited) (未經審核)	Investment fund 投資基金 HK\$'000 千港元 (Unaudited) (未經審核)	Total 總額 HK\$'000 千港元 (Unaudited) (未經審核)
At the beginning of the period	於期初	25,800	9,891	10,245	45,936
Purchases	購買	78,674	-	-	78,674
Interest received	已收利息	(497)	(468)	(481)	(1,446)
Unrealised fair value gain recognised in profit or loss	於損益內確認之未實現公平值收益	-	96	639	735
Settlements	結算	(78,445)	-	-	(78,445)
Exchange realignment	匯兌調整	(1,616)	-	(651)	(2,267)
At the end of the period	於期末	23,916	9,519	9,752	43,187

Of the total fair value gains or losses for the six months ended 30 September 2019 included in profit or loss, HK\$735,000 relates to financial assets at FVTPL held at 30 September 2019.

於截至2019年9月30日止六個月計入損益的公平值收益或虧損總額中，735,000港元與於2019年9月30日持有的按公平值計入損益的金融資產有關。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

22. FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS (CONTINUED)

22. 金融資產之公平值計量(續)

Reconciliation of Level 3 fair value measurements (continued)

第3級公平值計量之對賬(續)

		31 March 2019 2019年3月31日			
		Principal protected deposits	Convertible note	Investment fund	Total
		保本存款	可換股票據	投資基金	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
		(Audited)	(Audited)	(Audited)	(Audited)
		(經審核)	(經審核)	(經審核)	(經審核)
At the beginning of the year	於年初	35,618	–	–	35,618
Purchases	購買	155,290	10,000	10,391	175,681
Interest received	已收利息	(1,010)	(76)	(257)	(1,343)
Unrealised fair value (loss)	於損益內確認之未				
gain recognised in	實現公平值(虧損)				
profit or loss	收益	–	(33)	61	28
Settlements	結算	(161,716)	–	–	(161,716)
Exchange realignment	匯兌調整	(2,382)	–	50	(2,332)
At the end of the year	於年末	25,800	9,891	10,245	45,936

Of the total fair value gains or losses for the year included in profit or loss, HK\$28,000 relates to financial assets at FVTPL held at 31 March 2019.

於本年度計入損益的公平值收益或虧損總額中，28,000港元與於2019年3月31日持有的按公平值計入損益的金融資產有關。

There were no transfers between Levels 1, 2 and 3 in both periods.

第1級、第2級及第3級之間並沒有於兩個期間轉移。

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簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

23. RELATED PARTY TRANSACTIONS/CONNECTED TRANSACTIONS

23. 關連人士交易／關連交易

- (a) During the period, the Group had the following transactions with a wholly-owned subsidiary of Easyknit International:

- (a) 於期內，本集團與永義國際之全資附屬公司之交易如下：

		Six months ended 30 September 截至9月30日止六個月 2019 HK\$'000 千港元 (Unaudited) (未經審核)		2018 HK\$'000 千港元 (Unaudited) (未經審核)
Interest expense on lease liabilities	租賃負債利息開支	52	-	
Rental expense	租金開支	-	1,248	

The Group rented certain of its office premises from Easyknit International. At 30 September 2019, lease liabilities in respect of the lease contracts amounted to HK\$2,248,000 and refundable rental deposits paid (included in "trade and other receivables" line item) amounted to HK\$416,000.

本集團向永義國際租賃了若干辦公物業。於2019年9月30日，有關租賃合約的租賃負債為2,248,000港元，已付可退還按金(包括在「貿易及其他應收款」項目中)為416,000港元。

Ms. Lui Yuk Chu, a director of the Company, also holds 19.09% (31 March 2019: 19.09%) equity interest of Easyknit International through an entity wholly-owned by her. At 31 March 2019, Ms. Lui Yuk Chu was also one of the beneficiaries under a family trust holding 31.95% (30 September 2019: Nil) equity interest of Easyknit International.

雷玉珠女士，本公司一名董事，亦透過一間其全資擁有之實體持有永義國際19.09% (2019年3月31日：19.09%) 權益。於2019年3月31日，雷玉珠女士亦為擁有永義國際31.95% (2019年9月30日：無) 權益家族信託受益人之一。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

23. RELATED PARTY TRANSACTIONS/CONNECTED TRANSACTIONS (CONTINUED)

- (b) Details of the convertible notes issued to Easyknit International are set out in note 18(b), (c) and (d).

(c) **Compensation of key management personnel**

The remuneration of directors and other members of key management during the period was as follows:

23. 關連人士交易／關連交易(續)

- (b) 發行予永義國際之可換股票據之詳情載列於附註18(b)、(c)及(d)。

(c) **主要管理人員之薪酬**

董事及其他主要管理人員於期內之酬金如下：

		Six months ended 30 September 截至9月30日止六個月	
		2019	2018
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Short-term employee benefits	短期僱員福利		
Salaries and other benefits	薪金及其他福利	5,891	5,372
Contributions to retirement benefit schemes	退休福利計劃供款	45	45
		5,936	5,417

The remuneration of directors and key executives are determined by the remuneration committee and executive directors, respectively, having regard to the performance of individuals and market trends.

董事及主要行政人員之酬金分別由薪酬委員會及執行董事按照個別人士之表現及市場趨勢而釐定。

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簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

23. RELATED PARTY TRANSACTIONS/CONNECTED TRANSACTIONS (CONTINUED)

(d) In January 2011, the Company entered into an employment agreement with Mr. Koon Wing Yee, the spouse of Ms. Lui Yuk Chu, to act as general manager of the Company. The employment agreement, which constitutes a connected transaction, commenced on 21 February 2011 but may be terminated by either party at any time by three months' notice. The monthly salary has been adjusted a few times to HK\$300,000 with effect from 1 April 2018 and further to HK\$350,000 with effect from 1 April 2019. The remuneration of Mr. Koon Wing Yee as general manager of the Company during the six months ended 30 September 2019 was HK\$2,109,000 (six months ended 30 September 2018: HK\$1,809,000) and was included in the "compensation of key management personnel" in (c) above. Details of share options of the Company granted to Mr. Koon Wing Yee are set out in (e) below.

23. 關連人士交易／關連交易(續)

(d) 於2011年1月，本公司與官永義先生，雷玉珠女士之配偶，訂立僱用協議，僱用彼為本公司總經理。該僱用協議，構成一項關連交易，由2011年2月21日開始，但可由其中任何一方給予三個月通知而終止。每月薪金被調整數次至300,000港元於2018年4月1日生效及進一步調整至350,000港元於2019年4月1日生效。截至2019年9月30日止六個月內，官永義先生僱用為本公司總經理之薪酬為2,109,000港元（截至2018年9月30日止六個月：1,809,000港元）並已包括在以上(c)項之「主要管理人員之薪酬」內。有關本公司授予官永義先生購股權之詳情載於以下(e)項。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

23. RELATED PARTY TRANSACTIONS/CONNECTED TRANSACTIONS (CONTINUED)

- (e) On 14 October 2016, 113,000,000 share options were granted to directors of the Company and employees of the Group under the share option scheme which was approved by the shareholders of the Company on 29 June 2012. Share options granted to directors of the Company and their close relatives are as follows:

23. 關連人士交易／關連交易(續)

- (e) 於2016年10月14日，根據於2012年6月29日由本公司股東批准之購股權計劃，113,000,000股購股權授予本公司之董事及本集團之僱員。購股權授予本公司之董事及其近親如下：

		Number of share options 購股權數目		
		Outstanding at 1 April 2018 and 31 March 2019 於2018年 4月1日及 2019年 3月31日尚餘	Granted during the period 於期內授予	Outstanding at 30 September 2019 2019年 9月30日尚餘
Directors	董事			
Mr. Kwong Jimmy	鄭長添先生	11,300,000	–	11,300,000
Cheung Tim				
Ms. Lui Yuk Chu	雷玉珠女士	11,300,000	–	11,300,000
		22,600,000	–	22,600,000

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簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

23. RELATED PARTY TRANSACTIONS/CONNECTED TRANSACTIONS (CONTINUED)

23. 關連人士交易／關連交易(續)

(e) (continued)

(e) (續)

		Number of share options 購股權數目	
		Outstanding at 1 April 2018 and 31 March 2019 於2018年 4月1日及 2019年 3月31日尚餘	Outstanding at 30 September 2019 2019年 9月30日尚餘
		Granted during the period 於期內授予	
Employees	僱員		
Mr. Koon Wing Yee, the spouse of Ms. Lui Yuk Chu	官永義先生，雷玉珠 女士之配偶	11,300,000	– 11,300,000
Mr. Ku Wai Ming, a cousin of Ms. Lui Yuk Chu	古偉明先生，雷玉珠 女士之表親	11,300,000	– 11,300,000
		22,600,000	– 22,600,000
		45,200,000	– 45,200,000

No equity-settled share-based payment expense was recognised in both periods. Subsequently, all share options lapsed on 13 October 2019.

於兩個期間並沒有於損益確認之以權益結算之股份支付開支。其後，所有購股權於2019年10月13日取消。

(f) During the six months ended 30 September 2019, the Group received rental income totalling HK\$144,000 (six months ended 30 September 2018: HK\$144,000) from certain close relatives of Ms. Lui Yuk Chu.

(f) 截至2019年9月30日止六個月，本集團收取雷玉珠女士之若干近親之租金收入共144,000港元（截至2018年9月30日止六個月：144,000港元）。

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簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

24. ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF SUBSIDIARIES

On 9 July 2019, the Group entered into a conditional sale and purchase agreement with an independent third party (the "Seller") for the Group's acquisition of the entire issued share capital and shareholder loan of Extra Glory Limited ("Extra Glory") for an aggregate consideration of HK\$153,833,000 and the entire issued share capital and shareholder loan of Real Supreme Limited ("Real Supreme") at an aggregate consideration of HK\$67,000,000.

The principal assets of Extra Glory are provisional agreements entered into by Extra Glory for the acquisition of all units in two blocks of buildings with respective owners. The sole asset of Real Supreme is a provisional agreement for the acquisition of all the issued share capital in and loan to Jumbo Rainbow Limited (including its subsidiary) which is the registered owner of all units in two blocks of buildings. The Group plans to demolish these four buildings in Hong Kong and redevelop the combined sites. Details of these transactions are set out in the Company's announcement dated 10 July 2019 and circular dated 6 September 2019.

24. 透過收購附屬公司收購資產及負債

於2019年7月9日，本集團與獨立第三方（「賣方」）就本集團以總代價153,833,000港元收購Extra Glory Limited（「Extra Glory」）之全部已發行股本及股東貸款以及以總代價67,000,000港元收購Real Supreme Limited（「Real Supreme」）之全部已發行股本及股東貸款訂立有條件買賣協議。

Extra Glory之主要資產為Extra Glory與各相關擁有人就收購兩幢建築物之所有單位訂立之臨時協議。Real Supreme之唯一資產為就收購Jumbo Rainbow Limited（包括其附屬公司）之所有已發行股本及貸款訂立之臨時協議，而Jumbo Rainbow Limited為兩幢建築物之所有單位之登記擁有人。本集團計劃拆除以上位於香港之四幢建築物並重建合併地盤。有關該等交易之詳情載於本公司日期為2019年7月10日之公佈及日期為2019年9月6日之通函。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

24. ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF SUBSIDIARIES (CONTINUED)

On 23 September 2019, the Group completed the acquisition of Extra Glory and the shareholder loan. The shareholder loan was eliminated in full on consolidation.

At 30 September 2019, acquisition of Real Supreme was not completed, further details of which are set out in notes 26(a) and 27(a).

The net assets of Extra Glory at the date of acquisition were as follows:

24. 透過收購附屬公司收購資產及負債 (續)

於2019年9月23日，本集團已完成收購Extra Glory及股東貸款。股東貸款於合併時全額對銷。

於2019年9月30日，本集團尚未完成收購Real Supreme，有關進一步詳情載於附註26(a)及27(a)。

Extra Glory於收購日期之淨資產值如下：

		23 September 9月23日 2019 HK\$'000 千港元 (Unaudited) (未經審核)
Deposits paid for acquisition of properties held for development for sale	收購持作出售發展物業已付按金	153,833
Shareholder loan	股東貸款	(115,333)
Net assets acquired	所收購之淨資產	38,500
Deemed cash outflow on acquisition: Consideration paid during the period	收購之視作現金流出：期內已付代價	(153,833)

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

25. DISPOSAL OF SUBSIDIARIES

On 23 August 2019, the Group completed the disposal of its entire 100% equity interest in a subsidiary, Empire Sail Limited ("Empire Sail"), and shareholder loan for a cash consideration of HK\$361,600,000. The principal assets of Empire Sail and its sole subsidiary (collectively the "Empire Sail Group") are investment properties.

The net assets of the Empire Sail Group at the date of disposal were as follows:

25. 出售附屬公司

於2019年8月23日，本集團已完成出售其附屬公司帝航有限公司(「帝航」)之全部100%股權及股東貸款，現金代價為361,600,000港元。帝航及其唯一附屬公司(統稱「帝航集團」)之主要資產為投資物業。

帝航集團於出售日期之淨資產如下：

		23 August 8月23日 2019 HK\$'000 千港元 (Unaudited) (未經審核)
Assets classified as held for sale – investment properties	分類為持作出售之資產 – 投資物業	304,000
Deposits paid and prepayments	已付按金及預付款項	89
Rental deposits received	已收租金按金	(603)
Shareholder loan	股東貸款	(226,184)
Net assets disposed of	所出售淨資產	77,302
Gain on disposal:	出售之收益：	
Consideration received	已收代價	361,600
Net assets disposed of	所出售淨資產	(77,302)
Transfer of shareholder loan	轉撥股東貸款	(226,184)
Transfer of rental deposits	轉撥租金按金	(603)
Gain on disposal of subsidiaries	出售附屬公司之收益	57,511
Net cash inflow arising on disposal:	出售所產生之現金流入淨額：	
Cash consideration received	已收現金代價	361,600
Settlement of rental deposits	結算租金按金	(603)
		360,997

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簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

26. CAPITAL COMMITMENTS

26. 資本承擔

		30 September 9月30日 2019 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2019 HK\$'000 千港元 (Audited) (經審核)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of	有關之已訂約但尚未於簡明綜合財務報表撥備之資本開支		
– investment properties	– 投資物業	408	1,684
– acquisition of Real Supreme (note (a))	– 收購Real Supreme (附註(a))	17,000	–
– limited partnership interest (note (b))	– 有限合夥公司權益 (附註(b))	38,214	39,000
		55,622	40,684

- (a) At 30 September 2019, deposits amounting to HK\$50,000,000 were paid by the Group to the Seller for acquisition of Real Supreme and the shareholder loan which is presented in the condensed consolidated statement of financial position as “deposits paid for acquisition of a subsidiary”. Completion of this transaction took place on 28 October 2019 (see note 27(a)).

- (a) 於2019年9月30日，本集團已向賣方支付一筆為數50,000,000港元之訂金，以收購Real Supreme及其股東貸款，並已於簡明綜合財務狀況表中列為「收購附屬公司之按金」。該交易已於2019年10月28日完成（見附註27(a)）。

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簡明綜合財務報表附註

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26. CAPITAL COMMITMENTS (CONTINUED)

- (b) The amount at 31 March 2019 represented USD5 million (equivalent to HK\$39,000,000) for subscription for limited partnership interest in a limited partnership (the “Limited Partnership”) as a limited partner. The purpose of the Limited Partnership is primarily achieving capital appreciation and participation through investments in equity and equity-related securities in Asia-Pacific and Europe and portfolio funds with a similar investment focus. The business of the Limited Partnership will be conducted and managed by one single general partner (the “General Partner”) who will act as agent of the Limited Partnership while the investment committee of the Limited Partnership (comprising individuals who are not connected with the Group) shall decide and approve all investment and divestment decisions of the Limited Partnership with reference to the investment objective. The limited partners of the limited partnership, including the Group, shall take no part in the operation of the Limited partnership on the management or conduct of the business and affairs except with the written consent of the General Partner. Details of this transaction are set out in the Company’s announcements dated 27 March 2019 and 10 May 2019. In April 2019, a deposit of USD100,000 (approximately HK\$786,000) was paid which is included in “other receivables” within the line item of “trade and other receivables”.

26. 資本承擔(續)

- (b) 於2019年3月31日之金額為5百萬美元(相當於39,000,000港元)用於作為有限合夥人認購有限合夥公司(「有限合夥公司」)之有限合夥公司權益。有限合夥公司之目的主要為實現資本增值及參與亞太及歐洲股本及股本相關證券投資及投資重點相類似之組合投資。有限合夥公司的業務將由一名普通合夥人(「普通合夥人」)經營及管理。普通合夥人將作為有限合夥公司的代理人，而有限合夥公司的投資委員(由與本集團並無關連的個人組成)將按照投資目標為有限合夥公司作出的投資和撤資決定。除非經普通合夥人書面同意，否則有限合夥公司之有限合夥人(包括本集團)不得參與有限合夥公司關於管理或開展業務及事務之經營。有關此交易之詳情載於本公司日期為2019年3月27日及2019年5月10日的公佈。於2019年4月，已支付計入「貿易及其他應收款項」項下之「其他應收款項」之按金100,000美元(約786,000港元)。

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簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

27. EVENTS AFTER THE END OF THE REPORTING PERIOD

The following events took place subsequent to 30 September 2019:

- (a) On 28 October 2019, the acquisition of Real Supreme (see notes 24 and 26(a)) was completed and the remaining balance of the consideration, amounting to HK\$17,000,000, was paid to the Seller.
- (b) The Group is the registered owner of more than 80% of the undivided shares of Wing Cheong Factory Building which is situated in Kowloon. In September 2019, the Company filed an application to the Lands Tribunal for an order to sell all the undivided shares of Wing Cheong Factory Building (including those owned by the Group) for the purposes of the redevelopment of the Wing Cheong Factory Building site, with the intention to bid in a public auction and acquire all remaining portions of Wing Cheong Factory Building. On 17 October 2019, an ordinary resolution at a special general meeting was passed to approve the possible acquisition of all remaining portions of the Wing Cheong Factory Building not already owned by the Group (if the Group is the successful bidder of the auction) and the possible disposal of all portions of the Wing Cheong Factory Building now owned by the Group (if the Group is not successful in the auction). On 21 October 2019, a hearing was held by the Lands Tribunal. In late October 2019, the Lands Tribunal hearing for an order for sale of Wing Cheong Building was concluded and the Group is now awaiting the Lands Tribunal's decision for an order for sale.

27. 報告期後事項

下述事項於2019年9月30日後發生：

- (a) 於2019年10月28日，已完成收購Real Supreme（詳情見附註24及26(a)）且已向賣方支付餘下代價結餘17,000,000港元。
- (b) 本集團為位於九龍之永昌工業大廈超過80%不可分割份數之登記擁有人。於2019年9月，本公司為重建永昌工業大廈地盤而向土地審裁處提交有關售賣永昌工業大廈之所有不可分割份數（包括由本集團擁有之份數）之命令之申請，以便在公開拍賣中投標並收購永昌工業大廈所有餘下單位。於2019年10月17日，股東特別大會上通過一項普通決議案，以批准可能收購永昌工業大廈尚未由本集團擁有之所有餘下部分（倘本集團為拍賣之成功中標人）及可能出售永昌工業大廈現由本集團擁有之所有部分（倘本集團並非拍賣之中標人）。於2019年10月21日，土地審裁處召開聆訊。於2019年10月底，為出售永昌工業大廈命令召開之土地審裁處聆訊已結束，本集團正等待土地審裁處就出售土地命令之決定。

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27. EVENTS AFTER THE END OF THE REPORTING PERIOD (CONTINUED)

- (c) The board of directors proposed to effect a share consolidation in which twenty issued and unissued shares of the Company of HK\$0.01 each will be consolidated into one consolidated share of HK\$0.20 each (the “Consolidated Share(s)”) (the “Share Consolidation”). Immediately following the Share Consolidation becoming effective, the authorised share capital of the Company will remain at HK\$200,000,000, represented by 1,000,000,000 Consolidated Shares, and the nominal amount of the issued Consolidated Shares will be HK\$37,258,320.40 represented by 186,291,602 Consolidated Shares.

27. 報告期末後事項(續)

- (c) 董事會建議進行股份合併，將每二十股本公司每股面值0.01港元之已發行及未發行股份合併為一股面值為0.20港元之合併股份(「合併股份」)(「股份合併」)。緊隨股份合併生效後，本公司之法定股本將仍為200,000,000港元，分為1,000,000,000股合併股份，而已發行合併股份之面值將為37,258,320.40港元，分為186,291,602股合併股份。

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27. EVENTS AFTER THE END OF THE REPORTING PERIOD (CONTINUED)

(c) (continued)

The Company proposed to, subject to the Share Consolidation having become effective, raise approximately HK\$359.9 million (assuming that only 745,166,408 rights shares are issued, before expenses, by way of the rights issue of not less than 745,166,408 rights shares and not more than 879,833,072 rights shares to the qualifying shareholders at the subscription price of HK\$0.483 per rights share on the basis of four rights shares for every one Consolidated Share (the "Rights Issue"). The estimated net proceeds from the Rights Issue will be approximately HK\$353.9 million assuming that only 745,166,408 rights shares are issued, of which approximately HK\$300.8 million are intended to replenish the internal cash resources previously used to pay for the balance of acquisition of the four blocks of buildings mentioned in note 24 not being financed by bank, and the remaining balance of approximately HK\$53.1 million for general working capital of the Group.

27. 報告期末後事項(續)

(c) (續)

本公司建議待股份合併生效後按每持有一股合併股份可獲發四股供股股份之基準以認購價每股供股股份0.483港元向合資格股東進行供股，發行不少於745,166,408股供股股份及不多於879,833,072股供股股份，集資約359,900,000港元(假設僅發行745,166,408股供股股份，扣除開支前)(「供股」)。供股之估計所得款項淨額將約為353,900,000港元，假設僅發行745,166,408股供股股份，當中約300,800,000港元擬用作補充先前用於支付收購附註24所述四幢建築物未獲銀行融資之餘額之內部現金資源，餘額約53,100,000港元用作本集團一般營運資金。

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27. EVENTS AFTER THE END OF THE REPORTING PERIOD (CONTINUED)

(c) (continued)

Further details of the Share Consolidation and the Rights Issue are set out in the Company's announcement dated 6 November 2019. At the date of approval of these condensed consolidated financial statements, the circular containing, among others, information about the Share Consolidation and Rights Issue, and notice of a special general meeting of the Company to consider and approve, among others, the Share Consolidation and the Rights Issue has yet to be published.

27. 報告期末後事項(續)

(c) (續)

有關股份合併及供股之進一步詳情載於本公司日期為2019年11月6日之公佈。於簡明綜合財務報表批准之日，一份載有(其中包括)股份合併及供股之資料以及本公司為考慮並批准(其中包括)股份合併及供股而召開之股東特別大會之通告之通函尚未刊發。



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