



沪港联合

Hong Kong Shanghai Alliance Holdings Limited

滬港聯合控股有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股票代號：1001



2019/20
INTERIM REPORT
中期報告





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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Yao Cho Fai Andrew
(Chairman and Chief Executive Officer)
Mr. Lau Chi Chiu

Independent Non-executive Directors

Mr. Tam King Ching Kenny
Mr. Xu Lin Bao
Mr. Yeung Wing Sun Mike
Mr. Li Yinquan

EXECUTIVE COMMITTEE

Mr. Yao Cho Fai Andrew (Chairman)
Mr. Lau Chi Chiu

AUDIT COMMITTEE

Mr. Tam King Ching Kenny (Chairman)
Mr. Xu Lin Bao
Mr. Yeung Wing Sun Mike
Mr. Li Yinquan

REMUNERATION COMMITTEE

Mr. Xu Lin Bao (Chairman)
Mr. Yao Cho Fai Andrew
Mr. Tam King Ching Kenny
Mr. Li Yinquan

NOMINATION COMMITTEE

Mr. Yao Cho Fai Andrew (Chairman)
Mr. Tam King Ching Kenny
Mr. Xu Lin Bao
Mr. Yeung Wing Sun Mike

COMPANY SECRETARY

Ms. Wong Yuen Sze

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

董事會

執行董事

姚祖輝先生
(主席兼首席執行官)
劉子超先生

獨立非執行董事

譚競正先生
徐林寶先生
楊榮樂先生
李引泉先生

執行委員會

姚祖輝先生(主席)
劉子超先生

審核委員會

譚競正先生(主席)
徐林寶先生
楊榮樂先生
李引泉先生

薪酬委員會

徐林寶先生(主席)
姚祖輝先生
譚競正先生
李引泉先生

提名委員會

姚祖輝先生(主席)
譚競正先生
徐林寶先生
楊榮樂先生

公司秘書

黃婉詩女士

核數師

羅兵咸永道會計師事務所
香港執業會計師

PRINCIPAL BANKERS

Bangkok Bank Public Co. Ltd.
Bank of China (Hong Kong) Limited
Bank of Communications Co., Ltd.
China Construction Bank (Asia) Corp. Ltd.
Chong Hing Bank Limited
CTBC Bank Co., Ltd.
Fubon Bank (Hong Kong) Limited
Industrial and Commercial Bank of China Limited
Shanghai Commercial Bank Ltd.
United Overseas Bank Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rooms 1103-05, 11th Floor
East Town Building
41 Lockhart Road
Wanchai, Hong Kong

Website : <http://www.hkshalliance.com>
E-mail Address : enquiry@hkshalliance.com

SHARE REGISTRARS AND TRANSFER OFFICES

Principal Registrar

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

Hong Kong Branch Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

STOCK CODE

1001

主要往來銀行

盤谷銀行
中國銀行(香港)有限公司
交通銀行股份有限公司
中國建設銀行(亞洲)股份有限公司
創興銀行有限公司
中國信託商業銀行股份有限公司
富邦銀行(香港)有限公司
中國工商銀行股份有限公司
上海商業銀行有限公司
大華銀行有限公司

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

香港主要營業地點

香港灣仔
駱克道41號
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11樓1103-05室

網址 : <http://www.hkshalliance.com>
電子郵件 : enquiry@hkshalliance.com

股份登記過戶處

主要過戶處

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

香港過戶處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心
17樓1712-1716號舖

股票代號

1001

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

簡明綜合中期損益表

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2019 截至二零一九年九月三十日止六個月

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

滬港聯合控股有限公司(「本公司」)之董事會(「董事會」)謹此宣佈本公司及其附屬公司(統稱「本集團」)截至二零一九年九月三十日止六個月之未經審核簡明綜合中期業績連同比較數字如下：

		Six months ended	
		30th September	
		截至九月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
	Notes	(Unaudited)	(Unaudited)
	附註	(未經審核)	(未經審核)
Revenue	7	1,219,088	1,485,486
Cost of sales	9	(1,091,762)	(1,325,352)
Gross profit		127,326	160,134
Other gains – net	8	2,573	2,508
Selling and distribution expenses	9	(6,366)	(10,943)
Reversal of/(net) impairment loss on financial assets	9	4,044	(2,785)
General and administrative expenses	9	(107,165)	(155,222)
Fair value gain on an investment property	15	36,606	40,846
Operating profit		57,018	34,538
Finance income	10	574	3,718
Finance costs	10	(40,789)	(40,859)
Share of result of an associate		–	2,106
Share of results of joint ventures – net		(5,474)	(1,015)
Profit/(loss) before income tax		11,329	(1,512)
Income tax (expense)/credit	11	(9,974)	3,537
Profit for the period		1,355	2,025
Profit/(loss) attributable to:			
– Owners of the Company	13	2,467	8,131
– Non-controlling interests		(1,112)	(6,106)
		1,355	2,025

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

簡明綜合中期損益表

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2019 截至二零一九年九月三十日止六個月

		Six months ended	
		30th September	
		截至九月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		Notes	
		附註	
Earnings per ordinary share attributable to owners of the Company	本公司擁有人應佔每股普通股盈利		
— Basic earnings per share	— 每股基本盈利	13	HK0.4 cent 港仙 HK1.3 cents港仙
— Diluted earnings per share	— 每股攤薄盈利	13	HK0.4 cent 港仙 HK1.3 cents港仙

The above condensed consolidated interim statement of profit or loss should be read in conjunction with the accompanying notes. 上述簡明綜合中期損益表應與隨附之附註一併閱讀。

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

簡明綜合中期全面損益表

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2019 截至二零一九年九月三十日止六個月

		Six months ended	
		30th September	
		截至九月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Profit for the period	期內溢利	1,355	2,025
Other comprehensive loss:	其他全面虧損：		
<i>Items that may be subsequently reclassified to profit or loss:</i>	<i>其後可重新分類為損益之項目：</i>		
Change in financial assets at fair value through other comprehensive income	按公允價值計入其他全面收入之金融資產變動	(37)	(140)
Currency translation differences	貨幣匯兌差額	(80,521)	(105,429)
Other comprehensive loss for the period	期內其他全面虧損	(80,558)	(105,569)
Total comprehensive loss for the period	期內全面虧損總額	(79,203)	(103,544)
Total comprehensive loss for the period attributable to:	應佔期內全面虧損總額：		
— Owners of the Company	— 本公司擁有人	(70,517)	(88,639)
— Non-controlling interests	— 非控制性權益	(8,686)	(14,905)
		(79,203)	(103,544)

The above condensed consolidated interim statement of comprehensive income should be read in conjunction with the accompanying notes.

上述簡明綜合中期全面損益表應與隨附之附註一併閱讀。

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

簡明綜合中期財務狀況表

AS AT 30TH SEPTEMBER 2019 於二零一九年九月三十日

			As at 30th September 2019 於二零一九年 九月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31st March 2019 於二零一九年 三月三十一日 HK\$'000 千港元 (Audited) (經審核)
	Notes 附註			
ASSETS		資產		
Non-current assets		非流動資產		
Property, plant and equipment	14	物業、廠房及設備	86,231	116,767
Right-of-use assets	4	使用權資產	49,773	—
Investment properties	15	投資物業	1,370,677	1,413,227
Land use rights	16	土地使用權	—	9,019
Intangible assets		無形資產	2,074	2,602
Investments in joint ventures	17	於合營公司之投資	276,133	299,747
Prepayments, deposits and other receivables	19	預付款項、按金及其他應收賬款	19,068	19,084
Deferred income tax assets		遞延所得稅資產	49,412	47,082
Financial assets at fair value through other comprehensive income		按公允價值計入其他全面收入之金融資產	107	144
Total non-current assets		非流動資產總額	1,853,475	1,907,672
Current assets		流動資產		
Inventories		存貨	421,814	290,659
Trade and bill receivables	18	應收賬款及票據	440,887	480,523
Prepayments, deposits and other receivables	19	預付款項、按金及其他應收賬款	114,304	115,410
Financial assets at fair value through profit or loss		按公允價值計入損益之金融資產	21,450	36,698
Pledged bank deposits		已抵押銀行存款	12,692	38,884
Cash and cash equivalents		現金及現金等值	150,373	126,775
Total current assets		流動資產總額	1,161,520	1,088,949
Total assets		資產總額	3,014,995	2,996,621

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

簡明綜合中期財務狀況表

AS AT 30TH SEPTEMBER 2019 於二零一九年九月三十日

			As at 30th September 2019 於二零一九年 九月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31st March 2019 於二零一九年 三月三十一日 HK\$'000 千港元 (Audited) (經審核)
	Notes 附註			
EQUITY		權益		
Equity attributable to owners of the Company		本公司擁有人應佔權益		
Share capital	22	股本	64,123	64,123
Reserves		儲備	840,708	926,223
			904,831	990,346
Non-controlling interests		非控制性權益	108,475	123,090
Total equity		權益總額	1,013,306	1,113,436
LIABILITIES		負債		
Non-current liabilities		非流動負債		
Accrued liabilities and other payables		應計負債及 其他應付賬款	9,061	15,246
Lease liabilities	4	租賃負債	22,148	—
Deferred income tax liabilities		遞延所得稅負債	95,717	92,162
Borrowings	21	借貸	739,830	704,839
Total non-current liabilities		非流動負債總額	866,756	812,247
Current liabilities		流動負債		
Trade and bill payables	20	應付賬款及票據	167,616	189,093
Receipts in advance		預收款項	51,448	27,956
Accrued liabilities and other payables		應計負債及 其他應付賬款	44,311	52,819
Current income tax liabilities		當期所得稅負債	15,009	13,360
Lease liabilities	4	租賃負債	21,856	—
Borrowings	21	借貸	834,693	787,710
Total current liabilities		流動負債總額	1,134,933	1,070,938
Total liabilities		負債總額	2,001,689	1,883,185
Total equity and liabilities		權益及負債總額	3,014,995	2,996,621

The above condensed consolidated interim statement of financial position should be read in conjunction with the accompanying notes.

上述簡明綜合中期財務狀況表應與隨附之附註一併閱讀。

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

簡明綜合中期權益變動表

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2019 截至二零一九年九月三十日止六個月

		Attributable to owners of the Company 本公司擁有人應佔					
		Share capital 股本 HK\$'000 千港元	Other reserves 其他儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total Total 總額 HK\$'000 千港元	Non- controlling interests 非控制性權益 HK\$'000 千港元	Total equity 權益總額 HK\$'000 千港元
As at 1st April 2019 (audited)	於二零一九年四月一日(經審核)	64,123	572,243	353,980	990,346	123,090	1,113,436
Change in accounting policy (Note 4)	會計政策之變動(附註4)	—	—	(3,239)	(3,239)	(12)	(3,251)
Restated balance as at 1st April 2019	於二零一九年四月一日之經重列結餘	64,123	572,243	350,741	987,107	123,078	1,110,185
Profit/(loss) for the period	期內溢利/(虧損)	—	—	2,467	2,467	(1,112)	1,355
Other comprehensive loss	其他全面虧損						
– Change in financial assets at fair value through other comprehensive income	– 按公允價值計入其他全面收入之金融資產變動	—	(37)	—	(37)	—	(37)
– Currency translation differences	– 貨幣匯兌差額	—	(72,947)	—	(72,947)	(7,574)	(80,521)
Total comprehensive (loss)/income for the period	期內全面(虧損)/收入總額	—	(72,984)	2,467	(70,517)	(8,686)	(79,203)
Transaction with owners in their capacity as owners	擁有人以其擁有人之身份進行之交易						
– Lapse of share options	– 購股權失效	—	(135)	135	—	—	—
– Share-based payment	– 以股份為基礎之支付	—	1,066	—	1,066	—	1,066
– Capital reduction from non-controlling interests	– 來自非控制性權益之減資	—	—	—	—	(5,917)	(5,917)
– Dividends relating to 2019	– 關於二零一九年之股息	—	—	(12,825)	(12,825)	—	(12,825)
Total transaction with owners in their capacity as owners	擁有人以其擁有人之身份進行之交易總額	—	931	(12,690)	(11,759)	(5,917)	(17,676)
As at 30th September 2019 (unaudited)	於二零一九年九月三十日(未經審核)	64,123	500,190	340,518	904,831	108,475	1,013,306

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

簡明綜合中期權益變動表

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2019 截至二零一九年九月三十日止六個月

		Attributable to owners of the Company 本公司擁有人應佔					
		Share capital 股本 HK\$'000 千港元	Other reserves 其他儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total Total 總額 HK\$'000 千港元	Non- controlling interests 非控制性權益 HK\$'000 千港元	Total equity 權益總額 HK\$'000 千港元
As at 1st April 2018 (audited)	於二零一八年四月一日(經審核)	64,055	642,796	346,180	1,053,031	29,220	1,082,251
Profit/(loss) for the period	期內溢利/(虧損)	—	—	8,131	8,131	(6,106)	2,025
Other comprehensive loss	其他全面虧損						
- Change in financial assets at fair value through other comprehensive income	- 按公允價值計入其他全面收入之金融資產變動	—	(140)	—	(140)	—	(140)
- Currency translation differences	- 貨幣匯兌差額	—	(96,630)	—	(96,630)	(8,799)	(105,429)
Total comprehensive (loss)/income for the period	期內全面(虧損)/收入總額	—	(96,770)	8,131	(88,639)	(14,905)	(103,544)
Transaction with owners in their capacity as owners	擁有人以其擁有人之身份進行之交易						
- Lapse of share options	- 購股權失效	—	(3,774)	3,774	—	—	—
- Share-based payment	- 以股份為基礎之支付	—	1,135	—	1,135	—	1,135
- Capital injection from non-controlling interests	- 來自非控制性權益之注資	—	—	—	—	110,036	110,036
- Dividends relating to 2018	- 關於二零一八年之股息	—	—	(10,057)	(10,057)	—	(10,057)
- Dividends paid to non-controlling interests of a subsidiary	- 已付一間附屬公司非控制性權益之股息	—	—	—	—	(1,271)	(1,271)
Total transaction with owners in their capacity as owners	擁有人以其擁有人之身份進行之交易總額	—	(2,639)	(6,283)	(8,922)	108,765	99,843
As at 30th September 2018 (unaudited)	於二零一八年九月三十日(未經審核)	64,055	543,387	348,028	955,470	123,080	1,078,550

The above condensed consolidated interim statement of changes in equity should be read in conjunction with the accompanying notes.

上述簡明綜合中期權益變動表應與隨附之附註一併閱讀。

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

簡明綜合中期現金流量表

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2019 截至二零一九年九月三十日止六個月

		Six months ended	
		30th September	
		截至九月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Cash flows from operating activities	經營活動之現金流量		
Net cash used in operations	經營活動所用現金淨額	(60,530)	(85,246)
Interest received	已收利息	574	3,718
Interest paid	已付利息	(39,299)	(40,523)
Hong Kong profits tax paid	已付香港利得稅	(453)	—
Hong Kong profits tax refund	香港利得稅退稅	—	12
China corporate income tax paid	已付中國企業所得稅	(354)	(3,087)
Net cash outflow from operating activities	經營活動流出之現金淨額	(100,062)	(125,126)
Cash flows from investing activities	投資活動之現金流量		
Purchase of property, plant and equipment	購置物業、廠房及設備	(5,066)	(519)
Capital expenditures for an investment property	一項投資物業之資本開支	(963)	(3,449)
Acquisition of a subsidiary, net of cash acquired	收購一間附屬公司 (扣除所獲現金)	—	47,497
Capital injection to a joint venture	向一間合營公司注資	—	(289,590)
Purchases of financial assets at fair value through profit or loss	購買按公允價值計入損益之金融資產	(56,100)	(92,666)
Proceeds from sale of financial assets at fair value through profit or loss	出售按公允價值計入損益之金融資產之所得款項	69,300	218,886
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備之所得款項	143	404
Proceed from disposal of a subsidiary	出售一間附屬公司之所得款項	13,485	—
Net cash inflow/(outflow) from investing activities	投資活動流入/(流出)之現金淨額	20,799	(119,437)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

簡明綜合中期現金流量表

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2019 截至二零一九年九月三十日止六個月

		Six months ended 30th September 截至九月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)
Cash flows from financing activities	融資活動之現金流量		
Proceeds from bank borrowings	銀行借貸之所得款項	168,700	223,005
Principal elements of lease payment	租賃付款之本金成份	(13,950)	—
Repayment of bank borrowings	償還銀行借貸	(134,561)	(164,471)
Net increase/(decrease) in trust-receipt bank loans	信託收據銀行貸款之增加/(減少)淨額	78,314	(28,048)
Net change in pledged bank deposits	已抵押銀行存款之變動淨額	26,192	13,030
Capital (reduction)/injection from non-controlling interests	非控制性權益之(減資)/注資	(5,917)	110,036
Dividends paid to owners of the Company	已付本公司擁有人之股息	(12,825)	(10,057)
Dividends paid to non-controlling interests in a subsidiary	已付一間附屬公司非控制性權益之股息	—	(1,271)
Net cash inflow from financing activities	融資活動流入之現金淨額	105,953	142,224
Net increase/(decrease) in cash and cash equivalents	現金及現金等值之增加/(減少)淨額	26,690	(102,339)
Cash and cash equivalents at beginning of period	於期初之現金及現金等值	126,775	312,766
Currency translation differences	貨幣匯兌差額	(3,092)	(8,775)
Cash and cash equivalents at end of period	於期末之現金及現金等值	150,373	201,652

The above condensed consolidated interim statement of cash flows should be read in conjunction with the accompanying notes.

上述簡明綜合中期現金流量表應與隨附之附註一併閱讀。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

1 GENERAL INFORMATION

Hong Kong Shanghai Alliance Holdings Limited (the “**Company**”) is a limited liability company incorporated in Bermuda on 12th January 1994 as an exempted company under the Companies Act 1981 of Bermuda. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 18th February 1994. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in distribution and processing of construction materials such as steel products; trading of sanitary wares, kitchen cabinets and engineering plastics; and property investment and project management businesses.

This unaudited condensed consolidated interim financial information is presented in Hong Kong dollar (“**HK\$**”), unless otherwise stated.

This condensed consolidated interim financial information has not been audited or reviewed.

2 BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information for the six months ended 30th September 2019 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange. This unaudited condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31st March 2019, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA.

3 ACCOUNTING POLICIES

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

1 一般資料

滬港聯合控股有限公司(「**本公司**」)於一九九四年一月十二日在百慕達註冊成立為有限公司，並根據百慕達一九八一年公司法，成為一間豁免公司。自一九九四年二月十八日起，本公司之股份於香港聯合交易所有限公司(「**聯交所**」)主板上市。其註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。

本公司及其附屬公司(統稱「**本集團**」)主要從事分銷及加工建築材料，例如鋼材產品；衛浴潔具、廚櫃及工程塑膠貿易；以及房地產投資及項目管理業務。

除另有說明外，本未經審核簡明綜合中期財務資料以港元(「**港元**」)列示。

本簡明綜合中期財務資料尚未經審核或審閱。

2 編製基準

本截至二零一九年九月三十日止六個月之未經審核簡明綜合中期財務資料乃根據香港會計師公會(「**香港會計師公會**」)頒佈之香港會計準則(「**香港會計準則**」)第34號「中期財務報告」以及聯交所證券上市規則附錄十六之適用披露規定編製。本未經審核簡明綜合中期財務資料應連同根據香港會計師公會頒佈之香港財務報告準則(「**香港財務報告準則**」)編製截至二零一九年三月三十一日止年度之年度綜合財務報表一併閱讀。

3 會計政策

本簡明綜合中期財務資料所採納之會計政策均與截至二零一九年三月三十一日止年度之年度財務報表所述者一致，惟適用於年度預計總盈利所得稅估計之稅率及下文所述採納於截至二零一九年四月一日開始之財政年度起生效之香港財務報告準則之修訂除外。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

3 ACCOUNTING POLICIES (CONTINUED)

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

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

The impact of the adoption of HKFRS 16 “Leases” is disclosed in Note 4.

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

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

3 會計政策(續)

- (a) 下列之新訂準則、準則之修訂及詮釋以及年度改善於二零一九年四月一日起之財政年度首次強制生效，目前適用於本集團：

香港會計準則第19號(修訂)	計劃修訂、縮減或結清
香港會計準則第28號(修訂)	於聯營公司及合營公司之長期權益
香港財務報告準則第9號(修訂)	具有負補償之預付款特性
香港財務報告準則第16號	租賃
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性(新詮釋)
年度改善項目	對於二零一五年至二零一七年週期進行之年度改善

採納香港財務報告準則第16號「租賃」之影響於附註4披露。

除上述香港財務報告準則第16號外，概無於本中期期間首次生效之其他新訂準則或對準則之修訂及詮釋可預期對本集團造成重大影響。

本集團已採納該等準則，而採納該等準則對本集團之簡明綜合中期財務資料並無重大影響。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

3 ACCOUNTING POLICIES (CONTINUED)

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

		Effective for accounting periods beginning on or after 於以下日期或之後 開始之會計期間生效
Amendments to HKAS 1 and HKAS 8 香港會計準則第1號及 香港會計準則第8號(修訂)	Definition of Material 重大之定義	1st January 2020 二零二零年一月一日
Amendments to HKFRS 3 香港財務報告準則第3號(修訂)	Definition of a Business 業務之定義	1st January 2020 二零二零年一月一日
Amendments to HKFRS 10 and HKAS 28 香港財務報告準則第10號及 香港會計準則第28號(修訂)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 投資者與其聯營公司或合營公司間之 資產出售或注資	To be determined 有待釐定
Conceptual Framework for Financial Reporting 2018 二零一八年財務報告概念框架	Revised Conceptual Framework for Financial Reporting 經修訂財務報告概念框架	1st January 2020 二零二零年一月一日
HKFRS 17 香港財務報告準則第17號	Insurance Contracts 保險合約	1st January 2020 二零二零年一月一日

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

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

3 會計政策(續)

- (b) 下列已頒佈之新訂準則、準則之修訂本及年度改善於二零一九年四月一日起之財政年度仍未生效，亦未獲本集團提前採納：

本集團正評估該等新訂準則及現有準則修訂本於首次應用期間將會造成之影響，惟尚未能表示該等新訂準則及修訂本會否對本集團之業績及財務狀況造成重大影響。

- (c) 於採納香港財務報告準則第15號後，截至二零一八年九月三十日止期間，有償契約撥備之撥回為40,656,000港元及銷售運費則為25,296,000港元，已重新分類為銷售成本，此做法與市場慣例為一貫。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

4 CHANGES IN ACCOUNTING POLICIES

The following explains the impact of the adoption of HKFRS 16 “Leases” on the Group’s condensed consolidated interim financial information.

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

(a) Adjustments recognised on adoption of HKFRS 16

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

4 會計政策之變動

下文闡釋採納香港財務報告準則第16號「租賃」對本集團之簡明綜合中期財務資料之影響。

本集團以追溯方法自二零一九年四月一日起採納香港財務報告準則第16號，惟誠如該準則的特定過渡條文許可，並無重列有關比較資料。因此，該等新租賃規則導致的重新分類及調整於二零一九年四月一日之期初財務狀況表內確認。

(a) 採納香港財務報告準則第16號之確認調整

於採納香港財務報告準則第16號時，本集團已就先前根據香港會計準則第17號「租賃」之原則分類為「經營租賃」之租賃確認租賃負債。該等負債按剩餘租賃付款之現值計量，並以承租人於二零一九年四月一日之增量借貸利率貼現計算。於二零一九年四月一日應用於該等租賃負債之加權平均承租人增量借貸利率介乎4.5%至5.8%之間。

		Total 總額 HK\$'000 千港元
Operating lease commitments disclosed as at 31st March 2019	於二零一九年三月三十一日披露之經營租賃承擔	58,009
Less: Leases committed but not yet commenced as at 1st April 2019	減：已承諾但於二零一九年四月一日尚未開始之租賃	(49)
Operating lease commitments of leases commenced as at 1st April 2019	於二零一九年四月一日開始之租賃之經營租賃承擔	57,960
Discounted using the lessee’s incremental borrowing rate at the date of initial application	於首次應用日期使用承租人之增量借貸利率貼現值	54,169
Less: Short-term leases recognised on a straight-line basis as expense	減：以直線法將短期租賃確認為支出	(3,894)
Lease liabilities recognised as at 1st April 2019	於二零一九年四月一日確認之租賃負債	50,275
Of which:	其中：	
Current portion	流動部分	22,465
Non-current portion	非流動部分	27,810
		50,275

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

4 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(a) Adjustments recognised on adoption of HKFRS 16 (Continued)

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

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

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

		Land use rights 土地 使用權 HK\$'000 千港元	Site, outlets, offices and warehouses 工地、商舖、 辦公室及貨倉 HK\$'000 千港元	Total right-of-use assets 使用權資產 總額 HK\$'000 千港元
At 1st April 2019	於二零一九年四月一日	—	—	—
Change in accounting policy	會計政策變動	9,019	46,374	55,393
Restated total at 1st April 2019	於二零一九年四月一日之 經重列總額	9,019	46,374	55,393
Additions	添置	—	11,293	11,293
Depreciation	折舊	(101)	(12,079)	(12,180)
Exchange differences	匯兌差額	—	(4,733)	(4,733)
At 30th September 2019	於二零一九年九月三十日	8,918	40,855	49,773

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

The following table shows the adjustment for change in accounting policy recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

4 會計政策之變動(續)

(a) 採納香港財務報告準則第16號後所確認之調整(續)

物業租賃之相關使用權資產按追溯基準計量，猶如經已應用新規定。於首次應用日期，概沒有對使用權資產需要作出調整之有償租賃合約。

租賃土地及土地使用權亦重新分類為使用權資產，有關金額於二零一九年三月三十一日之綜合財務狀況表內確認。

已確認的使用權資產與下列資產類別相關：

於二零一九年九月三十日，與上述使用權資產相關之租賃負債分類為流動負債及非流動負債，分別為21,856,000港元及22,148,000港元。

下表列示每個個別項目因會計政策變動而確認之調整。未受該等變動影響之項目並未包括在內。因此，不能從所提供之數字重新計算所披露之小計及總計。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

4 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(a) Adjustments recognised on adoption of HKFRS 16 (Continued)

		Audited 經審核	Unaudited 未經審核	
		31st March 2019 二零一九年 三月三十一日 As originally presented	1st April 2019 二零一九年四月一日	
Statement of financial position (extract)	財務狀況表(摘錄)	按原本呈列 HK\$'000 千港元	HKFRS 16 香港財務報告 準則第16號 HK\$'000 千港元	Restated 經重列 HK\$'000 千港元
Non-current assets	非流動資產			
Land use rights	土地使用權	9,019	(9,019)	—
Right-of-use assets	使用權資產	—	55,393	55,393
Deferred income tax assets	遞延所得稅資產	47,082	650	47,732
Total assets	資產總額	2,996,621	47,024	3,043,645
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債	—	27,810	27,810
Current liabilities	流動負債			
Lease liabilities	租賃負債	—	22,465	22,465
Total liabilities	負債總額	1,883,185	50,275	1,933,460
Equity	權益			
Reserves	儲備	926,223	(3,251)	922,972
Total equity	權益總額	1,113,436	(3,251)	1,110,185

4 會計政策之變動(續)

(a) 採納香港財務報告準則第16號 後所確認之調整(續)

4 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(a) Adjustments recognised on adoption of HKFRS 16
(Continued)

(i) Impact on segment disclosures

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

(ii) Practical expedients applied

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

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1st April 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

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

4 會計政策之變動(續)

(a) 採納香港財務報告準則第16號
後所確認之調整(續)

(i) 對分部披露之影響

於二零一九年四月一日，香港及中國內地之非流動資產因會計政策變動分別增加41,733,000港元及4,641,000港元。

(ii) 已應用之可行權宜方法

首次應用香港財務報告準則第16號時，本集團已使用以下獲該準則所允許之可行權宜方法：

- 對具合理相似特徵之租賃組合使用單一貼現率；
- 依賴先前對租賃是否需要作有償契約撥備之評估；
- 對於二零一九年四月一日起餘下租期少於十二個月之經營租賃以短期租賃進行會計入賬；
- 於首次應用日期起排除初始直接成本以計量使用權資產；及
- 倘合約包含延長或終止租賃之選擇權，則使用事後分析結果釐定期。

本集團於首次應用日期亦已選擇不重新評估合約是否屬於或包含租賃。相反，就於過渡日期之前訂立之合約，本集團依據其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「釐定安排是否包含租賃」而作出之評估。

4 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

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

As a lessee

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

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

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

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate (if any);
- amounts expected to be payable by the lessee under residual value guarantees (if any);
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option (if any); and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option (if any).

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

4 會計政策之變動(續)

(b) 本集團之租賃活動及其會計方式

作為承租人

本集團租賃各類零售商舖、辦公室、倉庫及工地。租賃合約一般按固定期限一至七年訂立。租賃條款按個別基準協商，且包含各種不同條款及條件。租賃協議並無施加任何契約，惟租賃資產不得用作借貸之抵押品。

截至二零一九年三月三十一日，物業、廠房及設備之租賃分類為經營租賃。經營租賃項下作出之付款(扣除從出租人收取之任何優惠)於租期內以直線法自損益中扣除。

自二零一九年四月一日起，租賃於租賃資產可供本集團使用當日起確認使用權資產及其相應負債。每筆租賃付款於負債與財務費用之間作出分配。財務費用於租期內自損益中扣除，藉此制定各期間負債結餘之固定週期利率。使用權資產於資產之可使用年期或租期(以較短者為準)內以直線法折舊。租賃產生之資產及負債初步按現值作計量。租賃負債包括以下租賃付款之淨現值：

- 固定付款(包括實質固定付款)，扣除任何應收租賃優惠；
- 根據一項指數或利率(如有)計算之可變租賃付款；
- 預期承租人根據剩餘價值保證(如有)支付之金額；
- 購買選擇權之行使價(倘可合理地確定承租人將行使該選擇權(如有))；及
- 終止租賃之罰款(倘租期反映承租人行使該選擇權(如有))。

租賃付款使用租賃隱含之利率貼現。倘利率難以釐定，則使用承租人之增量借貸利率，即承租人在類似經濟環境中就類似條款及條件借入為取得相若價值之資產所需資金而須支付之利率。

4 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

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

As a lessee (Continued)

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

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

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

As a lessor

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

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

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

4 會計政策之變動(續)

(b) 本集團之租賃活動及其會計方式(續)

作為承租人 (續)

使用權資產按成本計量，包括以下各項：

- 租賃負債之初步計量金額；
- 於開始日期或之前作出之任何租賃付款，減去已收之任何租賃優惠；
- 任何初始直接成本；及
- 修復成本。

與短期租賃及低價值資產租賃相關之付款以直線法於損益中確認為支出。短期租賃指租期為十二個月或以下之租賃。

作為出租人

本集團根據不可撤銷之經營租賃安排出租其各類辦公室及商業樓宇。本集團已將該等租賃分類為經營租賃。

於比較期間，適用於本集團作為出租人之會計政策並無異於香港財務報告準則第16號。本集團毋須就其作為出租人之租賃(分租租賃除外)作出任何過渡至香港財務報告準則第16號之調整。倘若本集團為中介出租人，則分租租賃參照相關資產予以分類。

本集團根據經營租賃收取之租賃付款於租期內以直線法確認為收入(作為「收入」之一部分)。本集團已由首次應用日期起根據香港財務報告準則第16號將其租賃入賬。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

5 ESTIMATES

The preparation of the unaudited condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this unaudited condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 31st March 2019.

6 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

6.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and cash flow interest rate risk), credit risk and liquidity risk.

The unaudited condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31st March 2019.

There have been no significant changes in the risk management or in any risk management policies since year end.

6.2 Price risk

The Group is subject to commodity price risk because certain subsidiaries of the Group are engaged in trading of steel products. At the date of approving these unaudited condensed consolidated interim financial information, the Group had committed sale orders for steel product exceed the aggregate amount of on-hand inventories and committed purchase orders. As the prices of steel products can fluctuate materially, the Group's results may be effected significantly by future fluctuations in steel prices.

To manage its commodity price risk arising from committed sales orders, the Group is closely monitoring the market price of steel products and adjusting its procurement strategy from time to time.

5 推算

編製未經審核簡明綜合中期財務資料需要管理層作出影響會計政策之應用及資產及負債、收入及支出呈報金額之判斷、推算及假設。實際結果可能與此等推算存在差異。

編製此未經審核簡明綜合中期財務資料時，管理層於應用本集團之會計政策時作出的重大判斷及推算不明朗因素之主要來源與截至二零一九年三月三十一日止年度之年度綜合財務報表中所應用者相同。

6 財務風險管理及金融工具

6.1 財務風險因素

本集團之經營活動面對各種財務風險：市場風險(包括價格風險、外匯風險及現金流量利率風險)、信貸風險及流動資金風險。

未經審核簡明綜合中期財務資料不包括須載列於年度綜合財務報表的所有財務風險管理資料及披露，並應與本集團截至二零一九年三月三十一日止年度的年度綜合財務報表一併閱讀。

風險管理或任何風險管理政策自年末以來並無重大變動。

6.2 價格風險

由於本集團之若干附屬公司從事鋼材產品貿易，故此本集團面對商品價格風險。於批准該等未經審核簡明綜合中期財務資料當日，本集團已確定之鋼材產品之銷售訂單超過手頭存貨及已確定之購貨訂單總額。由於鋼材產品之價格可大幅波動，本集團之業績可能受到未來鋼材價格波動之重大影響。

本集團密切監察鋼材產品之市價及不時調整其採購策略，以管理已確定銷售訂單產生之商品價格風險。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

6 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED) 6 財務風險管理及金融工具(續)

6.3 Liquidity risk

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

6.3 流動資金風險

下表載列本集團之金融負債，根據於報告日期至合約屆滿日之餘下期間按有關到期組別進行分析。下表披露之金額為合約未貼現現金流。

		Less than 1 year 少於1年 HK\$'000 千港元	Between 1 and 2 years 1至2年 HK\$'000 千港元	Between 2 and 5 years 2至5年 HK\$'000 千港元	Total 總額 HK\$'000 千港元
As at 30th September 2019	於二零一九年九月三十日				
Trade and bill payables	應付賬款及票據	167,616	—	—	167,616
Other payables	其他應付賬款	34,551	3,505	5,554	43,610
Bank borrowings	銀行借貸	835,108	97,521	644,000	1,576,629
Interest payable	應付利息	77,628	38,651	64,679	180,958
		1,114,903	139,677	714,233	1,968,813
As at 31st March 2019	於二零一九年三月三十一日				
Trade and bill payables	應付賬款及票據	189,093	—	—	189,093
Other payables	其他應付賬款	35,354	7,740	7,506	50,600
Bank borrowings	銀行借貸	788,145	91,593	615,420	1,495,158
Interest payable	應付利息	74,330	37,132	75,017	186,479
		1,086,922	136,465	697,943	1,921,330

6 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED) 6 財務風險管理及金融工具(續)

6.4 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

See Note 15 for disclosure of the investment properties that are measured at fair value.

The following table presents the Group's financial assets that are measured at fair value as at 30th September 2019:

		Level 1 第一層 HK\$'000 千港元	Level 2 第二層 HK\$'000 千港元	Level 3 第三層 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Assets	資產				
Financial assets at fair value through profit or loss	以公允價值計入損益之金融資產				
– Structured bank products	– 結構性銀行產品	–	21,450	–	21,450
Financial assets through other comprehensive income	計入其他全面收入之金融資產				
– Share listed on the Stock Exchange	– 於聯交所上市之股份	107	–	–	107
Total assets	資產總額	107	21,450	–	21,557

6.4 公允價值估算

下表利用估值方法分析本集團按公允價值入賬之金融工具。不同等級界定如下：

- 相同資產或負債於活躍市場之報價(未經調整)(第一層)。
- 除包括在第一層可觀察資產或負債之報價外，數據可為直接(即例如價格)或間接(即源自價格)(第二層)。
- 資產或負債並非依據可觀察市場數據之輸入數據(即非可觀察輸入)(第三層)。

按公允價值計量之投資物業披露資料請參閱附註15。

下表顯示本集團於二零一九年九月三十日按公允價值計量之金融資產：

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簡明綜合中期財務資料附註

6 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED) 6 財務風險管理及金融工具(續)

6.4 Fair value estimation (Continued)

The following table presents the Group's financial assets that are measured at fair value as at 31st March 2019.

		Level 1 第一層 HK\$'000 千港元	Level 2 第二層 HK\$'000 千港元	Level 3 第三層 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Assets	資產				
Financial assets at fair value through profit or loss	按公允價值計入損益之金融資產				
– Structured bank products	– 結構性銀行產品	–	36,698	–	36,698
Financial assets through other comprehensive income	計入其他全面收入之金融資產				
– Share listed on the Stock Exchange	– 於聯交所上市之股份	144	–	–	144
Total assets	資產總額	144	36,698	–	36,842

There were no transfers between levels 1, 2 and 3 during the period. There are no other changes in valuation techniques during the period.

The carrying amounts of the Group's financial assets, including trade and bill receivables, deposits and other receivables, cash and cash equivalents and pledged bank deposits, and the Group's financial liabilities, including trade and bill payables, other payables and bank borrowings, approximated their fair values.

6.4 公允價值估算(續)

下表顯示本集團於二零一九年三月三十一日按公允價值計量之金融資產。

於本期內，第一層、第二層及第三層之間並無轉撥。於本期內，估值技術並無其他改變。

本集團之金融資產(包括應收賬款及票據、按金及其他應收賬款、現金及現金等值以及已抵押銀行存款)之賬面金額及本集團之金融負債(包括應付賬款及票據、其他應付賬款以及銀行借貸)之賬面金額與彼等之公允價值相若。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

7 REVENUE AND SEGMENT INFORMATION

The Group's revenue consists of the following:

		Six months ended	
		30th September	
		截至九月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Sales of goods	貨品銷售	1,175,396	1,426,514
Service income	服務收入	14,710	31,199
Rental income	租金收入	28,982	27,773
Total revenue	收入總額	1,219,088	1,485,486

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

Management has determined the operating segments based on the reports reviewed by the Group's Chief Operating Decision Maker ("CODM") that are used to make strategic decisions. The CODM considers the Group operates predominantly in four operating segments:

- (i) Construction materials business;
- (ii) Building and design solutions ("BDS") business;
- (iii) Engineering plastics business; and
- (iv) Property investment and project management business.

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

The revenue from external parties reported to the CODM is measured in a manner consistent with that in this unaudited condensed consolidated interim financial information.

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

7 收入及分部資料

本集團之收入包括如下：

		Six months ended	
		30th September	
		截至九月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Sales of goods	貨品銷售	1,175,396	1,426,514
Service income	服務收入	14,710	31,199
Rental income	租金收入	28,982	27,773
Total revenue	收入總額	1,219,088	1,485,486

本集團按其營運性質及所提供之產品及服務管理其業務。

管理層已釐定其營運分部，乃根據由本集團之主要營運決策者（「主要營運決策者」）所審閱用以制定策略性決定之報告釐定。主要營運決策者認為本集團主要經營四個營運分部：

- (i) 建築材料業務；
- (ii) 建築產品及設計方案（「建築產品及設計方案」）業務；
- (iii) 工程塑膠業務；及
- (iv) 房地產投資及項目管理業務。

主要營運決策者按所得稅前溢利之計量評估營運分部表現。

向主要營運決策者匯報源自外部人士之收入之計量方法與此未經審核簡明綜合中期財務資料所用者一致。

截至二零一九年及二零一八年九月三十日止六個月，資本開支包括新增的物業、廠房及設備及投資物業。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

7 REVENUE AND SEGMENT INFORMATION (CONTINUED)

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

7 收入及分部資料(續)

本集團於截至二零一九年九月三十日止六個月按業務分部之業績分析如下：

		Unaudited 未經審核					
		Construction materials business 建築材料業務 HK\$'000 千港元	BDS business 建築產品及設計方案業務 HK\$'000 千港元	Engineering plastics business 工程塑膠業務 HK\$'000 千港元	Property investment and project management business 房地產投資及項目管理業務 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Revenue from contracts with customers	來自客戶合約之收入						
- Recognised at a point in time	- 在某一時點確認	958,464	152,351	64,581	-	-	1,175,396
- Recognised over time	- 在一段時間內確認	-	-	-	14,710	-	14,710
- Rental income	- 租金收入	182	-	-	28,800	-	28,982
		958,646	152,351	64,581	43,510	-	1,219,088
Operating profit/(loss)	經營溢利/(虧損)	27,294	18,600	796	62,138	(51,810)	57,018
Finance income	財務收入	332	30	9	20	183	574
Finance costs	財務費用	(16,433)	(2,025)	(111)	(19,068)	(3,152)	(40,789)
Share of result of a joint venture - net	應佔一間合營公司之業績 - 淨額	-	-	-	(5,474)	-	(5,474)
Profit/(loss) before income tax	除所得稅前溢利/(虧損)	11,193	16,605	694	37,616	(54,779)	11,329
Other gains/(losses) - net	其他收益/(虧損) - 淨額	862	1,366	(1,202)	1,762	(215)	2,573
Fair value gain on an investment property	一項投資物業公允價值收益	-	-	-	36,606	-	36,606
Capital expenditure	資本開支	4,845	189	-	987	8	6,029
Depreciation and amortisation	折舊及攤銷	(2,872)	(2,893)	(130)	(1,459)	(25,694)	(33,048)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

7 REVENUE AND SEGMENT INFORMATION (CONTINUED)

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

7 收入及分部資料(續)

本集團於截至二零一八年九月三十日止六個月按業務分部之業績分析如下：

		Unaudited 未經審核					
		Construction materials business 建築材料業務	BDS business 建築產品及設計方案業務	Engineering plastics business 工程塑膠業務	Property investment and project management business 房地產投資及項目管理業務	Unallocated 未分配	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Revenue from contracts with customers	來自客戶合約之收入						
– Recognised at a point in time	– 在某一時點確認	1,057,698	194,031	174,785	–	–	1,426,514
– Recognised over time	– 在一段時間內確認	–	–	–	28,734	2,465	31,199
– Rental income	– 租金收入	186	–	–	27,587	–	27,773
		1,057,884	194,031	174,785	56,321	2,465	1,485,486
Operating profit/(loss)	經營溢利/(虧損)	36,414	16,007	(2,929)	31,380	(46,334)	34,538
Finance income	財務收入	3,085	33	50	31	519	3,718
Finance costs	財務費用	(17,525)	(1,893)	(536)	(18,628)	(2,277)	(40,859)
Share of result of an associate	應佔一間聯營公司之業績	2,106	–	–	–	–	2,106
Share of results of joint ventures – net	應佔合營公司之業績 – 淨額	(1,377)	–	–	362	–	(1,015)
Profit/(loss) before income tax	除所得稅前溢利/(虧損)	22,703	14,147	(3,415)	13,145	(48,092)	(1,512)
Other gains/(losses) – net	其他收益/(虧損) – 淨額	17,256	(1,882)	(6,025)	(5,441)	(1,400)	2,508
Fair value gain on an investment property	一項投資物業公允價值收益	–	–	–	40,846	–	40,846
Capital expenditure	資本開支	344	67	22	3,535	–	3,968
Depreciation and amortisation	折舊及攤銷	(2,752)	(441)	(42)	(925)	(18,104)	(22,264)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

7 REVENUE AND SEGMENT INFORMATION (CONTINUED)

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

		Six months ended	
		30th September	
		截至九月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Revenue	收入		
Mainland China	中國內地	347,487	603,128
Hong Kong	香港	871,601	882,358
Total revenue	收入總額	1,219,088	1,485,486

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

		As at	As at
		30th September	31st March
		2019	2019
		於二零一九年	於二零一九年
		九月三十日	三月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Non-current assets	非流動資產		
Hong Kong	香港	427,069	437,632
Mainland China	中國內地	1,376,887	1,416,577
Total non-current assets	非流動資產總額	1,803,956	1,854,209

7 收入及分部資料(續)

本公司於香港及中國內地營運。本集團按地區市場之收入分析如下：

除金融工具及遞延所得稅資產以外之非流動資產按地域市場分類如下：

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

8 OTHER GAINS - NET

8 其他收益－淨額

		Six months ended	
		30th September	
		截至九月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Net exchange losses	淨匯兌虧損	(1,972)	(21,382)
Net realised fair value change on financial assets at fair value through profit or loss	按公允價值計入損益之金融資產之變現公允價值淨變動	—	(1,559)
Gain on bargain purchase from the acquisition of a subsidiary (Note 24)	來自收購一間附屬公司之議價收益 (附註24)	—	18,554
Loss on disposal of a subsidiary and an associate (Note 23)	出售一間附屬公司及一間聯營公司之虧損(附註23)	(41)	—
Net sundry income	淨雜項收入	4,586	6,895
		2,573	2,508

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

9 EXPENSES BY NATURE

9 按性質劃分之支出

		Six months ended	
		30th September	
		截至九月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Cost of finished goods sold	製成品銷售成本	1,052,293	1,318,031
Reversal of provision for onerous contracts	有償契約之撥備撥回	—	(40,656)
Provision for impairment of inventories	存貨減值撥備	592	325
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	20,340	21,488
Depreciation of right-of-use assets	使用權資產之折舊	12,180	—
Gain on disposals of property, plant and equipment	出售物業、廠房及設備之收益	(66)	(57)
Amortisation of land use rights	土地使用權之攤銷	—	101
Amortisation of intangible assets	無形資產之攤銷	528	675
Employee benefit expenses	僱員福利支出	60,783	63,001
Legal and professional fees	法律及專業費	3,068	5,286
Professional fees associated with the formation of a joint venture	成立一間合營公司有關之專業費用	—	37,383
Storage and handling charges	倉存及處理費	4,401	4,334
Expenses relating to short-term or low-value leases	有關短期或低價值租賃之開支	2,724	—
Operating lease rental expenses in respect of retail outlets, offices and warehouse	零售商舖、辦公室及貨倉營業租賃之租金支出	—	21,889
(Reversal of)/provision for impairment of trade receivables, net	應收賬款(撥回)/減值撥備淨額	(4,044)	2,785
Freight charges	運費	24,944	33,223
Others	其他	23,506	26,494
Total	總計	1,201,249	1,494,302

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

10 FINANCE INCOME AND COSTS

		Six months ended 30th September 截至九月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)
Finance income	財務收入		
— interest income on short-term bank deposits	— 短期銀行存款之利息收入	574	3,718
Finance costs	財務費用		
— interest expenses on bank borrowings	— 銀行借貸之利息支出	(37,365)	(37,781)
— interest expenses arising from lease liabilities	— 租賃負債產生之利息支出	(1,129)	—
— bank charges	— 銀行費用	(2,295)	(3,078)
		(40,789)	(40,859)
Net finance costs	淨財務費用	(40,215)	(37,141)

11 INCOME TAX EXPENSE/(CREDIT)

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

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

		Six months ended 30th September 截至九月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)
Current income tax	當期所得稅		
— Hong Kong profits tax	— 香港利得稅	2,177	2,936
— China corporate income tax	— 中國企業所得稅	550	3,484
Deferred income tax	遞延所得稅	7,247	(9,957)
		9,974	(3,537)

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

10 財務收入及費用

11 所得稅支出／(抵扣)

香港利得稅乃按稅率16.5%作出撥備，惟一間在香港註冊成立之附屬公司於期內根據兩級制利得稅率，其首2,000,000港元應課稅溢利按稅率8.25%作出撥備除外(二零一八年：相同)。於中國內地成立之附屬公司按稅率25%(二零一八年：相同)繳付中國企業所得稅。

於未經審核簡明綜合中期損益表中入賬之所得稅支出／(抵扣)包括：

所得稅於中期期間乃根據預期全年盈利總額適用的稅率計提。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

12 DIVIDENDS

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

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

13 EARNINGS PER ORDINARY SHARE

(a) Basic

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

		Six months ended	
		30th September	
		截至九月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Profit attributable to owners of the Company (HK\$'000)	本公司擁有人應佔溢利 (千港元)	2,467	8,131
Weighted average number of ordinary shares in issue ('000)	已發行普通股之加權平均數 (千股)	641,232	640,547
Basic earnings per ordinary share (HK cents)	每股普通股基本盈利 (港仙)	0.4	1.3

(b) Diluted

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

12 股息

董事會並不宣派截至二零一九年九月三十日止六個月之中期股息(二零一八年：無)。

截至二零一九年三月三十一日止年度之末期股息每股普通股2.0港仙，共約12,825,000港元，有關股息在本公司於二零一九年八月十四日舉行之股東週年大會上獲批准並已於二零一九年八月三十日支付。

13 每股普通股盈利

(a) 基本

每股普通股基本盈利乃按本公司擁有人應佔溢利除以期內已發行普通股之加權平均數計算。

(b) 攤薄

每股普通股攤薄盈利乃按假設具潛在攤薄性質之普通股獲全數轉換而相應調整已發行在外普通股之加權平均數計算。本公司具潛在攤薄性質之普通股因購股權而產生，其計算根據尚未行使購股權所附認購權之貨幣價值作出，用以釐定原應以公允價值(釐定為本公司股份之全年平均市場股價)收購之股份數目。上文計算得出之股份數目與假設購股權獲行使而已發行之股份數目作比較。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

13 EARNINGS PER ORDINARY SHARE (CONTINUED)

(b) Diluted (Continued)

		Six months ended 30th September 截至九月三十日止六個月	
		2019 二零一九年 (Unaudited) (未經審核)	2018 二零一八年 (Unaudited) (未經審核)
Profit attributable to owners of the Company and used to determine diluted earnings per ordinary share (HK\$'000)	本公司擁有人應佔溢利及用以釐定每股普通股攤薄盈利 (千港元)	2,467	8,131
Weighted average number of ordinary shares in issue ('000)	已發行普通股之加權平均數 (千股)	641,232	640,547
Adjustment for share options ('000)	購股權之調整 (千股)	3,538	6,034
Weighted average number of ordinary shares for diluted earnings per ordinary share ('000)	每股普通股攤薄盈利之普通股加權平均數 (千股)	644,770	646,581
Diluted earnings per ordinary share (HK cents)	每股普通股攤薄盈利 (港仙)	0.4	1.3

13 每股普通股盈利(續)

(b) 攤薄(續)

		Six months ended 30th September 截至九月三十日止六個月	
		2019 二零一九年 (Unaudited) (未經審核)	2018 二零一八年 (Unaudited) (未經審核)

14 PROPERTY, PLANT AND EQUIPMENT

		Six months ended 30th September 截至九月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)
Net book value	賬面淨值		
At beginning of period	於期初	116,767	131,319
Acquisition of a subsidiary (Note 24)	收購一間附屬公司(附註24)	—	29,167
Additions	添置	5,066	519
Disposals	出售	(77)	(350)
Disposal of a subsidiary (Note 23)	出售一間附屬公司(附註23)	(15,026)	—
Transfer to inventories	轉撥至存貨	—	(2)
Depreciation	折舊	(20,340)	(21,488)
Currency translation differences	貨幣匯兌差額	(159)	(393)
At end of period	於期末	86,231	138,772

14 物業、廠房及設備

		Six months ended 30th September 截至九月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

15 INVESTMENT PROPERTIES

		Six months ended 30th September	
		截至九月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
At fair value	按公允價值		
At beginning of period	於期初	1,413,227	1,389,377
Capitalised subsequent expenditure	其後開支撥充資本	963	3,449
Fair value gain on an investment property	一項投資物業之公允價值收益	36,606	40,846
Currency translation differences	貨幣匯兌差額	(80,119)	(123,768)
At end of period	於期末	1,370,677	1,309,904

Fair value measurement

As at 30th September 2019 and 31st March 2019, the fair value of the investment properties were measured at level 3 of fair value hierarchy using significant unobservable inputs.

There was no transfers between levels 1, 2 and 3 during the period.

Valuation process of investment properties

As at 30th September 2019, the fair value of the office units in Shanghai of HK\$7,777,000 and a commercial building in Shanghai of HK\$1,362,900,000 was determined by management and Knight Frank Petty Limited, an independent professional qualified valuer, respectively and reviewed by the directors.

As at 30th September 2018, the fair value of the office units in Shanghai of HK\$8,039,000 and a commercial building in Shanghai of HK\$1,301,865,000, was determined by management and Knight Frank Petty Limited, an independent professional qualified valuer, respectively and reviewed by the directors.

The main level 3 input is derived and evaluated as follows:

Adjusted market yield

The adjusted market yield has been determined by making reference to recent sales and rental transactions with adjustments to reflect the differences between the comparables and the investment properties, in terms of location, building quality and other factors. There were no changes in valuation techniques during the period.

15 投資物業

公允價值計量

於二零一九年九月三十日及二零一九年三月三十一日，投資物業之公允價值使用重大不可觀察輸入數據，按公允價值等級第三層計量。

於本期內，第一層、第二層及第三層之間並無轉撥。

投資物業之估值程序

於二零一九年九月三十日，上海辦公室單位之公允價值為7,777,000港元及一幢位於上海之商業大廈之公允價值為1,362,900,000港元，有關公允價值分別由管理層及獨立專業合資格估值師萊坊測量師行有限公司釐定，並由董事審閱。

於二零一八年九月三十日，上海辦公室單位之公允價值為8,039,000港元及一幢位於上海之商業大廈之公允價值為1,301,865,000港元，有關公允價值分別由管理層及獨立專業合資格估值師萊坊測量師行有限公司釐定，並由董事審閱。

主要第三層輸入數據來自及評估如下：

經調整市場收益率

經調整市場收益率乃經參考近期銷售及租金交易(經調整以反映可比較物業與投資物業在位置、樓宇質量及其他因素方面之差異)予以釐定。於本期內，估值技術並無改變。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

16 LAND USE RIGHTS

		Six months ended 30th September	
		截至九月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
At 1st April	於四月一日	9,019	9,316
Change in accounting policy (Note 4)	會計政策之變動 (附註4)	(9,019)	—
Restated total at 1st April	於四月一日之經重列總額	—	9,316
Amortisation	攤銷	—	(101)
At 30th September	於九月三十日	—	9,215

Amortisation of leasehold land and land use rights of HK\$101,000 has been charged in 'general and administrative expenses' for the six months ended 30th September 2018.

租賃土地及土地使用權之攤銷為101,000港元，已於截至二零一八年九月三十日止六個月「一般及行政支出」中計入。

17 INVESTMENTS IN JOINT VENTURES

		Six months ended 30th September	
		截至九月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
At beginning of period	於期初	299,747	19,931
Investment in HSL Shanghai Office Partners I Limited (Note (i))	於HSL Shanghai Office Partners I Limited之投資(附註(i))	—	289,590
Share of loss, net	應佔虧損－淨額	(5,474)	(1,015)
Upon completion of the step acquisition of VSC Construction Steel Solutions Limited (Note 24)	完成分階段收購 VSC Construction Steel Solutions Limited (附註24)	—	(18,554)
Currency translation differences	貨幣匯兌差額	(18,140)	(17,746)
At end of period	於期末	276,133	272,206

17 於合營公司之投資

17 INVESTMENTS IN JOINT VENTURES (CONTINUED)

Note:

- (i) On 18th April 2018, the Company, Plentiful Praise Limited (“**Plentiful**”) (an indirect 62% subsidiary of the Company), Reco Wisteria Private Limited (“**RECO**”) (an independent third party), Hongkong and Shanghai Land Capital Ltd. (“**Venture Manager**”) (an indirect 60% subsidiary of the Company) and HSL Shanghai Office Partners I Limited (“**HSO**”) entered into the subscription and shareholders’ agreement, pursuant to which Plentiful subscribed for 0.45 share of HSO at US\$4,500 and RECO subscribed for 2.55 shares of HSO at US\$25,500 (the “**Transaction**”). The Transaction was completed on 1st June 2018, HSO is owned as to 15% by Plentiful and 85% by RECO.

Following completion and upon request by the Venture Manager, RECO and Plentiful agreed to contribute further capital of up to an aggregate amount of US\$350,000,000 on a pro rata basis for operation of HSO. The maximum commitment from Plentiful would be US\$52,500,000, while the maximum commitment from RECO would be US\$297,500,000.

During the year ended 31st March 2019, Plentiful contributed USD36,909,000 (equivalent to approximately HK\$289,590,000) to HSO.

17 於合營公司之投資(續)

附註：

- (i) 於二零一八年四月十八日，本公司、頌裕有限公司(「頌裕」，本公司之62%間接附屬公司)、Reco Wisteria Private Limited(「RECO」，獨立第三方)、滬港地產資本有限公司(「企業管理人」，本公司之60%間接附屬公司)及HSL Shanghai Office Partners I Limited(「HSO」)訂立認購及股東協議，據此，頌裕以4,500美元認購HSO的0.45股股份，而RECO以25,500美元認購HSO的2.55股股份(「該交易」)。該交易於二零一八年六月一日完成，HSO由頌裕擁有15%及RECO擁有85%。

交易完成後及據企業管理人要求，RECO及頌裕按比例進一步出資最多合共350,000,000美元以供HSO營運。頌裕最高承擔將為52,500,000美元，而RECO最高承擔將為297,500,000美元。

於截至二零一九年三月三十一日止年度內，頌裕向HSO投入36,909,000美元(相等於約289,590,000港元)。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

18 TRADE AND BILL RECEIVABLES

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

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

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

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

18 應收賬款及票據

銷售均以信用證或具信貸期之記賬方式進行，信貸期一般介乎 0 至 90 日不等。

應收賬款及票據根據發票日期之賬齡分析如下：

	As at 30th September 2019	As at 31st March 2019
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
	(未經審核)	(經審核)
0 - 60 日	346,251	340,981
61 - 120 日	48,478	82,306
121 - 180 日	15,373	39,709
181 - 365 日	24,897	16,813
超過 365 日	23,899	23,928
	458,898	503,737
減：減值撥備	(18,011)	(23,214)
	440,887	480,523

淨應收賬款及票據之賬面金額與彼等之公允價值相若。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

19 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		As at 30th September 2019 於二零一九年 九月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31st March 2019 於二零一九年 三月三十一日 HK\$'000 千港元 (Audited) (經審核)
Prepayments for purchases	預付採購款項	83,273	79,129
Rental and other deposits	租金及其他按金	15,095	16,890
Prepayments for property, plant and equipment	預付物業、廠房及設備之 款項	40	133
Compensation receivable in relation to an unfulfilled contract	未履行合約之應收賠償 款項	964	2,915
Value-added tax recoverable	可收回增值稅	20,225	22,718
Others	其他	13,775	12,709
		133,372	134,494
Less: Non-current	減：非即期	(19,068)	(19,084)
Current	即期	114,304	115,410

The carrying amounts of deposits and other receivables approximated their fair values.

按金及其他應收款項之賬面金額與其公允價值相若。

20 TRADE AND BILL PAYABLES

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

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

		As at 30th September 2019 於二零一九年 九月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31st March 2019 於二零一九年 三月三十一日 HK\$'000 千港元 (Audited) (經審核)
0 - 60 days	0 - 60日	120,782	188,702
61 - 120 days	61 - 120日	44,978	18
121 - 180 days	121 - 180日	992	174
181 - 365 days	181 - 365日	616	22
Over 365 days	超過365日	248	177
		167,616	189,093

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

應付賬款及票據之賬面金額與彼等之公允價值相若。

19 預付款項、按金及其他應收賬款

20 應付賬款及票據

與供應商之付款條款均以信用證或具30至60日信貸期之記賬方式進行。

應付賬款及票據根據發票日期之賬齡分析如下：

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

21 BORROWINGS

		As at 30th September 2019	As at 31st March 2019
		於二零一九年 九月三十日	於二零一九年 三月三十一日
		HK\$'000	HK\$'000
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Current	即期		
– Trust receipts bank loans	– 信託收據銀行貸款	737,232	658,918
– Short-term bank loans	– 短期銀行貸款	49,500	90,818
– Current portion of long-term bank loans, secured	– 長期銀行貸款之 即期部份，有抵押	47,961	37,974
		834,693	787,710
Non-current	非即期		
– Long-term bank loans, secured	– 長期銀行貸款，有抵押	739,830	704,839
Total borrowings	借貸總額	1,574,523	1,492,549

21 借貸

22 SHARE CAPITAL

		Authorised (Ordinary shares of HK\$0.10 each)		Issued and fully paid (Ordinary shares of HK\$0.10 each)	
		法定 (每股0.10港元之普通股)		已發行及繳足 (每股0.10港元之普通股)	
		Number of shares '000 千股	Nominal value HK\$'000 千港元	Number of shares '000 千股	Nominal value HK\$'000 千港元
As at 31st March 2019 and 30th September 2019	於二零一九年三月三十一日及 二零一九年九月三十日	1,000,000	100,000	641,232	64,123

22 股本

23 DISPOSAL OF A SUBSIDIARY AND AN ASSOCIATE

(a) Disposal of He Tai Steel Co., Limited (“He Tai”)

On 17th April 2019, Green Success Global Limited (“Green Success”), an indirect wholly-owned subsidiary of the Company, and an independent third party entered into a sales and purchase agreement pursuant to which the independent third party agreed to acquire and Green Success agreed to sell the entire issued share capital of He Tai, which is principally engaged in trading of recycling steel in Hong Kong, at a consideration of HK\$15,000,000. A loss on disposal of He Tai of HK\$41,000 is recognised for the six months ended 30th September 2019.

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

An analysis on gain on disposal of a subsidiary is as follows:

		HK\$'000 千港元
Consideration received as at disposal date:	於出售日期所收取之代價：	
— Cash received	— 現金收取	15,000
— Direct expenses	— 直接開支	(15)
		14,985
Assets:	資產：	
— Property, plant and equipment	— 物業、廠房及設備	(15,026)
Total identifiable net assets disposed	已售可識別資產淨值總額	(15,026)
Loss on disposal of a subsidiary	出售一間附屬公司之虧損	(41)
An analysis on net cash flows arising from the disposal:	出售事項產生的現金流淨值分析如下：	
Net cash consideration	現金淨值代價	15,000
Less:	減：	
Deposit received	已收訂金	(1,500)
Direct expenses paid	已付直接開支	(15)
Net cash inflow from the disposal of a subsidiary	出售一間附屬公司產生之現金流入淨額	13,485

23 出售一間附屬公司及一間聯營公司

(a) 出售和泰鋼鐵有限公司(「和泰」)

於二零一九年四月十七日，本公司之間接全資附屬公司Green Success Global Limited(「Green Success」)與獨立第三方訂立買賣協議，據此，獨立第三方同意收購而Green Success同意出售和泰(其主要於香港從事買賣回收鋼材)全額已發行股本，代價為15,000,000港元。於截至二零一九年九月三十日止六個月已確認出售和泰虧損為41,000港元。

自Green Success於二零一九年四月三十日完成將和泰之股份轉讓至獨立第三方後，和泰不再為本公司之間接全資附屬公司。

出售一間附屬公司之收益分析如下：

23 DISPOSAL OF A SUBSIDIARY AND AN ASSOCIATE
(CONTINUED)

(b) Disposal of Changshu Baoshunchang Steel Processing Co., Ltd. (“Changshu Baoshunchang Steel”)

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

24 ACQUISITION OF VSC CONSTRUCTION STEEL SOLUTIONS LIMITED

On 30th April 2018, NatSteel Holdings Pte. Ltd. (“NatSteel”), VSC Steel Processing Limited (“VSC Processing”), an indirect wholly-owned subsidiary of the Company, VSC Steel Processing Holdings Limited (an indirect wholly-owned subsidiary of the Company), the Company and VSC Construction Steel Solutions Limited (“VSC Construction”) entered into an agreement for certain arrangement in relation to VSC Construction, among others:

- (i) each of NatSteel and VSC Processing has agreed to subscribe for 45,000,000 shares of VSC Construction at HK\$1 per share respectively (the “Share Subscriptions”); and
- (ii) following the completion of the Share Subscriptions, NatSteel transferred the legal and beneficial interests of all its shares of VSC Construction to VSC Processing at a nominal consideration of HK\$1 payable by VSC Processing.

The Group satisfied the Share Subscription of HK\$45,000,000 through the conversion of amount due from a joint venture into capital contribution and such conversion formed a part of the investment in VSC Construction as at 31st March 2018.

23 出售一間附屬公司及一間聯營公司(續)

(b) 出售常熟寶順昌鋼材加工有限公司(「常熟寶順昌」)

於二零一九年七月二十六日及二零一九年九月三十日，WS Holdings Limited、萬順昌(中國)投資有限公司(為本公司間接全資附屬公司)及上海寶順昌國際貿易有限公司(為本公司之間接附屬公司)(統稱「賣方」)與一名第三方及一名本公司附屬公司之董事(統稱「買方」)訂立買賣協議，據此，買方同意收購，而賣方同意出售於常熟寶順昌(為本集團之聯營公司)合共59.99%之股權，代價分別為2美元及人民幣1元。於二零一九年三月三十一日，於常熟寶順昌之投資賬面值為零。轉讓於常熟寶順昌之59.99%股權已於二零一九年十一月八日完成。

24 收購VSC CONSTRUCTION STEEL SOLUTIONS LIMITED

於二零一八年四月三十日，NatSteel Holdings Pte. Ltd.(「NatSteel」)、萬順昌鋼材加工有限公司(「萬順昌鋼材加工」，本公司之間接全資附屬公司)、萬順昌鋼材加工控股有限公司(本公司之間接全資附屬公司)、本公司及VSC Construction Steel Solutions Limited(「VSC Construction」)訂立協議，內容有關VSC Construction之若干安排，其中包括：

- (i) NatSteel及萬順昌鋼材加工各自同意分別按每股1港元認購45,000,000股VSC Construction之股份(「股份認購事項」)；及
- (ii) 股份認購事項完成後，NatSteel已向萬順昌鋼材加工轉讓其所持有之所有VSC Construction股份之法定及實益權益，萬順昌鋼材加工應付象徵性代價1港元。

本集團透過將應收一間合營公司45,000,000港元之款項轉換為出資支付股份認購事項，該轉換構成於二零一八年三月三十一日於VSC Construction投資之一部分。

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24 ACQUISITION OF VSC CONSTRUCTION STEEL SOLUTIONS LIMITED (CONTINUED)

The transfer of shares from NatSteel to VSC Processing was completed on 9th May 2018, since then VSC Construction has become an indirect wholly-owned subsidiary of the Company.

24 收購VSC CONSTRUCTION STEEL SOLUTIONS LIMITED (續)

NatSteel於二零一八年五月九日完成轉讓股份予萬順昌鋼材加工，自此起VSC Construction成為本公司之間接全資附屬公司。

		HK\$'000 千港元
Consideration:	代價：	
– Cash paid	– 已付現金	–
– Fair value of 50% shares held by the Group	– 本集團所持50%股份之公允價值	18,699
		18,699
Less: Net assets acquired at fair value of:	減：以下之按公允價值收購之淨資產項目：	
– Property, plant and equipment	– 物業、廠房及設備	29,167
– Trade and other receivables, deposits and prepayments	– 應收及其他應收賬款、按金及預付款項	10,643
– Cash and cash equivalents	– 現金及現金等值	47,497
– Pledged bank deposits	– 已抵押銀行存款	1,156
– Inventories	– 存貨	6,804
– Trade and other payables	– 應付及其他應付賬款	(32,710)
– Borrowings	– 借貸	(5,308)
– Amount due to the Group	– 應付本集團賬款	(19,996)
		37,253
Gain on bargain purchase	收購議價之收益	(18,554)
An analysis on net cash flows arising from the step acquisition:	分階段收購事項產生之現金流量淨額分析：	
Net cash consideration	現金代價淨額	–
Add: Cash and cash equivalents acquired	加：所收購現金及現金等值	47,497
Net cash acquired from the acquisition of a subsidiary	收購一間附屬公司之所獲現金流出淨額	47,497

The gain on bargain purchase of HK\$18,554,000 was mainly resulted from the commercial negotiation of NatSteel and VSC Processing after considering liquidity and operation needs of VSC Construction.

收購議價收益18,554,000港元主要由於NatSteel與萬順昌鋼材加工經考慮VSC Construction之流動資金及營運需要後進行商業磋商而產生。

The acquired business contributed revenues of HK\$42,501,000 and net loss of HK\$15,204,000 to the Group for the period from 10th May 2018 to 30th September 2018. If the acquisition had occurred on 1st April 2018, consolidated revenue and consolidated profit after tax of the Group for the six months ended 30th September 2018 would have been HK\$1,487,328,000 and HK\$649,000 respectively.

所收購業務於二零一八年五月十日至二零一八年九月三十日期間為本集團貢獻收入42,501,000港元及虧損淨額15,204,000港元。倘收購事項於二零一八年四月一日發生，本集團截至二零一八年九月三十日止六個月之除稅後綜合收入及綜合溢利應分別為1,487,328,000港元及649,000港元。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

25 COMMITMENTS

(a) Commitments under operating leases

Lessor

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

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

		As at 30th September 2019	As at 31st March 2019
		於二零一九年 九月三十日	於二零一九年 三月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Not later than one year	未逾1年	26,133	30,829

(b) Capital commitments

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

		As at 30th September 2019	As at 31st March 2019
		於二零一九年 九月三十日	於二零一九年 三月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Contracted but not provided for:	已訂約但尚未撥備：		
Renovation work for the investment property	投資物業之翻修工程	499	1,403

25 承擔

(a) 營業租賃承擔

出租人

本集團根據不可撤銷之營業租賃出租投資物業。租約可在租期屆滿後以市場租值續簽。

就出租物業而訂立之多份不可撤銷營業租賃之應收承擔總額分析如下：

	As at 30th September 2019	As at 31st March 2019
	於二零一九年 九月三十日	於二零一九年 三月三十一日
	HK\$'000	HK\$'000
	千港元	千港元
	(Unaudited)	(Audited)
	(未經審核)	(經審核)
Not later than one year	26,133	30,829

(b) 資本承擔

於報告期末之資本承擔如下：

	As at 30th September 2019	As at 31st March 2019
	於二零一九年 九月三十日	於二零一九年 三月三十一日
	HK\$'000	HK\$'000
	千港元	千港元
	(Unaudited)	(Audited)
	(未經審核)	(經審核)
Contracted but not provided for:		
Renovation work for the investment property	499	1,403

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簡明綜合中期財務資料附註

26 RELATED-PARTY TRANSACTIONS

(a) Transactions

The following is a summary of significant related party transactions, which were carried out in the normal course of the Group's business:

		Six months ended 30th September 截至九月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)
		Notes 附註	
Sales of goods to	銷售貨品予		
— the then associate	— 當時之一間 聯營公司	(i)	6,444
— the then joint venture	— 當時之一間 合營公司	(ii)	46,205
			—
			3,256
			6,444
			49,461
Purchase of goods from:	購買貨品自：		
— the then associate	— 當時之一間 聯營公司	(iii)	15,367
— the then joint venture	— 當時之一間 合營公司	(iv)	37,942
			—
			189
			15,367
			38,131
Management fee income for services provided to joint ventures	提供服務予 合營公司之 管理費收入	(v)	12,054
Rental expense paid to a joint venture	向一間合營公司支付 之租賃費用	(vi)	469
			—

Notes:

- (i) Goods were sold by Shanghai Bao Shun Chang International Trading Co., Ltd., an indirect subsidiary of the Company, to an associate at prices mutually agreed by both parties.
- (ii) Goods were sold by VSC Steel Company Limited, an indirect wholly owned subsidiary of the Company, to a joint venture at prices mutually agreed by both parties.
- (iii) Shanghai Bao Shun Chang International Trading Co., Ltd., an indirect subsidiary of the Company, purchased goods from an associate at prices mutually agreed by both parties.
- (iv) VSC Steel Company Limited and He Tai Steel Co., Limited, indirect wholly owned subsidiaries of the Company, purchased goods from a joint venture at prices mutually agreed by the relevant parties.

附註：

- (i) 由本公司之間接附屬公司上海寶順昌國際貿易有限公司銷售予一間聯營公司之貨品按雙方協定之價格收取。
- (ii) 由本公司之間接全資附屬公司萬順昌鋼鐵有限公司銷售予一間合營公司之貨品按雙方協定之價格收取。
- (iii) 本公司之間接附屬公司上海寶順昌國際貿易有限公司以雙方同意之價格向一間聯營公司購買貨品。
- (iv) 本公司之間接全資附屬公司萬順昌鋼鐵有限公司及和泰鋼鐵有限公司從一間合營公司按有關雙方協定之價格購買貨品。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

26 RELATED-PARTY TRANSACTIONS (CONTINUED)

(a) Transactions (Continued)

Notes: (Continued)

- (v) For the six months ended 30th September 2019, management services were provided by Hongkong and Shanghai Land Capital Ltd., an indirect subsidiary of the Company, to a joint venture at prices mutually agreed by both parties.

For the six months ended 30th September 2018, management services were provided by Hongkong and Shanghai Land Capital Ltd. and VSC Steel Processing Holdings Limited, indirect subsidiaries of the Company, to joint ventures at prices mutually agreed by both parties.

- (vi) Rental expenses were paid by 上海新施房地產經紀有限公司, 永蕃投資諮詢(上海)有限公司 and 上海盈蕃資產管理有限公司, indirect subsidiaries of the Company, to a joint venture at prices mutually agreed by both parties.

(b) Key management compensation

		Six months ended 30th September 截至九月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)
Salaries and allowances	薪金及津貼	5,058	4,359
Bonus	花紅	1,025	1,125
Pension costs	退休金成本		
– defined contribution schemes	– 界定供款計劃	155	114
Share option schemes	購股權計劃		
– value of services	– 服務價值	–	36
		6,238	5,634

26 關聯方交易(續)

(a) 交易(續)

附註:(續)

- (v) 於截至二零一九年九月三十日止六個月,本公司之間接附屬公司滬港地產資本有限公司向一間合營公司提供管理服務按雙方協定之價格收取。

於截至二零一八年九月三十日止六個月,本公司之間接附屬公司滬港地產資本有限公司及萬順昌鋼材加工控股有限公司向合營公司提供管理服務按雙方協定之價格收取。

- (vi) 由本公司間接附屬公司上海新施房地產經紀有限公司、永蕃投資諮詢(上海)有限公司及上海盈蕃資產管理有限公司向一間合營公司支付之租賃費用按雙方協定之價格收取。

(b) 主要管理層報酬

OVERVIEW

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

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

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

Following the formation of a co-investment venture (the “**JV**”) with Reco Wisteria Private Limited (an indirect wholly-owned subsidiary of GIC (Realty) Private Limited (“**GIC**”) which is wholly-owned by the Minister for Finance of the Government of Singapore), the JV has accomplished its first acquisition in Longyu International Plaza last year. Moving on to 2019, the JV has successfully rebranded and renovated the commercial property, renaming it as Central Park·Jing’an. The renovation project has effectively raised its quality, diversifying its tenants mix and enhancing both rental yield and occupancy rate since the completion of the renovation work.

概覽

於截至二零一九年九月三十日止六個月(「**本期間**」)，本集團錄得收入約1,219,100,000港元，未經審核淨溢利約1,400,000港元及本公司擁有人應佔淨溢利約2,500,000港元，去年同期則錄得收入約1,485,500,000港元，未經審核淨溢利約2,000,000港元及本公司擁有人應佔淨溢利約8,100,000港元。本期間未經審核淨溢利減少主要由於去年有償契約撥備回撥之一次性收入約40,700,000港元，來自收購一間附屬公司之議價收益約18,600,000港元及成立一間合營公司有關之專業費用約37,400,000港元之淨影響導致。

本期間之每股普通股之未經審核基本盈利為0.4港仙，相對去年同期則為1.3港仙。董事會並不宣派本期間之中期股息(二零一八年：無)。

於本期間，本集團繼續透過其項目管理公司滬港地產資本有限公司(連同其聯屬公司，統稱「**滬港地產**」)，於房地產投資及項目管理業務中大放異彩。儘管上海租賃市場環境嚴峻以及中國內地經濟增長放緩，使出租率及租金飽受壓力，本集團仍通過提升物業價值及優化租戶組合，成功為我們全資擁有的中港匯·浦東維持高出租率，收入亦錄得輕微增幅至約30,300,000港元，而去年同期則約27,600,000港元。

隨著與Reco Wisteria Private Limited(其為Minister for Finance of the Government of Singapore全資擁有的GIC (Realty) Private Limited(「**GIC**」)旗下的間接全資附屬公司)成立共同投資企業(「**合營公司**」)後，合營公司於去年已完成了其首項投資—隆宇國際商務廣場。邁向二零一九年，合營公司為該商業物業重新定位及翻新，並更名為中港匯·靜安。自完成翻新工作，翻新項目有效提升其質量，成功推動租戶多元化以及提高租賃回報率和出租率。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OVERVIEW (CONTINUED)

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

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

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

概覽(續)

憑藉我們與全球領先的房地產投資者GIC組成合營公司，滬港地產的專業人員繼續物色位於上海黃金地段具備活化及優化潛力的低使用率的商務大廈。本集團將竭力尋求與其他商業夥伴合作，令其投資組合變得更多樣化，繼而可更妥善分配及調配資金，以捕捉各樣投資項目的良機。

另一方面，儘管市場趨勢為建築材料業務的收入造成沉重壓力，尤其是我們於中國內地的卷鋼加工業務被受汽車業需求疲弱所拖累，本集團仍透過提倡採用場外預製鋼材組件，繼續致力引領香港建築市場轉型，並已展現出復甦的勢頭。憑藉我們持續整合分銷及加工業務，以及精簡我們的工序流程，旨在減低間接成本並提升生產效率，於本期間，我們於分銷及鋼筋加工的產量(以噸計算)總額亦有巨額的遞增，約31.9%的增長。

此外，縱使主要國家之間的貿易衝突，及香港經濟增長停滯不前為市場營商環境帶來嚴峻考驗，本集團的建築產品及設計方案業務以及工程塑膠業務仍取得長足發展。憑藉我們精簡營運管理、與品牌夥伴建立穩固關係，以及為客戶提供專業知識及產品應用資訊，於本期間，建築產品及設計方案業務的未經審核經營溢利增加約16.2%，工程塑膠業務則轉虧為盈。

BUSINESS REVIEW

Property Investment and Project Management Business

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

Our Property Investment and Project Management Business consists of (i) direct acquisitions of properties for investment such as our wholly-owned Central Park·Pudong, which generates rental and property management fee income and appreciation in fair value to the Group; and (ii) investments in properties via partnerships or investment funds where the Group takes equity stake and HSL acts as a general partner and/or investment manager to earn fee income.

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

業務回顧

房地產投資及項目管理業務

我們是領先的私募房地產投資者及投資經理人，致力透過其良好往績紀錄，成為細分市場上的物業價值提升專家。

我們的房地產投資及項目管理業務包括 (i) 直接收購物業作投資，如我們全資擁有的中港匯·浦東，該物業為本集團帶來租金及物業管理費收入及公允價值的提升；及 (ii) 透過合夥企業或投資基金投資物業，本集團於該等合夥企業或投資基金中持有特定權益，同時滬港地產將作為一般合夥人及／或投資經理人以賺取費用收入。

房地產投資及項目管理業務的核心價值主要有賴於物業團隊物色現時價值被低估或使用率較低但具潛力的項目，並透過改動及加建工程以及主動提供優質的房地產管理服務，為房地產項目創造價值。滬港地產由資深的行業專才團隊組成，在資產重組和優化方面擁有驕人往績，專於提供綜合增值服務，其中包括為商業資產重新定位、開發、出租及翻新。透過以最低成本翻新物業及其周邊公用地區，滬港地產已制定出一個行之有效的出租策略，以優化租戶組合及提升租金收入，最終為本集團及投資夥伴帶來可觀的資本收益。滬港地產的團隊在大中華區擁有豐富的業務經驗，並已與中國內地的領先國有企業、地方政府和房地產開發商建立龐大而穩固的業務網絡。我們注意到上海市作為中國最重要金融樞紐的地位，相信對位於黃金地段的甲級辦公室需求以至租金均會持續上升，故本集團及滬港地產將繼續透過活化及重建，釋放區內估值被低估物業的潛在價值。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (CONTINUED)

Property Investment and Project Management Business (continued)

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

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

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

業務回顧(續)

房地產投資及項目管理業務(續)

於本期間，我們的房地產投資及項目管理業務錄得收入約43,500,000港元，未經審核除所得稅前溢利約為37,600,000港元，相對去年同期收入約56,300,000港元，未經審核除所得稅前溢利約為13,100,000港元。於本期間約43,500,000港元的收入來自(i)我們全資擁有的投資物業中港匯·浦東的租金及物業管理費約30,300,000港元，按年同比(「按年同比」)增加9.8%；及(ii)資產管理及諮詢服務費收入約13,200,000港元，相比去年同期的28,700,000港元，主要是由於去年同期確認的一次性收購服務費收入約19,400,000港元所致。於本期間，未經審核除所得稅前溢利有所改善，主要是因為撇除由若干獨立第三方於去年收取有關成立合營公司的一次性專業費用所致，該費用金額約為37,400,000港元。

中港匯·浦東乃位於中國上海市浦東的一幢十二層高(連同一層地下層)的商務大廈，總建築面積約為33,191平方米。面對區內辦公商廈的供應增加使空置率上升及令租金受壓，中港匯·浦東於本期間的出租率仍能持續維持於約84.7%的高水平(二零一八年：91.0%)，收入貢獻亦輕微增加至約30,300,000港元(二零一八年：27,600,000港元)。根據獨立國際物業估值師出具的估值報告，中港匯·浦東的賬面值約為1,362,900,000港元(相當於人民幣1,239,000,000元)，於本期間錄得估值收益約36,600,000港元及遞延稅項負債約9,200,000港元。

在滬港地產專家與合作夥伴的共同努力之下，與GIC成立的合營公司已於二零一九年五月完成首項投資物業的翻新工程，並將其重新命名為中港匯·靜安。中港匯·靜安是一幢合共可供租用面積約58,601平方米的甲級商務大廈，位於中國上海市靜安區，可直達3條地鐵線。自完成翻新後，出租率穩定上升至約65.0%，平均每日租金率亦有顯著增長。於本期間，本集團於合營公司的所應佔合營公司的虧損約為5,500,000港元。

BUSINESS REVIEW (CONTINUED)

Building and Design Solutions Business

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

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

Construction Materials Business

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

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

業務回顧(續)

建築產品及設計方案業務

我們的建築產品及設計方案業務提供具全面的價值方案，為發展商、建築師、設計師及分銷夥伴提供浴室及廚房產品設計、安裝、庫存管理、物流以及技術支援。作為市場的主要參與者之一，我們的產品組合涵蓋各個知名品牌。

於本期間，建築產品及設計方案業務錄得收入約152,400,000港元，未經審核除所得稅前溢利約16,600,000港元，相對去年同期收入約194,000,000港元，未經審核除所得稅前溢利約14,100,000港元。基於去年在香港及澳門已落成的多項主要房地產及酒店項目，以及新酒店的升級項目均錄得延誤，加上香港近日的社會狀況使分銷市場放緩，從而令收入於本期間有所減少，惟未經審核除所得稅前溢利仍錄得升幅，主要是受惠於本期間的毛利率上升以及撥回應收賬撥備約2,000,000港元所致。

建築材料業務

建築材料業務包括(i)香港建築產品加工與分銷；(ii)鋼筋加工及裝配業務(透過我們的全資附屬公司VSC Construction Steel Solutions Limited經營)；以及(iii)於中國的卷鋼加工與分銷。於本期間，鋼材市場及全球經濟這兩項因素使本集團繼續面對各種挑戰，當中包括鋼材價格持續反向波動、主要貿易國之間產生的貿易衝突所帶來的負面影響、香港的工程項目延誤，以及業界從場內切割及折彎鋼筋轉型至場外預製鋼材組件的緩慢進度。

為了專注於我們在建築材料業務的核心競爭力及競爭優勢，本集團已於本期間完成出售由一間全資附屬公司——和泰鋼鐵有限公司所經營的鋼材回收業務，以及於中國內地透過聯營公司——常熟寶順昌鋼材加工有限公司經營的鋼材加工業務，於本期間出售虧損合共為41,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (CONTINUED)

Construction Materials Business (continued)

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

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

Engineering Plastics Business

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

業務回顧(續)

建築材料業務(續)

建築材料業務於本期間錄得收入總額約958,600,000港元，較去年同期下跌約9.4%。若剔除來自鋼材回收業務(本集團已於二零一九年四月出售該業務)收入的情況下，收入按年同比下跌約3.2%，主要是受惠於訂單量及廠房使用率的上升，使我們的香港建築產品分銷與鋼筋加工業務產量噸數顯著增加31.9%，部分抵銷了因汽車業需求疲弱而導致中國卷鋼加工與分銷業務產量噸數減少44.9%所致。

於本期間，建築材料業務的未經審核除所得稅前溢利約為11,200,000港元。在剔除去年同期有償契約撥備回撥約40,700,000港元及來自收購一間附屬公司之議價收益約18,600,000港元的一次性影響下，建築材料業務由去年同期的未經審核除所得稅前虧損約36,500,000港元，回升至本期間的未經審核除所得稅前溢利約11,200,000港元。

工程塑膠業務

面對主要貿易國之間產生的貿易衝突所帶來的不穩經濟環境，以及中國經濟增長放緩，工程塑膠業務於本期間錄得收入約64,600,000港元，按年同比下跌約63.1%，已售噸數亦較去年同期減少約56.4%。本集團繼續策略性地專注於高增長領域，放棄利潤率極低或信貸風險較高的客戶。受惠於以上措施，該業務錄得未經審核除所得稅前溢利約700,000港元，扭轉了去年同期未經審核除所得稅前虧損約3,400,000港元的狀況，這主要是由於撥回應收賬撥備約1,500,000港元以及人民幣(「人民幣」)貶值導致的匯兌虧損比去年同期減少所致。

OUTLOOK

Property Investment and Project Management Business

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

Building and Design Solutions Business

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

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

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

展望

房地產投資及項目管理業務

縱使供應增多加上中國經濟增長放緩，使上海的商業樓宇租賃市場競爭愈趨激烈，但隨著上海將繼續轉型成全球樞紐，長遠而言，本集團預期商業樓宇的需求將持續殷切。本集團將繼續專注於上海市場，透過滬港地產的專業團隊激活表現欠佳的商業樓宇，並與本地及國際合夥人建立合作關係，為體現物業價值提供一站式解決方案。

建築產品及設計方案業務

本集團將按細分市場制定策略，繼續於香港及澳門推廣建築產品及設計方案業務。我們最新的衛浴產品將讓我們抓緊香港房屋大小和需求轉變，以及澳門發展蓬勃的酒店市場所帶來的機遇。憑藉品牌合夥人領導的市場地位，疊加我們的項目發展策略，我們將繼續放眼香港及澳門的大型知名項目。

本集團亦將抓緊中國內地城市化及中高收入階層逐漸擴大的機遇。這個機遇將確立我們於高端市場的市場定位，同時為我們的衛浴產品業務提供全新增長動力。

今後，本集團將與品牌合夥人緊密合作，於香港開拓全新市場分部，同時探索香港以外地區的商機，當中重點包括國內生產總值預期在二零三零年達致4.6兆美元的大灣區，相信該區的基礎設施建設將為我們的建築產品及設計方案業務創造龐大需求。

MANAGEMENT DISCUSSION AND ANALYSIS

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OUTLOOK (CONTINUED)

Construction Materials Business

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

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

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

展望(續)

建築材料業務

鑒於貿易關係緊張及地緣問題導致一系列的不明朗因素，我們預期全球鋼材市場將持續波動。中國的鋼材需求逐漸放緩，尤其是汽車行業，而生產量亦繼續因為環境保護措施及行業整合而受影響。本集團將繼續在全球各地尋找最具成本效益的鋼材供應，從而提升我們鋼材分銷業務的利潤水平。

縱使全球鋼材市場的走勢難以預測，加上主要建設項目已告完成而全新公共建設項目的撥款積壓待批，令自二零一八年最後一季以來香港的樓宇及建築開支近日出現下跌，但本集團對香港建築業的長期發展仍抱審慎樂觀態度。

香港政府期望未來數年的按年度基本工程投資增至超過1,000億港元，範圍涵蓋公屋發展、醫院重建及擴建以及新市鎮發展。此外，香港政府亦推出優惠政策，支持建築業的升級改造，當中包括撥款10億港元設立「建造業創新及科技基金」，以及積極推廣科技及創新建造技術，如鼓勵企業採用場外切割及折彎鋼筋，以提升行業質量、生產力和成本效益，促進行業轉型。本集團將通過向客戶提供涵蓋分銷、加工、物流及新產品需求的一站式解決方案，向建築業產業鏈下游延伸。

OUTLOOK (CONTINUED)

Construction Materials Business (continued)

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

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

Engineering Plastics Business

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

展望(續)

建築材料業務(續)

自從去年完成從NatSteel Holdings Pte. Ltd.收購VSC Construction Steel Solutions Limited(其於香港營運一間政府核准的領先自動化鋼筋加工及裝配廠)剩餘的股權後,本集團透過精簡銷售、市場及營運架構,進一步減低了間接成本,為利潤水平奠下堅實的基礎。今後,本集團將繼續優化工序流程、抓緊交叉銷售機遇以及為客戶提供一站式解決方案,繼續整合其鋼材分銷及加工業務,務求釋放該項收購的協同效應,捕捉香港愈趨重視的場外預製建築材料市場的巨大潛力。該項收購將有利我們抓緊香港建造業及大灣區的蓬勃發展,本集團亦將繼續積極參與市場及推廣活動,以進一步提升訂單數量及廠房使用率。

我們於香港的建築材料業務已於本期間呈現反彈勢頭,透過以上各項舉措互相結合,我們已為未來增長奠下堅實基礎,進一步鞏固我們在香港建築市場的獨有地位。

工程塑膠業務

我們的工程塑膠業務於過去幾年內一直進行重大重組,業務方向轉移至家用電器、消費電子及汽車領域,並引入更高利潤率的产品及服務。我們將繼續密切關注我們的成本和營運資金走勢。

MANAGEMENT DISCUSSION AND ANALYSIS

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FINANCIAL REVIEW

Financial Positions

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

Compared with the financial position as at 31st March 2019, the Group's cash and cash equivalents and pledged bank deposits, slightly decreased by approximately HK\$2.6 million to approximately HK\$163.1 million as at 30th September 2019. On the other hand, the Group's borrowings increased by approximately HK\$82.0 million to approximately HK\$1,574.5 million due to the increase in inventory level as at 30th September 2019. Current ratio maintained at 1.02, while gearing ratio (net debt, which is total borrowings minus pledged bank deposits and cash and cash equivalents, divided by capital and reserves attributable to owners of the Company plus net debt) increased slightly from 57.3% to 60.9%. The Group will continue to monitor its working capital closely and take various measures on cost reduction and improvement of operational efficiency.

Financial Resources

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

財務回顧

財務狀況

與截至二零一九年三月三十一日止財政年度相比，本集團於二零一九年九月三十日之資產總額由約2,996,600,000港元增加至約3,015,000,000港元。本集團之存貨由約290,700,000港元增加至約421,800,000港元，主要乃由於就財政年度下半年之訂單預備存貨所致。整體平均存貨週轉日數增加至71日。本集團之應收賬款及票據由約480,500,000港元減少至約440,900,000港元。整體平均應收賬款週轉日數減少至58日。本集團之資產淨值（「資產淨值」）於二零一九年三月三十一日約1,113,400,000港元維持至二零一九年九月三十日約1,013,300,000港元，而每股普通股資產淨值為1.41港元。

與二零一九年三月三十一日之財務狀況比較，於二零一九年九月三十日本集團之現金及現金等值及已抵押銀行存款，輕微減少約2,600,000港元至約163,100,000港元，而本集團之借貸則增加約82,000,000港元至約1,574,500,000港元，乃由於在二零一九年九月三十日的存貨量增加所致。流動比率維持於1.02，而資產負債比率（負債淨額，即借貸總額減已抵押銀行存款以及現金及現金等值，除以本公司擁有人應佔股本及儲備加負債淨額）則由57.3%輕微增加至60.9%。本集團將繼續密切監控營運資金，並採取各種措施降低成本及提升營運效率。

財務資源

本集團之融資及庫務活動均由總部集中管理及監控。本集團整體庫務及集資政策集中於管理財務風險，包括利率及外匯風險；以及對本公司及其附屬公司提供符合成本效益之融資方法，以及在本集團現金狀況可行下不時提高收益率。本集團一直秉持審慎財務管理原則，包括根據本集團庫務投資政策選擇投資證券。

FINANCIAL REVIEW (CONTINUED)

Financial Resources (continued)

The Group's trade financing remained primarily supported by its bank trading and term loan facilities. As at 30th September 2019, about 58.6% of the Group's interest-bearing borrowings for trade financing purpose and financing of investment properties were denominated in HK dollar, about 31.7% in RMB and about 9.7% in United State dollar. These facilities are either secured by the Group's inventories held under short-term trust receipts bank loan arrangement and/or pledged bank deposits and/or corporate guarantee provided by the Company. All of the above borrowings were on floating rate basis. Interest costs of import bank loans were levied on interbank offered rates in Hong Kong plus very competitive margin. RMB loans of the Group have been obtained from domestic and foreign banks in the amount of RMB453.5 million. Interest costs of RMB banking facilities were based on standard loan rates set by the People's Bank of China adjusted with competitive margin.

Charges on Assets

As at 30th September 2019, the Group had certain charges on assets which included (i) bank deposits of approximately HK\$12.7 million (31st March 2019: approximately HK\$38.9 million) which were pledged as collateral for the Group's bill payables; and (ii) an investment property of approximately HK\$1,362.9 million (31st March 2019: approximately HK\$1,404.9 million) which were pledged as collaterals for certain bank borrowings of the Group.

Exposure to Fluctuations in Exchange Rates and Related Hedges

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

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

財務回顧(續)

財務資源(續)

本集團之貿易融資主要由其銀行貿易及定期貸款融資支持。於二零一九年九月三十日，本集團以貿易融資為目的及投資物業融資的附息借貸總額中約58.6%均以港元為幣值、約31.7%以人民幣為幣值及約9.7%以美元為幣值。該等信貸融資主要以通過本集團之短期信託收據銀行貸款安排下持有之本集團存貨及／或已抵押銀行存款及／或本公司提供之公司擔保作為抵押。所有以上之借貸均按浮動利率計息。進口銀行貸款之利息費用以香港銀行同業拆息率加非常具競爭力之息差計算。本集團已自國內及外資銀行獲得數額為人民幣453,500,000元之人民幣貸款。人民幣銀行融資之利息費用乃按中國人民銀行釐定之標準貸款利率以優惠息差再加以調整。

資產抵押

於二零一九年九月三十日，本集團以若干資產作抵押，包括(i)約12,700,000港元(二零一九年三月三十一日：約38,900,000港元)之銀行存款作為本集團應付票據之抵押品；及(ii)約1,362,900,000港元(二零一九年三月三十一日：約1,404,900,000港元)之投資物業作為本集團向若干銀行貸款之抵押品。

匯率風險波動及相關對沖

本集團之業務主要以港元、美元及人民幣交易。由於港元與美元之間的匯率掛鈎，本集團相信其美元產生的匯率風險相當輕微。面對人民幣之不穩定，本集團將繼續以人民幣收入來對應人民幣付款，從而減低匯兌風險。

當出現適當時機且本集團之管理層認為合適之情況下，將簽訂遠期外匯合約，用以對沖非港元貨幣之主要外匯風險。本集團之政策乃不會為投機目的而訂立任何衍生工具交易。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (CONTINUED)

Capital Expenditure

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

Capital Commitments

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

Contingent Liabilities

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

Material Acquisitions and Disposals

Save as disclosed in Notes 23 and 24 to the accompanying condensed consolidated interim financial information, the Group did not have any material acquisitions and disposals of subsidiaries and associated companies during the Period.

HUMAN CAPITAL

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

財務回顧(續)

資本開支

於本期間，本集團的資本開支約6,000,000港元(二零一八年：約4,000,000港元)，當中包括租賃物業裝修、傢私及設備、機器的成本，以及新增的投資物業。

資本承擔

於二零一九年九月三十日，本集團的總資本承擔約500,000港元(二零一九年三月三十一日：約1,400,000港元)。

或然負債

於二零一九年九月三十日，本集團並無重大或然負債(二零一九年三月三十一日：相同)。

重大收購事項及出售事項

於本期間，除隨附之簡明綜合中期財務資料附註23及24所披露者外，本集團並無任何重大附屬公司及聯營公司的收購事項及出售事項。

人力資源

本集團致力人才發展，藉此推動本集團業務發展更上一層樓。我們的增長策略包括加強員工的責任感。我們提供優越之薪酬待遇以吸引及推動員工。我們努力為員工提供安全舒適的工作環境，並提供各種機會，讓員工不斷學習和成長。於二零一九年九月三十日，本集團聘用265名僱員(二零一九年三月三十一日：272名僱員)。本期間，總員工成本包括退休福利計劃供款約為60,800,000港元。於本期間，概無根據於二零一一年八月十一日採納之購股權計劃向董事及我們之僱員提供及／或授出購股權。

INTERIM DIVIDEND

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

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30th September 2019, the interests and short positions of the Directors and 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 (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (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 (b) were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or (c) were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) to be notified to the Company and the Stock Exchange, were as follows:

中期股息

董事會並不宣派本期間之中期股息(二零一八年：無)。

董事於股份、相關股份及債權證之權益及淡倉

於二零一九年九月三十日，董事及本公司之高級行政人員於本公司或其任何相聯法團(定義見證券及期貨條例(「**證券及期貨條例**」)第XV部)之股份、相關股份及債權證中擁有之權益及淡倉包括(a)根據證券及期貨條例第XV部第7及第8分部必須知會本公司及香港聯合交易所有限公司(「**聯交所**」)(包括根據證券及期貨條例之該等規定被認為或視作擁有之權益及淡倉)；或(b)必須列入根據證券及期貨條例第352條予以存置之登記冊內；或(c)根據聯交所證券上市規則(「**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**」)必須知會本公司及聯交所之權益及淡倉載列如下：

OTHER INFORMATION 其他資料

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

董事於股份、相關股份及債權證之權益
及淡倉(續)

Long positions in shares and share options of the Company

本公司之股份及購股權之好倉

Name of Directors	Capacity	Attributable interests to the Directors	Number of shares	Approximate percentage	Number of share options (Note C) 購股權數目 (附註C)	Aggregate interest
董事姓名	身份	董事應佔權益	股份數目	概約百分比		合計權益
Mr. Yao Cho Fai Andrew 姚祖輝先生	Interest of controlled corporation, Perfect Capital International Corp. (Note a)	Deemed interest (indirectly)	89,337,806	13.93%	—	89,337,806
	受控制公司Perfect Capital International Corp.之權益(附註a)	被視作擁有之權益(間接)				
	Interest of controlled corporation, Huge Top Industrial Ltd. (Note b)	Deemed interest (indirectly)	190,424,000	29.70%	—	190,424,000
	受控制公司Huge Top Industrial Ltd.之權益(附註b)	被視作擁有之權益(間接)				
	Beneficial owner 實益擁有人	100% (directly) 100% (直接)	3,918,000	0.61%	—	3,918,000
			283,679,806	44.24%	—	283,679,806
Mr. Lau Chi Chiu 劉子超先生	Beneficial owner 實益擁有人	100% (directly) 100% (直接)	—	—	2,246,622	2,246,622
Mr. Xu Lin Bao 徐林寶先生	Beneficial owner 實益擁有人	100% (directly) 100% (直接)	5,246,622	0.82%	—	5,246,622

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

Notes:

- a. Mr. Yao Cho Fai Andrew (“**Mr. Yao**”) was beneficially interested in these shares through his wholly-owned company, Perfect Capital International Corp. (“**Perfect Capital**”). Mr. Yao is the sole director of Perfect Capital.
- b. Mr. Yao was deemed to be interested in these shares through his controlling company, Huge Top Industrial Ltd. (“**Huge Top**”). Mr. Yao directly held approximately 48.81% and indirectly through Perfect Capital owned approximately 42.86% of the issued shares of Huge Top. Mr. Yao is the sole director of Huge Top.
- c. Details of the interests of the Directors in the share options of the Company are separately disclosed in the section headed “Share Option Scheme” below.

Save as disclosed above, as at 30th September 2019, none of the Directors, chief executives of the Company and their associates had any personal, family, corporate or other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (include interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or (c) were required pursuant to the Model Code to be notified to the Company and the Stock Exchange.

Apart from the foregoing, at no time during the Period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors or any of their spouses or children under the 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, and no Directors or chief executives of the Company or their respective spouses or children under 18 years of age had been granted any right to subscribe for equity or debt securities of the Company nor exercised any such right.

董事於股份、相關股份及債權證之權益及淡倉(續)

附註：

- a. 姚祖輝先生(「姚先生」)透過其全資擁有之公司Perfect Capital International Corp.(「**Perfect Capital**」)實益持有該等股份之權益。姚先生乃Perfect Capital之唯一董事。
- b. 姚先生透過其控制之公司Huge Top Industrial Ltd.(「**Huge Top**」)被視作持有該等股份之權益。姚先生直接持有約48.81%及透過Perfect Capital間接持有約42.86%之Huge Top已發行股份。姚先生乃Huge Top之唯一董事。
- c. 董事於本公司購股權之權益之詳情已獨立在下節「購股權計劃」披露。

除上文所披露者外，於二零一九年九月三十日，董事、本公司之高級行政人員及彼等之聯繫人概無於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債權證中擁有(a)根據證券及期貨條例第XV部第7及第8分部必須知會本公司及聯交所(包括根據證券及期貨條例之該等規定彼等被當作或視作擁有之權益及淡倉)；或(b)必須列入根據證券及期貨條例第352條予以存置之登記冊內；或(c)根據標準守則必須知會本公司及聯交所之任何個人、家族、公司或其他權益或淡倉。

除上述者外，於本期間任何時間，本公司或其任何附屬公司並無訂立任何安排，以使董事或彼等之任何配偶或十八歲以下之子女有權透過購買本公司或任何其他法人團體之股份或債權證而從中獲益，而董事或本公司之高級行政人員或彼等各自之配偶或十八歲以下之子女概無獲授任何權利以認購本公司股本或債務證券或已行使該等權利。

OTHER INFORMATION 其他資料

PERSONS WHO HAVE INTERESTS OR SHORT POSITIONS WHICH ARE DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO

Other than interests disclosed in the section headed “Directors’ Interests and Short Positions in Shares, Underlying Shares and Debentures” above, as at 30th September 2019, according to the register of interests kept by the Company under Section 336 of the SFO, the following entities had interests or short positions in the shares and underlying shares which fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO:

Name 名稱／姓名	Capacity 身份	Note 附註	Number of shares 股份數目	Approximate percentage 概約百分比
Perfect Capital	Beneficial owner 實益擁有人		89,337,806	13.93%
	Interests of controlled corporation 受控制公司之權益	a	190,424,000	29.70%
			279,761,806	43.63%
Huge Top	Beneficial owner 實益擁有人		190,424,000	29.70%
Mr. Wong Koon Chi 王冠之先生	Beneficial owner 實益擁有人		38,224,000	5.96%

Note:

a. These shares were held by Huge Top. Perfect Capital owned approximately 42.86% of the issued shares of Huge Top and therefore was deemed to be interested in these shares.

Save as disclosed above, as at 30th September 2019, the Directors were not aware of any other persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

根據證券及期貨條例第XV部第2及第3分部擁有須披露權益或淡倉之人士

除上文「董事於股份、相關股份及債權證之權益及淡倉」一節所披露之權益外，於二零一九年九月三十日，按本公司根據證券及期貨條例第336條存置於登記冊之記錄，下列實體於股份及相關股份中擁有根據證券及期貨條例第XV部第2及第3分部須向本公司披露之權益或淡倉：

附註：

a. 該等股份由Huge Top持有。Perfect Capital擁有Huge Top已發行股份約42.86%，因此被視為持有該等股份之權益。

除上文所披露者外，於二零一九年九月三十日，董事並不知悉有任何其他人士（董事或本公司高級行政人員除外）於本公司或任何相關法團（定義見證券及期貨條例第XV部）之股份、相關股份或債權證中擁有根據證券及期貨條例第XV部第2及第3分部須向本公司披露之權益或淡倉。

SHARE OPTION SCHEME

The share option scheme adopted since 12th November 2001 (the “**2001 Share Option Scheme**”) was terminated on 11th August 2011. Upon termination of the 2001 Share Option Scheme, no further options will be granted by the Company thereunder but in all other respects the provisions of the 2001 Share Option Scheme shall remain in force and all options granted prior to such termination shall continue to be valid and exercisable in accordance therewith. The Company has adopted another share option scheme on 11th August 2011 (the “**2011 Share Option Scheme**”). The purpose of the 2011 Share Option Scheme is to provide incentives to participants to contribute to the Group and/or to enable the Group to recruit and/or to retain high-calibre employees and attract human resources that are valuable to the Group. The 2011 Share Option Scheme shall be valid and effective for a period of ten years commencing on the adoption date (i.e. 11th August 2011) and will expire on 10th August 2021. Details of the terms of the 2011 Share Option Scheme were contained in the Company’s circular dated 8th July 2011.

購股權計劃

於二零零一年十一月十二日採納之購股權計劃(「**二零零一年購股權計劃**」)已於二零一一年八月十一日終止。二零零一年購股權計劃終止後，本公司將不會再按二零零一年購股權計劃授出購股權，惟其之所有其他條款仍然有效，而於該計劃終止前授出之所有購股權，將仍然有效及可按條款行使。本公司於二零一一年八月十一日採納另一項購股權計劃(「**二零一一年購股權計劃**」)。二零一一年購股權計劃之目的，旨在獎勵參與人士為本集團作出貢獻及／或使本集團得以聘任及／或留用具才幹之僱員，以及吸納可效力本集團之寶貴人力資源。二零一一年購股權計劃之有效期自採納日期(即二零一一年八月十一日)起計，為期十年，並將於二零二一年八月十日屆滿。二零一一年購股權計劃之條款詳情載於本公司日期為二零一一年七月八日之通函。

OTHER INFORMATION 其他資料

SHARE OPTION SCHEME (CONTINUED)

Details of the movements in the share options granted to the Company's employees (including Directors) under the 2001 Share Option Scheme and 2011 Share Option Scheme during the Period were as follows:

2001 Share Option Scheme

Name or category of participant	Date of grant	Validity period	Exercise price per share	Note	Number of share options 購股權數目					As at 30th September 2019 於二零一九年九月三十日
					As at 1st April 2019 於二零一九年四月一日	Granted during the Period 本期間授予	Exercised during the Period 本期間行使	Lapsed during the Period 本期間失效	Cancelled during the Period 本期間註銷	
Employees:										
僱員:										
In aggregate	18th September 2009	18th September 2009 to 17th September 2019	HK\$0.470	1	625,803	-	-	(625,803)	-	-
共計	二零零九年九月十八日	二零零九年九月十八日至二零一九年九月十七日	0.470港元							
In aggregate	13th October 2009	13th October 2009 to 12th October 2019	HK\$0.404	1	9,089,528	-	-	-	-	9,089,528
共計	二零零九年十月十三日	二零零九年十月十三日至二零一九年十月十二日	0.404港元							
Sub-total 小計					9,715,331	-	-	(625,803)	-	9,089,528
Other:										
其他:										
In aggregate	13th October 2009	13th October 2009 to 12th October 2019	HK\$0.404	1	3,116,553	-	-	-	-	3,116,553
共計	二零零九年十月十三日	二零零九年十月十三日至二零一九年十月十二日	0.404港元							
Total of 2001 Share Option Scheme					12,831,884	-	-	(625,803)	-	12,206,081
二零零一年購股權計劃總計										

購股權計劃(續)

於本期間，根據二零零一年購股權計劃及二零一一年購股權計劃授予本公司僱員(包括董事)之購股權變動詳情如下：

二零零一年購股權計劃

SHARE OPTION SCHEME (CONTINUED)

2011 Share Option Scheme

購股權計劃(續)

二零一一年購股權計劃

Name or category of participant	Date of grant	Validity period	Exercise price per share	Note	As at 1st April 2019 於二零一九年四月一日	Number of share options 購股權數目				As at 30th September 2019 於二零一九年九月三十日
						Granted during the Period	Exercised during the Period	Lapsed during the Period	Cancelled during the Period	
參與者姓名或類別	授予日期	有效期	每股行使權	附註		本期間授予	本期間行使	本期間失效	本期間註銷	
Director:										
董事:										
Mr. Lau Chi Chiu	16th November 2012	16th November 2012 to 15th November 2022	HK\$0.537	1, 2	1,246,622	-	-	-	-	1,246,622
劉子超先生	二零一二年十一月十六日	二零一二年十一月十六日至二零二二年十一月十五日	0.537 港元							
	20th January 2015	20th January 2015 to 19th January 2025	HK\$0.928	3	1,000,000	-	-	-	-	1,000,000
	二零一五年一月二十日	二零一五年一月二十日至二零二五年一月十九日	0.928 港元							
Sub-total 小計					2,246,622	-	-	-	-	2,246,622
Employees:										
僱員:										
In aggregate	16th November 2012	16th November 2012 to 15th November 2022	HK\$0.537	1, 2	1,097,027	-	-	-	-	1,097,027
共計	二零一二年十一月十六日	二零一二年十一月十六日至二零二二年十一月十五日	0.537 港元							
In aggregate	20th January 2015	20th January 2015 to 19th January 2025	HK\$0.928	3	1,100,000	-	-	-	-	1,100,000
共計	二零一五年一月二十日	二零一五年一月二十日至二零二五年一月十九日	0.928 港元							
In aggregate	20th January 2015	20th January 2015 to 19th January 2025	HK\$0.928	4	1,000,000	-	-	-	-	1,000,000
共計	二零一五年一月二十日	二零一五年一月二十日至二零二五年一月十九日	0.928 港元							
Sub-total 小計					3,197,027	-	-	-	-	3,197,027

OTHER INFORMATION 其他資料

SHARE OPTION SCHEME (CONTINUED)

2011 Share Option Scheme (Continued)

購股權計劃(續)

二零一一年購股權計劃(續)

Name or category of participant	Date of grant	Validity period	Exercise price per share	Note	As at 1st April 2019 於二零一九年四月一日	Number of share options 購股權數目				
						Granted during the Period 本期間授予	Exercised during the Period 本期間行使	Lapsed during the Period 本期間失效	Cancelled during the Period 本期間註銷	As at 30th September 2019 於二零一九年九月三十日
Other:										
其他:										
In aggregate	27th November 2013	27th November 2013 to 26th November 2023	HK\$1.043	1	1,246,622	-	-	-	-	1,246,622
共計	二零一三年十一月二十七日	二零一三年十一月二十七日至二零二三年十一月二十六日	1.043港元							
Total of 2011 Share Option Scheme					6,690,271	-	-	-	-	6,690,271
二零一一年購股權計劃總計										

Notes:

- The exercise prices and number of share options granted prior to 17th December 2014 under the share option schemes were adjusted for the open offer completed in December 2014.
- The share options were vested in five tranches, with each tranche covering one-fifth of the relevant options, i.e. exercisable to the extent of one-fifth of the relevant options and with the 1st, 2nd, 3rd, 4th and 5th tranche becoming exercisable from 16th of November in the years 2012, 2013, 2014, 2015 and 2016 respectively and the years onwards till 15th November 2022.
- The share options were vested in four tranches, with each tranche covering one-fourth of the relevant options, i.e. exercisable to the extent of one-fourth of the relevant options and with the 1st, 2nd, 3rd and 4th tranche becoming exercisable from 20th of January in the years 2016, 2017, 2018 and 2019 respectively and the years onwards till 19th January 2025.
- The share options were vested in three tranches, with each tranche covering one-third of the relevant options, i.e. exercisable to the extent of one-third of the relevant options and with the 1st, 2nd and 3rd tranche becoming exercisable from 20th of January in the years 2016, 2017 and 2018 respectively and the years onwards till 19th January 2025.

附註:

- 根據購股權計劃於二零一四年十二月十七日之前之行使價及授出之股份數目已就於二零一四年十二月完成之公開發售作出調整。
- 購股權分五期歸屬，每一期分別涵蓋相關購股權的五分之一（即最多可行使相關購股權的五分之一），第一、第二、第三、第四及第五期分別於二零一二年、二零一三年、二零一四年、二零一五年及二零一六年的十一月十六日起可予行使，直至二零二二年十一月十五日止。
- 購股權分四期歸屬，每一期分別涵蓋相關購股權的四分之一（即最多可行使相關購股權的四分之一），第一、第二、第三及第四期分別於二零一六年、二零一七年、二零一八年及二零一九年的一月二十日起可予行使，直至二零二五年一月十九日止。
- 購股權分三期歸屬，每一期分別涵蓋相關購股權的三分之一（即最多可行使相關購股權的三分之一），第一、第二及第三期分別於二零一六年、二零一七年及二零一八年的一月二十日起可予行使，直至二零二五年一月十九日止。

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

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has applied the principles and complied with all the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules except for CG Code provision A.2.1 for the Period.

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

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules, as amended from time to time, as its own code of conduct (the "Company's Model Code") regarding securities transactions by the Directors. Having made specific enquiry of all Directors, they all confirmed that they have complied with the required standard set out in the Company's Model Code during the Period. The Company's Model Code also applies to other specified relevant employees of the Group who are considered to be likely in possession of inside information in respect of their dealings in the securities of the Company.

購回、出售或贖回本公司上市證券

於本期間，本公司或其任何附屬公司均無購回、出售或贖回任何本公司之上市證券。

企業管治守則之遵守

於本期間，本公司已應用上市規則附錄十四所載之企業管治守則(「企業管治守則」)之原則，並遵守一切適用守則條文，惟企業管治守則條文第A.2.1條除外。

企業管治守則條文A.2.1條規定，主席與行政總裁的角色應有區分，並不應由一人同時兼任。姚祖輝先生同時出任主席兼首席執行官(即行政總裁)。董事會相信賦予姚先生主席兼首席執行官之職務會使其繼續為本集團帶來強勁之領導能力、提高資源運用效率並有效規劃、制定及實施本公司之業務策略，令本集團能夠有效地保持其業務的發展。於執行委員會之監督及姚先生之領導下，管理團隊會繼續負責本集團之日常管理及營運。

董事及相關僱員進行證券交易之守則

本公司已採納上市規則附錄十所載之標準守則(經不時修訂)，作為董事進行證券交易的守則(「本公司之標準守則」)。經向全體董事作出特定查詢後，彼等均確認於本期間內已遵守本公司之標準守則所載之所需規定。本集團其他特定之有關僱員(彼等被視為可能知悉內幕消息)於買賣本公司之證券時亦須遵守本公司之標準守則。

OTHER INFORMATION 其他資料

CHANGES IN THE INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the Company is required to disclose changes in information of Directors subsequent to the date of the 2018/19 Annual Report up to the publication of this report. Mr. Li Yinquan has been appointed as an independent non-executive director of Kimou Environmental Holding Limited, a company listed on the Main Board of the Stock Exchange, with effect from 18th June 2019.

AUDIT COMMITTEE

The Audit Committee comprises four independent non-executive Directors and is chaired by Mr. Tam King Ching Kenny who has appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10 of the Listing Rules. Scope of the work of the Audit Committee is defined and approved by the Board in relation to various internal controls, risk management and audit issues with a view to further improve the Company's corporate governance. The terms of reference of the Audit Committee are aligned with the provisions set out in the CG Code. The Audit Committee has discussed auditing, internal controls, risk management and financial reporting matters including review of the results for the six months ended 30th September 2019. They are also of opinion that such statements comply with applicable accounting standards and legal requirements, and that adequate disclosures have been made.

On behalf of the Board

Yao Cho Fai Andrew

Chairman

Hong Kong, 29th November 2019

董事資料變動

根據上市規則第13.51B(1)條規定，本公司須披露由2018/19年報刊發日至本報告刊發日期間之董事資料變動。李引泉先生獲委任為金茂源環保控股有限公司(該公司於聯交所主板上市)之獨立非執行董事，自二零一九年六月十八日起生效。

審核委員會

審核委員會由四名獨立非執行董事組成，主席為譚競正先生，彼具有上市規則第3.10條規定具備適當的專業資格，或具備適當的會計或相關的財務管理專長。董事會已制定及核准審核委員會之職權範圍，職權涉及若干內部監控、風險管理及審核事宜，目標為進一步改善本公司之企業管治。審核委員會之職權範圍與企業管治守則之條文一致。審核委員會已討論審核、內部監控、風險管理及財務匯報等事宜，包括審閱截至二零一九年九月三十日止六個月之業績。其亦認為該等報表符合適用之會計準則及法例規定，且作出足夠之披露。

代表董事會

主席

姚祖輝

香港，二零一九年十一月二十九日



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