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EASYKNIT INTERNATIONAL HOLDINGS LIMITED

永義國際集團有限公司*

(incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號:1218)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

截至2018年9月30日止六個月之 中期業績公佈

The board of directors (“**Board**”) of Easyknit International Holdings Limited (“**Company**”) is pleased to announce the results of the Company and its subsidiaries (collectively the “**Group**”) for the six months (6) ended 30 September 2018 (“**Period**”). These interim results have not been audited but have been reviewed by the Company’s audit committee.

永義國際集團有限公司(「**本公司**」)董事會(「**董事會**」)欣然公佈本公司及其附屬公司(統稱「**本集團**」)截至2018年9月30日止六(6)個月(「**本期間**」)之業績。本中期業績未經審核但已由本公司之審核委員會審閱。

INTERIM RESULTS

During the Period, the Group was able to capture a revenue of HK\$85,378,000 (compared to HK\$247,005,000 for the same period in 2017 (“**2017 Period**”)). The Group’s revenue was mainly derived from properties rental income, disposal of development properties and interest income from loan financing.

中期業績

於本期間，本集團營業額為85,378,000港元(相比2017年同期(「**2017期間**」)247,005,000港元)。本集團之營業額主要源自物業租金收入、出售發展物業及從貸款融資業務的利息收入。

* *for identification purposes only*

* 僅供識別

The Group recorded a decrease in profit for the Period which the gain was HK\$3,139,000 (2017 Period: HK\$22,802,000) as the Group did not roll out new properties for sale during the Period.

The basic and diluted earnings per share for the Period was approximately HK\$0.04 (2017 Period: HK\$0.29).

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Period (2017 Period: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Despite the U.S. short-term interest rates having risen above 2%, Hong Kong's economy and financial conditions remain good in shape and the mortgage interest rates are relatively low. The Board of the Company remains optimistic on the long-term growth of Hong Kong.

Below sets out the performance of each principal business segment of the Group, namely property investment, property development, securities investment and loan financing businesses:

(i) Property Investment

The Group's investment properties comprise of residential, commercial and industrial real estate in Hong Kong.

As at 30 September 2018, more than 90% of the Group's commercial and residential units of the investment properties had been successfully leased out while the Group's industrial units continued to maintain a high occupancy rate of 88.62%.

As a result, the revenue arising from property rental for the Period was HK\$27,325,000 (2017 Period: HK\$26,568,000), representing an approximately HK\$757,000 or 2.85% increase over 2017 Period. The overall revenue for the property investment segment was HK\$48,157,000 for the Period from HK\$54,905,000 in 2017 Period, representing a decrease of HK\$6,748,000 or 12.29% as compared with 2017 Period.

本集團於本期間錄得溢利減少，收益為3,139,000港元(2017期間：22,802,000港元)，乃由於本集團於本期間並未推出新物業作銷售。

本期間的每股基本及攤薄盈利約為0.04港元(2017期間：0.29港元)。

中期股息

董事會不建議就本期間派發中期股息(2017期間：無)。

管理層討論及分析

業務回顧

儘管美國短期利率上升至2%以上，香港經濟及財務狀況仍然良好，按揭利率相對較低。本公司董事會仍對香港的長遠增長持樂觀態度。

下文列出本集團各主要業務分部(即物業投資、物業發展、證券投資及貸款融資業務)的表現：

(i) 物業投資

本集團的投資物業包括位於香港的住宅、商業及工業房地產。

於2018年9月30日，本集團商業及住宅投資物業單位已成功租出超過90%，而本集團之工業單位繼續維持高出租率88.62%。

因此，本期間的物業租賃營業額為27,325,000港元(2017期間：26,568,000港元)，比2017期間增加約757,000港元或2.85%。物業投資分部的整體營業額由2017期間的54,905,000港元下降至本期間的48,157,000港元，比2017期間減少6,748,000港元或12.29%。

Income from property management for the Period amounted to HK\$477,000, a rise of HK\$40,000 compared to 2017 Period (2017 Period: HK\$437,000).

(ii) Property Development

During the Period, the Group continued to seize opportunity on widening the profit margin in this segment through prudent acquisition of lands for redevelopment in Hong Kong. The revenue recorded from the property development segment for the Period was approximately HK\$48,195,000 (2017 Period: HK\$204,309,000).

(a) La Salle Road Property

The Group held 75% of a residential development at No. 6 La Salle Road, Ho Man Tin, Kowloon, Hong Kong (the “**La Salle Road Property**”). On 16 October 2018, the Group successfully completed the sale of its entire interest in La Salle Road Property and such brought to the Group the gross proceeds of approximately HK\$690,000,000.

(b) “Waterloo”

The Group, through its wholly subsidiary, is the registered owner of the building at Nos. 93, 93A, 95 and 95A Waterloo Road, Kowloon, Hong Kong (the “**Waterloo**”) which has a site area of approximately 911.7 square metres.

On 24 May 2018, the Group appointed a developer (80% owned by the Group and 20% owned by the independent party) to carry out the development of the site. Under the development agreement, the developer agreed to pay an upfront payment of HK\$492,500,000 and agreed to bear all the development costs for the project.

The Waterloo site will be developed into a luxurious residential accommodation with car parks and the estimated gross floor area is approximately 4,556.9 square metres. The development works is in progress and is expected to be completed in late 2021.

本期間的物業管理收入為477,000港元，較2017期間上升40,000港元(2017期間：437,000港元)。

(ii) 物業發展

於本期間，本集團繼續把握機會，透過在香港謹慎收購土地作重建，擴大此分部的利潤率。於本期間，物業發展分部錄得營業額約為48,195,000港元(2017期間：204,309,000港元)。

(a) 喇沙利道物業

本集團持有香港九龍何文田喇沙利道6號(「**喇沙利道物業**」)住宅發展項目的75%。於2018年10月16日，本集團成功完成出售其於喇沙利道物業的全部股權，為本集團帶來所得款項總額約690,000,000港元。

(b) 「窩打老道項目」

本集團透過其全資附屬公司為位於香港九龍窩打老道93、93A、95及95A號的樓宇(「**窩打老道項目**」)的登記擁有人，其佔地面積約911.7平方米。

於2018年5月24日，本集團委任開發商(本集團擁有80%權益及獨立方擁有20%權益)以進行土地開發。根據開發協議，開發商同意支付492,500,000港元的預付款項，並同意承擔該項目的所有開發成本。

窩打老道項目土地將發展成為具有停車場的豪華住宅，估計樓面面積約為4,556.9平方米。開發工作正在進行中，預期將於2021年底完成。

(iii) Securities Investment

During the period under review, the Group adopted a prudent attitude in its securities investments. The Group had acquired listed securities investments and disposed of some shares in the investment portfolio. The Group recorded fair value loss securities investments of HK\$31,451,000 (2017 Period: gain of HK\$10,447,000). As a result, the Group reported segment loss of HK\$25,506,000 (2017 Period: segment gain of HK\$22,835,000) during the period under review. The Group received dividend income from the listed securities investments of HK\$5,105,000 during the period under review. The Group considers the prospects in respect of the investments are healthy. The Board understands that the performance of the investments may be affected by volatility in the Hong Kong stock market and subject to other external factors. Accordingly, the Group will continue to maintain a diversified portfolio of investment of different segments of markets to minimise the possible financial risks. The Group will closely monitor the performance and progress of the investment portfolio from time to time.

At 30 September 2018, the Group held securities investments amounting to HK\$103,854,000 (31 March 2018: HK\$209,759,000). This was derived from (i) the purchase of securities investments of HK\$58,001,000 during the period under review; (ii) the disposal of securities investments which had a cost or fair value as at 31 March 2018 of HK\$149,534,000; and (iii) net decrease in market value in the amount of HK\$14,372,000 of securities investments. This value represented an investment portfolio comprising 6 (31 March 2018: 7) equity securities which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

(iv) Loan Financing

During the Period, the Group recorded revenue from the loan financing business of HK\$9,381,000 (2017 Period: HK\$15,691,000) representing a decrease of 40.21% compared with the 2017 Period.

(iii) 證券投資

於回顧期間，本集團對其證券投資採取審慎態度。本集團已收購上市證券投資並出售部分投資組合股份。本集團錄得證券投資公平值虧損31,451,000港元(2017期間：收益10,447,000港元)。因此，本集團於回顧期間報告分部虧損25,506,000港元(2017期間：分部收益22,835,000港元)。於回顧期間，本集團自上市證券投資收取股息收入5,105,000港元。本集團認為有關投資的前景屬健康。董事會明白投資表現可能受到香港股市波動及其他外部因素影響。因此，本集團將繼續維持不同市場分部的多元化投資組合，以盡量減低可能的財務風險。本集團將不時密切監察投資組合的表現及進展。

於2018年9月30日，本集團持有證券投資103,854,000港元(2018年3月31日：209,759,000港元)。此乃源自(i)回顧期間購買證券投資58,001,000港元；(ii)出售證券投資，於2018年3月31日成本或公平值149,534,000港元；及(iii)證券投資市值淨減少14,372,000港元。此價值對應的投資組合包括六隻(2018年3月31日：七隻)在香港聯合交易所有限公司(「**聯交所**」)主板上市的股本證券。

(iv) 貸款融資

於本期間，本集團錄得來自貸款融資業務之營業額9,381,000港元(2017期間：15,691,000港元)，比2017期間減少40.21%。

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group financed its operations through internally generated cash flow and bank borrowings. As at 30 September 2018, the bank balances (including cash and deposits) were HK\$184,503,000 (31 March 2018: HK\$150,370,000), representing an increase of HK\$34,133,000 compared to 31 March 2018. The Group's bank borrowings amounted to HK\$1,221,336,000 (31 March 2018: HK\$1,151,742,000). The gearing ratio of the Group, calculated as a ratio of total borrowings to total equity, for the Period stayed healthily at 0.38 (31 March 2018: 0.36).

As at 30 September 2018, the Group has net current assets of HK\$1,287,234,000 (31 March 2018: HK\$1,029,394,000), exhibiting a remarkable increase of HK\$257,840,000. This is attributed to an impressive increment in the current assets of the Group for the Period from HK\$1,723,665,000 (as at 31 March 2018) to HK\$2,124,008,000. On such account, the current ratio as at 30 September 2018 was 2.54 (31 March 2018: 2.48).

Capital Structure

On 4 May 2018, the Company and a placing agent entered into a placing agreement under the general mandate pursuant to which the placing agent placed 11,900,000 placing shares at a price of HK\$4.60 per placing share. The closing price of the Shares on 4 May 2018 was HK\$4.99. The placing was completed on 17 May 2018 and the net proceeds were approximately HK\$54.19 million (the net issue price of approximately HK\$4.554 per placing share). As at the date of this report, HK\$41.1 million of the net proceeds from the placement have been utilised for acquisition of properties and the remaining balance of approximately HK\$13.09 million will be used as the Group's working capital. Details of the placement were set out in the Company's announcements dated 4 May 2018 and 17 May 2018.

As at 30 September 2018, the total number of issued ordinary shares of the Company was 91,320,403 shares (2017 Period: 79,420,403 shares).

財務回顧

流動資金及財務資源

本集團之營運透過內部產生的現金流及銀行借貸提供資金。於2018年9月30日，銀行結餘(包括現金及存款)為184,503,000港元(2018年3月31日：150,370,000港元)，較2018年3月31日增加34,133,000港元。本集團之銀行借貸為1,221,336,000港元(2018年3月31日：1,151,742,000港元)。於本期間，本集團的資產負債比率(即借貸總額佔總資產之百分比)維持穩健於0.38(2018年3月31日：0.36)。

於2018年9月30日，本集團之流動資產淨值為1,287,234,000港元(2018年3月31日：1,029,394,000港元)，反映顯著增加257,840,000港元。此乃由於本集團於本期間的流動資產由1,723,665,000港元(於2018年3月31日)大幅增加至2,124,008,000港元。因此，於2018年9月30日，流動比率為2.54(2018年3月31日：2.48)。

股本結構

於2018年5月4日，本公司根據一般授權與配售代理訂立配售協議，據此，配售代理以每股配售股份4.60港元之價格配售11,900,000股配售股份。股份於2018年5月4日之收市價為4.99港元。配售事項已於2018年5月17日完成，所得款項淨額約為54,190,000港元(每股配售股份淨發行價約4.554港元)。於本報告日期，配售所得款項淨額41,100,000港元已用於收購物業，而餘額約13,090,000港元將用作本集團的營運資金。有關配售詳情載於本公司日期為2018年5月4日及2018年5月17日之公佈內。

於2018年9月30日，本公司已發行普通股股份總數為91,320,403股(2017期間：79,420,403股)。

Capital Expenditures

During the Period, the Group invested HK\$190,000 (2017 Period: HK\$6,457,000) on the acquisitions of property, plant and equipment; and expended HK\$1,170,000 (2017 Period: nil) on additions of investment properties.

Capital Commitments

As at 30 September 2018, the Group had capital commitments in respect of capital expenditure contracted for but not provided of HK\$1,100,000 (31 March 2018: HK\$844,000).

Material Acquisitions and Disposals

Disposal of the La Salle Road Property

Early this year, the Group disposed all of its interests in the La Salle Road Property. Further information can be found in the circular dated 24 May 2018 issued by the Company. Such transaction was successfully completed on 16 October 2018 and such disposal brought to the Group the gross proceeds of approximately HK\$690,000,000.

Acquisitions of “Chatham Road North”

In mid-2018, the Company acquired the entire issued share capital of an investment holding company known as Success Active Limited (which held interests in excess of 80% in Nos. 470, 472, 474, 476 and 478 Chatham Road North, Kowloon, Hong Kong (“**Chatham Road North**”)). The total site area of Chatham Road North is approximately 435.2 square metres. With the completion of the acquisition, as at 30 September 2018, the Group is the registered owner of more than 80% of Chatham Road North. Details of the acquisition are set out in the Company’s announcements dated 16 May 2018 and 8 June 2018 and the Company’s circular dated 25 June 2018 respectively.

The Group will file an application under the Land (Compulsory Sale for Redevelopment) Ordinance to the Lands Tribunal in the near future for an order to auction all the undivided shares of Nos. 472-478 of Chatham Road North.

資本開支

於本期間，本集團已投入190,000港元(2017期間：6,457,000港元)於購買物業、廠房及設備；及支出1,170,000港元(2017期間：零)於增置投資物業。

資本承擔

於2018年9月30日，本集團已訂約但未撥備之資本性開支的資本承擔為1,100,000港元(2018年3月31日：844,000港元)。

重大收購及出售

出售喇沙利道物業

於本年初，本集團出售其於喇沙利道物業的全部權益。進一步資料可參閱本公司刊發日期為2018年5月24日的通函。有關交易於2018年10月16日完成，有關出售為本集團帶來所得款項總額約690,000,000港元。

收購「漆咸道北」

於2018年中，本公司收購名為Success Active Limited的投資控股公司(其持有香港九龍漆咸道北470、472、474、476及478號(「**漆咸道北**」)的權益超過80%)的全部已發行股本。漆咸道北總土地面積約為435.2平方米。於收購完成後，於2018年9月30日，本集團為漆咸道北的超過80%登記擁有人。收購詳情載於本公司日期為2018年5月16日及2018年6月8日的公佈以及本公司日期為2018年6月25日的通函。

本集團將於短期內根據《土地(為重新發展而強制售賣)條例》向土地審裁處提出申請，以令拍賣漆咸道北472至478號的所有不可分割份數。

If the Group successfully acquired all the remaining units, the Chatham Road North site will be 100% owned by the Group and will be developed into a composite area with residential and commercial use. The estimated gross floor area after redevelopment is expected to be approximately 3,916.8 square metres.

Apart as disclosed in this announcement, the Group had no material acquisitions or disposals of subsidiaries or associated companies during the Period.

Charge on Group Assets

As at 30 September 2018, bank borrowings amounting to HK\$1,221,336,000 (31 March 2018: HK\$1,151,742,000) were secured by the assets of the Group having a net book value of HK\$2,678,957,000 (31 March 2018: HK\$2,674,668,000).

Exposure on Foreign Exchange Fluctuations

Most of the Group's revenues and payments are in Hong Kong dollars. During the Period, the Group did not have significant exposure to the fluctuation in exchange rates and thus, no financial instrument for hedging purposes was employed. The Group considered the risk of exposure to the currency fluctuation to be minimal.

Contingent Liabilities

The Group did not have significant contingent liabilities as at 30 September 2018 (31 March 2018: nil).

Changes in Fair Value of Investment Properties

As at 30 September 2018, there was a gain of HK\$28,830,000 arising from changes in fair value of investment properties (2017 Period: gain of HK\$32,700,000).

Finances Costs

Finance costs was HK\$11,495,000, increased by HK\$2,395,000 from HK\$9,100,000 in 2017 Period.

Changes Since 31 March 2018

There were no other significant changes in the Group's financial statements or from the information disclosed under Management Discussion and Analysis in 2018 Annual Report.

倘本集團成功收購所有剩餘單位，漆咸道北土地將由本集團擁有100%，並將發展為一個住宅及商業用途的綜合區。重建後的估計建築面積預期約為3,916.8平方米。

除本公佈所披露者外，本集團於本期間並無有關附屬公司或聯營公司的重大收購或出售事項。

本集團資產之抵押

於2018年9月30日，銀行借款1,221,336,000港元(2018年3月31日：1,151,742,000港元)有抵押以本集團賬面淨值為2,678,957,000港元(2018年3月31日：2,674,668,000港元)的資產作為抵押。

外匯波動之風險

本集團之收入與支出以港元為主。於本期間，本集團並無因兌換率波動而承受重大風險，因此並無運用任何金融工具作對沖用途。本集團認為承受兌換率波動之風險極微。

或然負債

於2018年9月30日，本集團並無任何重大或然負債(2018年3月31日：無)。

投資物業之公平值變動

於2018年9月30日，投資物業之公平值變動產生之收益為28,830,000港元(2017期間：收益32,700,000港元)。

融資成本

融資成本為11,495,000港元，較2017期間的9,100,000港元增加2,395,000港元。

自2018年3月31日起變動

本集團的財務報表或2018年年報中管理層討論及分析所披露的資料並無其他重大變動。

PROPOSED SPIN OFF AND LISTING

Reference is made to the announcement of the Company dated 27 October 2017 on the possibility of a spin-off and separate listing (“**Proposed Spin-off**”) of the Group’s residential property business (“**RP Business**”) on the Main Board of The Stock Exchange of Hong Kong Limited. A spin-off proposal was submitted to the Stock Exchange on 12 May 2017 pursuant to Practice Note 15 of the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”) and on 24 October 2017, the Stock Exchange agreed that the Company may proceed with the Proposed Spin-off. Preparation for the Proposed Spin-off is underway and no listing application has been submitted to the Stock Exchange for the separate listing of the RP Business on the Main Board of the Stock Exchange as at 30 September 2018.

PROSPECTS

Despite the uncertainties on global economic outlook caused by the intensified US-China trade war, Brexit, and recent corrections in the financial markets, Hong Kong’s economy remains resilient.

The Group maintains a cautiously optimistic view on the property market and will devote resources and efforts in increasing and replenishing its land bank for development. The Group will continue to adopt a prudent approach on acquiring and disposing properties. In addition, the Group will continue to look for potential investment properties for recurring income and capital appreciation, at the same time expanding its loan financing business for the growth of its stable recurring income.

These strategies will enable the Group to maintain its competitiveness thereby ensuring the Group’s sustainability and securing the shareholders benefits.

建議分拆及上市

茲提述本公司日期為2017年10月27日之公佈，可能將本集團住宅物業業務（「住宅物業業務」）分拆及在香港聯合交易所有限公司主板上分開上市（「建議分拆」）。分拆建議已於2017年5月12日根據聯交所證券上市規則（「上市規則」）的應用指引第15項提交予聯交所，而於2017年10月24日聯交所同意本公司可能會進行建議分拆。籌備建議分拆正在進行中，而於2018年9月30日，並無向聯交所呈交上市申請以將住宅物業業務單一於聯交所主板上市。

展望

儘管美中貿易戰日趨激烈、英國脫歐以及近期金融市場的調整致使全球經濟前景不明朗，香港經濟仍然具有彈性。

本集團對房地產市場保持謹慎樂觀的態度，並將投入資源及努力增加及補充其土地儲備以促進發展。本集團將繼續採取審慎的方法收購及處置物業。此外，本集團將繼續尋找潛在投資物業作經常性收入及資本增值，同時擴大其貸款融資業務以促進本集團的穩定經常性收入增長。

該等策略將使本集團維持其競爭力，從而確保本集團的可持續發展及確保股東利益。

THE AUDIT COMMITTEE

The Audit Committee is comprised of three (3) independent non-executive directors of the Company. The audit committee has reviewed the accounting policies adopted by the Group and discussed auditing, internal control and financial reporting matters, including the review of the Group's unaudited condensed consolidated financial statements for the six months ended 30 September 2018.

CORPORATE GOVERNANCE

The Company has applied the principles and complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules during the Period, with the exception of the following deviation:

Code Provision A.2.1

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

Mr. Tse Wing Chiu Ricky (“**Mr. Tse**”) serves as president as well as chief executive officer of the Company. The Board considers this arrangement to be appropriate for the Company as it preserves the consistent leadership culture of the Company and allow more effective planning and better execution of long-term strategies. The Board is of the view that a balance of power and authority is adequately ensured by the operations and governance of the Board which comprises experienced and high caliber individuals, with half of them being independent non-executive Directors of the Company. The Company will continue to review the existing structure when and as it becomes appropriate. The day-to-day management and operation of the Group are delegated to divisional management under the leadership and supervision of Mr. Tse in the role of president and chief executive officer who is supported by the executive Directors and senior management.

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

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

審核委員會

審核委員會由本公司全體三(3)位獨立非執行董事組成。審核委員會已審議本集團採用之會計政策，並商討審計、內部監控及財務匯報事項，包括審議本集團截至2018年9月30日止六個月之未經審核簡明綜合財務報表。

企業管治

於本期間，本公司一直遵守上市規則附錄14所載《企業管治守則》之原則及所有守則條文，惟下文所述的偏離情況除外：

守則條文第A.2.1條

主席與行政總裁之角色應有區分，並不應由一人同時兼任

謝永超先生(「**謝先生**」)同時擔任本公司主席及首席行政總裁。董事會認為此安排對本公司而言是恰當的，既能繼續貫徹本公司之領導文化亦能提高長遠策略的有效規劃及執行表現。董事會認為董事會成員不乏經驗豐富及具才幹之人士(其中半數為本公司獨立非執行董事)，其營運及管治足以確保權力及職能平衡。本公司將繼續於適當時檢討現行架構。在主席及首席行政總裁謝先生的領導及監督，與一眾執行董事及高層管理人員之輔助下，本集團日常管理及營運事宜均由各部門管理人員負責。

購買、出售或贖回本公司之上市證券

於本期間，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

HUMAN RESOURCES

As at 30 September 2018, the Group has 33 employees (31 March 2018: 32). Staff costs (including directors' emoluments) amounted to HK\$13,809,000 for the Period (2017 Period: HK\$11,576,000). The Group adopts competitive remuneration packages which are based on its employees' performance, experience and prevailing industry practice. The Group has also set up the Mandatory Provident Fund Scheme for its Hong Kong's employees.

The Company adopted a share option scheme ("**Share Option Scheme**") in 2012 as an incentive to Directors and eligible employees. During the Period, no share option was outstanding, granted, exercised, cancelled or lapsed under the Share Option Scheme.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting Period, on 21 November 2018, the Company's subsidiaries entered into conditional sale and purchase agreements to the disposal of Easy Tower and to acquire the Inverness Road Property. Further details of the transactions can be found in the Company's announcement made jointly with Eminence Enterprise Limited dated 21 November 2018.

These transactions are in line with the Company's business strategy of concentrating on the residential property business.

INTERIM RESULTS AND INTERIM REPORTS

The unaudited interim results for the Period have been reviewed by the Company's audit committee.

The interim reports of the Group for the Period containing all the information required by the Listing Rule will be published on the Stock Exchange's and the Company's website respectively on or before 31 December 2018.

人力資源

於2018年9月30日，本集團共有33名僱員(2018年3月31日：32名)。於本期間，員工成本(包括董事袍金)為13,809,000港元(2017期間：11,576,000港元)。本集團提供具競爭力的薪酬待遇，乃基於其僱員的表現、經驗及現行業內慣例。本集團已為香港僱員設立強制性公積金計劃。

本公司已於2012年採納購股權計劃(「**購股權計劃**」)，以激勵董事及合資格僱員。於本期間，概無根據購股權計劃的購股權尚未行使、獲授出、行使、被註銷或已失效。

報告期後事項

於報告期末後，於2018年11月21日，本公司的附屬公司就出售永義廣場及收購延文禮士道物業訂立有條件買賣協議。有關交易的進一步詳情，可參閱本公司與高山企業有限公司共同刊發日期為2018年11月21日的公佈。

該等交易與本公司集中於住宅物業業務的業務策略一致。

中期業績及中期報告

本期間未經審核中期業績已由本公司審核委員會審閱。

本集團於本期間載有上市規則規定所有資料的中期報告將於2018年12月31日或之前分別於聯交所及本公司網站刊載。

FORWARD LOOKING STATEMENTS

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

By Order of the Board
Easyknit International Holdings Limited
Tse Wing Chiu Ricky
President and Chief Executive Officer

Hong Kong, 28 November 2018

As at the date hereof, the Board comprises Mr. Tse Wing Chiu Ricky, Ms. Lui Yuk Chu and Ms. Koon Ho Yan Candy as executive directors; and Mr. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Hon Tam Chun as independent non-executive directors.

前瞻性陳述

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

承董事會命
永義國際集團有限公司
主席兼首席行政總裁
謝永超

香港，2018年11月28日

於本公佈日期，董事會成員包括執行董事謝永超先生、雷玉珠女士及官可欣女士；及獨立非執行董事徐震港先生、莊冠生先生及韓譚春先生。

**CONDENSED CONSOLIDATED STATEMENT
OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the six months ended 30 September 2018

簡明綜合損益及其他全面收益表

截至2018年9月30日止六個月

		Six months ended 30 September 截至9月30日止六個月	
		2018 HK\$'000 千港元 (Unaudited) (未經審核)	2017 HK\$'000 千港元 (Unaudited) (未經審核)
Revenue	營業額		
Property sales	物業銷售	48,195	204,309
Rental income	租金收入	27,325	26,568
Interest income from loan financing	來自貸款融資之 利息收入	9,381	15,691
Building management	樓宇管理	477	437
Total revenue	營業額總額	85,378	247,005
Cost of properties sold and services rendered	銷售物業及提供服務 成本	(33,102)	(125,027)
Other income	其他收入	52,276	121,978
Distribution and selling expenses	經銷成本	8,981	23,229
Administrative expenses	行政開支	(5,038)	(25,571)
Gain on changes in fair value of investment properties	投資物業之公平值 變動收益	(28,891)	(27,820)
Gain on redemption of convertible note	贖回可換股票據之 收益	28,830	32,700
Gain on modification of terms of convertible note	更改可換股票據條款 之收益	-	1,135
(Loss) gain on changes in fair value of financial assets at fair value through profit or loss	按公平值計入損益之 金融資產之公平值 變動(虧損)收益	-	425
Loss on changes in fair value of financial assets designated as at fair value through profit or loss	指定按公平值計入 損益之金融資產 公平值變動虧損	(29,288)	10,447
Loss on changes in fair value of derivatives component of convertible notes	可換股票據之 衍生成份之公平值 變動虧損	-	(1,199)
Loss on disposal of available-for-sale investments	出售可供出售投資 之虧損	-	(1,588)
Impairment loss on available-for-sale investments	可供出售投資之 減值虧損	-	(1,561)
Results attributable to interests in associates	聯營公司權益分佔之 業績	-	(2,614)
Finance costs	融資成本	(9,870)	(81,173)
		(11,495)	(9,100)
Profit before taxation	除稅前溢利	4	39,288
Taxation charge	稅項開支	5	(2,366)
Profit for the period	本期間溢利	3,139	22,802

Six months ended
30 September
截至9月30日止六個月
2018 2017
HK\$'000 HK\$'000
千港元 千港元
(Unaudited) (Unaudited)
(未經審核) (未經審核)

Other comprehensive (expense) income	其他全面(開支)收入		
<i>Items that may be reclassified subsequently to profit or loss:</i>	可於其後重新分類至損益之項目：		
Share of other comprehensive (expense) income of associates:	分佔聯營公司之其他全面(開支)收入：		
Share of translation reserve of associates	分佔聯營公司之匯兌儲備	(9,430)	1,997
Share of investment revaluation reserve of associates	分佔聯營公司之投資重估儲備	-	3,455
Reclassification of translation reserve to profit or loss upon deemed partial disposal of interests in associates without loss of significant influence	於沒有失去重大影響之視為出售聯營公司部份權益時重新分類至損益之匯兌儲備	-	677
Reclassification of investment revaluation reserve to profit or loss upon deemed partial disposal of interests in associates without loss of significant influence	於沒有失去重大影響之視為出售聯營公司部份權益時重新分類至損益之投資重估儲備	-	(486)
		(9,430)	5,643
Change in fair value of available-for-sale investments	可供出售投資之公平值變動	-	6,383
Released on disposal of available-for-sale investments	於出售可供出售投資時解除	-	1,561
Reclassification adjustment upon impairment of available-for-sale investments	於可供出售投資減值時之重新分類調整	-	2,614
Other comprehensive (expense) income for the period	本期間之其他全面(開支)收入	(9,430)	16,201
Total comprehensive (expense) income for the period	全面(開支)收入總額	(6,291)	39,003

		Six months ended	
		30 September	
		截至9月30日止六個月	2017
		2018	2017
		<i>HK\$'000</i>	<i>HK\$'000</i>
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Profit (loss) for the period attributable to:	分佔本期間溢利(虧損):		
Owners of the Company	本公司股東	3,173	22,802
Non-controlling interest	非控股權益	(34)	–
		<u>3,139</u>	<u>22,802</u>
Total comprehensive (expense) income for the period attributable to:	分佔本期間之全面(開支)收入總額:		
Owners of the Company	本公司股東	(6,257)	39,003
Non-controlling interest	非控股權益	(34)	–
		<u>(6,291)</u>	<u>39,003</u>
Basic and diluted earnings per share	每股基本及攤薄盈利	<u>HK\$0.04</u>	<u>HK\$0.29</u>

NOTE
附註

6

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION **簡明綜合財務狀況表**
At 30 September 2018 **於2018年9月30日**

		30 September 9月30日 2018	31 March 3月31日 2018
	<i>NOTES</i> 附註	<i>HK\$'000</i> 千港元 (Unaudited) (未經審核)	<i>HK\$'000</i> 千港元 (Audited) (經審核)
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	85,696	88,242
Investment properties	投資物業	1,821,200	1,791,200
Interests in associates	聯營公司權益	646,366	665,666
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	40,270	–
Available-for-sale investments	可供出售投資	–	109,665
Convertible notes	可換股票據	–	19,213
Derivatives component of convertible notes	可換股票據之衍生成份	–	9,792
Deposit and prepayments for a life insurance policy	人壽保單之按金及預付款	–	10,275
Loans receivable	應收貸款	41,640	13,979
Intangible asset	無形資產	500	500
Deposits	按金	2,430	2,314
		2,638,102	2,710,846
Current assets	流動資產		
Properties held for development for sale	持作出售發展物業	866,494	798,009
Properties held for sale	持作出售物業	564,929	166,247
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	148,654	100,094
Convertible notes	可換股票據	–	42,104
Derivatives component of convertible notes	可換股票據之衍生成份	–	958
Financial assets designated as at fair value through profit or loss	指定按公平值計入損益之金融資產	–	29,885
Trade and other receivables	貿易及其他應收款項	189,137	190,267
Tax recoverable	可收回稅項	321	449
Loans receivable	應收貸款	169,970	245,282
Bank balances and cash	銀行結餘及現金	184,503	150,370
		2,124,008	1,723,665

			30 September	31 March
			9月30日	3月31日
			2018	2018
		<i>NOTE</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		附註	千港元	千港元
			(Unaudited)	(Audited)
			(未經審核)	(經審核)
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	9	51,211	63,260
Contract liabilities	合約負債		175,200	–
Amount due to a non-controlling interest	尚欠非控股權益金額		56,000	–
Tax payable	應付稅項		28,476	29,354
Secured bank borrowings	有抵押銀行借貸		525,887	601,657
			836,774	694,271
Net current assets	流動資產淨額		1,287,234	1,029,394
Total assets less current liabilities	資產總額減流動負債		3,925,336	3,740,240
Non-current liabilities	非流動負債			
Secured bank borrowings	有抵押銀行借貸		695,449	550,085
			3,229,887	3,190,155
Capital and reserves	資本及儲備			
Share capital	股本		9,132	7,942
Reserves	儲備		3,220,789	3,182,213
Equity attributable to owners of the Company	本公司股東分佔股本		3,229,921	3,190,155
Non-controlling interest	非控股權益		(34)	–
			3,229,887	3,190,155

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2018

1. BASIS OF PREPARATION

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

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

2. PRINCIPAL ACCOUNTING POLICIES

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

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

簡明綜合財務報表附註

截至2018年9月30日止六個月

1. 編製基準

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

本公司於百慕達註冊成立之獲豁免有限公司而其股份於聯交所上市。

2. 主要會計政策

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

除應用新訂及經修訂香港財務報告準則(「**香港財務報告準則**」)導致會計政策變動外, 截至2018年9月30日止六個月之簡明綜合財務報表所採納之會計政策及計算方法與本集團編製截至2018年3月31日止年度之全年綜合財務報表所採用者相同。

Application of new and amendments to HKFRSs

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

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

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

(a) *Impacts and changes in accounting policies on application of HKFRS 15 “Revenue from Contracts with Customers”*

The Group has applied HKFRS 15 for its property sales and building management service for the first time in the current interim period. HKFRS 15 superseded HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application, 1 April 2018. Any difference at the date of initial application is recognised in the opening accumulated profits and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the Standard retrospectively only the contracts that are not completed at 1 April 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 “Revenue” and the related interpretations.

應用新訂及經修訂香港財務報告準則

於本中期期間，本集團已首次應用下列由香港會計師公會所頒佈之新訂及經修訂香港財務報告準則，就編製本集團簡明綜合財務報表而言，該等準則及修訂乃於2018年4月1日或之後開始之年度期間強制生效：

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	來自客戶合約之營業額及相關修訂本
香港(國際財務報告詮釋委員會) – 詮釋第22號	外幣交易及預付代價
香港財務報告準則第2號之修訂本	以股份為基礎的付款交易的分類及計量
香港財務報告準則第4號之修訂本	與香港財務報告準則第4號「保險合約」一併應用香港財務報告準則第9號「金融工具」
香港會計準則第28號之修訂本	作為香港財務報告準則2014年至2016年週期之年度改進之一部分
香港會計準則第40號之修訂本	轉撥投資物業

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

(a) *應用香港財務報告準則第15號「來自客戶合約之營業額」會計政策之影響及變動*

於本中期期間，本集團就其物業銷售及樓宇管理服務已首次應用香港財務報告準則第15號。香港財務報告準則第15號已取代香港會計準則第18號「營業額」、香港會計準則第11號「建築合約」及相關詮釋。

本集團已追溯應用香港財務報告準則第15號，將首次應用該準則的累計影響於初始應用日期2018年4月1日確認。首次應用日期的任何差額於期初累計溢利確認，及並無重列比較資料。此外，根據香港財務報告準則第15號之過渡條文，本集團僅選擇將該準則追溯應用於2018年4月1日尚未完成之合約。因此，若干比較資料乃根據香港會計準則第18號「營業額」及相關詮釋編製，所以可能無法比較。

Key changes in accounting policies resulting from application of HKFRS 15

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

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

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

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

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

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

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

應用香港財務報告準則第15號導致會計政策之主要變動

香港財務報告準則第15號引入五個確認營業額之步驟：

- 第一步：識別與客戶訂立之合約
- 第二步：識別合約中之履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至合約中之履約責任
- 第五步：當(或當)本集團完成履約責任時確認營業額。

根據香港財務報告準則第15號，當(或當)本集團於完成履約責任時，即當特定的履約責任涉及的貨品或服務的「控制權」轉移至客戶時確認營業額。

履約責任指一項明確貨品或服務(或一批貨品或服務)或一系列大致相同的明確貨品或服務。

倘符合以下其中一項條件，控制權隨時間轉移，營業額則可參考完成相關履約責任的進度而按時間確認：

- 客戶於本集團履約時同時收取及享用本集團履約所提供的利益；
- 於履約時，本集團的履約創建及增強客戶控制的資產；或
- 本集團的履約並未能創建對本集團具有替代用途的資產，而本集團有強制執行權收取至今已履約的款項。

否則，營業額將於客戶獲得明確貨品或服務控制權時確認。

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A point in time revenue recognition: measurement of complete satisfaction of a performance obligation

Under the transfer-of-control approach in HKFRS 15, revenue from property sales is generally recognised when legal title of property has been transferred to customer, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property.

Summary of effects arising from initial application of HKFRS 15

There is no material impact of transition to HKFRS 15 on accumulated profits at 1 April 2018.

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1 April 2018. Line items that were not affected by the changes have not been included.

合約負債指本集團向客戶轉移本集團已自客戶收取代價(或應收代價金額)的貨品或服務的責任。

營業額之確認：完成履約責任之計量

就香港財務報告準則第15號之控制權轉移，來自物業銷售之營業額將於產權轉移至客戶時確認，乃當客戶有能力指揮物業之使用及獲得物業所有餘下利益。

首次應用香港財務報告準則第15號產生的影響概述

過渡至香港財務報告準則第15號對於2018年4月1日之累計溢利並無重大影響。

以下調整乃就於2018年4月1日簡明綜合財務狀況表之金額作出調整。沒有受該變動影響之項目則沒有包括在內。

		Carrying amounts previously reported at 31 March 2018	Reclassification	Carrying amounts under HKFRS 15 at 1 April 2018*
		於2018年3月31日之前呈報之賬面值 HK\$'000 千港元	重新分類 HK\$'000 千港元	於2018年4月1日就香港財務報告準則第15號之賬面值* HK\$'000 千港元
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	63,260	(11,554)	51,706
Contract liabilities (note)	合約負債(附註)	-	11,554	11,554

Note: As at 1 April 2018, deposits received from sale of residential units of HK\$11,554,000 in respect of considerations received from sales contracts previously included in trade and other payables were reclassified to contract liabilities.

* The amounts in this column are before the adjustments from the application of HKFRS 9.

附註： 於2018年4月1日，來自出售住宅單位之已收取按金11,554,000港元乃關於銷售合約之已收取代價之前包括在貿易及其他應付款項已重新分類至合約負債。

* 此欄之金額乃為應用香港財務報告準則第9號調整之前。

The directors of the Company considered that the application of HKFRS 15 has no material impact on the timing and amounts of revenue recognised in the current interim period.

The following table summarises the impacts of applying HKFRS 15 on the Group's condensed consolidated statement of financial position as at 30 September 2018 for each of the line items affected. Line items that were not affected by the changes have not been included.

		As reported	Adjustments	Amounts without application of HKFRS 15
		如所呈報 HK\$'000 千港元	調整 HK\$'000 千港元	沒有應用 香港財務報告 第15號之金額 HK\$'000 千港元
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	51,211	175,200	226,411
Contract liabilities	合約負債	175,200	(175,200)	-

(b) Impacts and changes in accounting policies on application of HKFRS 9 “Financial Instruments”

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

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

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

本公司董事認為，應用香港財務報告準則第15號對本中期營業額確認之時間及金額並無重大影響。

以下列表概述應用香港財務報告準則第15號對本集團於2018年9月30日之簡明綜合財務報表之每一項目之影響。沒有受該變動影響之項目則沒有包括在內。

(b) 應用香港財務報告準則第9號「金融工具」的會計政策之影響及變動

於本中期期間，本集團已應用香港財務報告準則第9號「金融工具」及其他香港財務報告準則相關的隨後修訂。香港財務報告準則第9號引進(1)金融資產及金融負債的分類及計量，(2)金融資產的預期信貸虧損(「預期信貸虧損」)及(3)一般對沖會計的新規定。

本集團已按香港財務報告準則第9號所載過渡條文應用香港財務報告準則第9號，即對於2018年4月1日(首次應用日期)並無終止確認的工具追溯應用分類及計量規定(包括減值)，及並無對已於2018年4月1日終止確認的工具應用有關規定。於2018年3月31日的賬面值與於2018年4月1日的賬面值之差額於期初累計溢利及權益的其他組成部份中確認，毋須重列比較資料。

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

Key changes in accounting policies resulting from application of HKFRS 9

Classification and measurement of financial assets

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

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

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

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

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

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

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

應用香港財務報告準則第9號導致會計政策之主要變動

金融資產的分類及計量

所有符合香港財務報告準則第9號範圍內的已確認金融資產其後按攤銷成本或公平值計量(包括根據香港會計準則第39號按成本減減值計量未報價之權益投資)。

符合以下條件其後按攤銷成本計量的債務工具：

- 以收取合約現金流量為目的而持有金融資產之業務模式下持有之金融資產；及
- 金融資產之合約條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

符合下列條件之債務工具其後按公平值計入其他全面收益(「**按公平值計入其他全面收益**」)計量：

- 同時以達致收取合約現金流量及銷售金融資產為目的而持有金融資產之業務模式下持有之金融資產；及
- 金融資產之合約條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

所有其他金融資產其後按公平值計入損益(「**按公平值計入損益**」)，但於首次應用或初次確認金融資產之日，倘該權益投資並非持作買賣，亦非收購方於香港財務報告準則第3號「業務合併」所適用的業務合併中確認的或然代價，本集團可不可撤銷地選擇於其他全面收益(「**其他全面收益**」)呈列權益投資的其後公平值變動。

此外，本集團可不可撤銷地指定符合攤銷成本計量或按公平值計入其他全面收益列賬之債務投資為按公平值計入損益計量(倘若此舉可消除或顯著減少會計錯配)。

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend on the financial asset.

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

Impairment under ECL model

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

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

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

金融資產如不符合按攤銷成本或按公平值計入其他全面收益或指定為按公平值計入其他全面收益計量的條件，則按公平值計入損益計量。

於各報告期末，按公平值計入損益的金融資產按公平值計量，而任何公平值收益或虧損於損益確認。於損益確認的收益或虧損淨額不包括就金融資產所賺取的任何股息或利息。

本公司董事根據於2018年4月1日存在的事實及情況審閱及評估本集團於該日的金融資產。本集團金融資產分類及計量之變動及其影響詳述如下。

預期信貸虧損模式下的減值

本集團根據香港財務報告準則第9號項下減值的金融資產確認預期信貸虧損的虧損撥備(包括應收貸款、其他應收款項及銀行結餘)。於各報告日期對預期信貸虧損金額進行更新，以反映自初步確認以來的信貸風險變動。

整個週期的預期信貸虧損指相關工具於預計可使用年期內發生所有可能違約事件而導致的預期信貸虧損。相反，12個月的預期信貸虧損(「**12個月預期信貸虧損**」)則指預期可能於報告日期後12個月內發生違約事件而導致部分整個週期的預期信貸虧損。評估乃根據本集團的過往信貸虧損經驗進行，並根據債務人特定因素、一般經濟狀況及就目前報告日期的狀況以及未來狀況預測的評估進行調整。

就應收貸款、其他應收款項及銀行結餘而言，本集團按12個月預期信貸虧損的相同金額計量虧損撥備，除非當自初始確認以來信貸風險顯著上升，則本集團確認整個週期的預期信貸虧損。評估整個週期的預期信貸虧損是否應確認乃基於自初始確認以來發生違約的可能性或風險顯著上升。

Significant increase in credit risk

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

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

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

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

信貸風險顯著上升

評估信貸風險自初始確認以來是否顯著上升時，本集團會比較金融工具於報告日期發生違約的風險與金融工具於初始確認日期發生違約的風險。作出評估時，本集團會考慮合理及具支持性的定量及定性資料，包括過往經驗及無須花費不必要成本或努力獲取的前瞻性資料。

具體而言，評估信貸風險是否顯著上升時會考慮以下資料：

- 金融工具外部(如有)或內部信貸評級的實際或預期顯著惡化；
- 信貸風險的外部市場指標顯著惡化，例如借款人或債務人的信貸息差、信用違約掉期價格顯著上升；
- 商業、金融或經濟情況目前或預期有不利變動，預計將導致借款人或債務人償還債項的能力顯著下降；
- 借款人或債務人經營業績實際或預期顯著惡化；
- 借款人或債務人的監管、經濟或技術環境有實際或預計的重大不利變動，導致借款人或債務人償還債項的能力顯著下降。

不論上述評估的結果如何，本集團推斷當合約付款逾期超過30日，信貸風險已自初始確認起大幅增加，除非本集團另有合理及支持性資料顯示情況並非如此。

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (1) it has a low risk of default, (2) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (3) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

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

Measurement and recognition of ECL

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

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

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

The Group recognises an impairment gain or loss in profit or loss for all instruments by adjusting their carrying amount, with the exception of loans receivable where the corresponding adjustment is recognised through a loss allowance account.

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

儘管上文所述，本集團假設倘債務工具釐定為於報告日期具有低信貸風險，則債務工具之信貸風險自初始確認以來並無顯著增加。倘屬以下情況，債務工具釐定為具有低信貸風險(1)違約風險低，(2)借款人於短期內具備雄厚實力履行其合約現金流量責任及(3)較長期經濟及業務狀況之不利變動可能但不一定削減借款人履行其合約現金流量責任之能力。

本集團認為，除非本集團有合理及支持性資料以證明較滯後的違約標準更適用，否則該工具逾期超過90日即屬違約。

預期信貸虧損之計量及確認

預期信貸虧損的計量為違約概率、違約損失率(即違約時的損失程度)及違約風險的函數。評估違約概率及違約損失率是依過往數據，並按前瞻性資料調整。

一般而言，預期信貸虧損按根據合約應付本集團的所有合約現金流量與本集團預計收取的所有現金流量(按初始確認時釐定的實際利率折現)之間的差額估算。

利息收入根據金融資產之總賬面值計算，除非金融資產出現信貸減值，在該情況下利息收入根據金融資產之攤銷成本計算。

本集團於損益中確認所有工具之減值收益或虧損，方式為調整相關賬面值，惟應收貸款除外，其相應調整透過虧損撥備賬確認。

於2018年4月1日，本公司董事根據香港財務報告準則第9號的規定使用無需過度的成本或努力獲取的合理及支持性資料審閱及評估本集團的現有金融資產之減值。評估結果及其影響於下文詳述。

Summary of effects arising from initial application of HKFRS 9

Below illustrates the classification and measurement (including impairment) of financial assets and other items subject to ECL under HKFRS 9 at the date of initial application, 1 April 2018.

(i) Available-for-sale investments

At the date of initial application of HKFRS 9, the Group's equity investments of HK\$109,665,000 were reclassified from available-for-sale investments to financial assets at FVTPL. The share of investment revaluation reserve of associates of HK\$13,390,000 and fair value gains of HK\$29,895,000 relating to the equity investments previously accumulated up to 31 March 2018 were transferred from investment revaluation reserve to accumulated profits as at 1 April 2018.

The reclassification of available-for-sale investments as at 31 March 2018 reconciled to the opening balance of financial assets at FVTPL as at 1 April 2018 is as follows:

首次應用香港財務報告準則第9號之影響概要

以下說明須遵守香港財務報告準則第9號項下預期信貸虧損之金融資產及其他項目於首次應用日期，2018年4月1日之分類及計量(包括減值)。

(i) 可供出售投資

於首次應用香港財務報告準則第9號之日期，本集團之股本投資109,665,000港元已由可供出售投資重新分類至按公平值計入損益之金融資產。累計至2018年3月31日關於股本投資之分佔聯營公司投資重估儲備13,390,000港元及公平值收益29,895,000港元，已由投資重估儲備轉撥至於2018年4月1日之累計溢利。

於2018年3月31日之可供出售投資調節至於2018年4月1日按公平值計入損益之金融資產期初結餘之重新分類如下：

		Available- for-sale investments	Financial assets at FVTPL
		可供出售 投資	按公平值 計入損益 之金融資產
		HK\$'000	HK\$'000
		千港元	千港元
Closing balance at 31 March 2018	於2018年3月31日之 期末結餘		
– HKAS 39	– 香港會計準則 第39號	109,665	–
Effect arising from initial application of HKRS 9	首次應用香港財務 報告準則第9號 之影響		
Reclassification from available-for-sale investments	由可供出售投資 重新分類	(109,665)	109,665
Opening balance at 1 April 2018	於2018年4月1日之 期初結餘	<u>–</u>	<u>109,665</u>

(ii) Financial assets at FVTPL and/or designated as at FVTPL

At the date of initial application, the Group no longer applied designation as measured at FVTPL for the equity-linked investments which are managed and their performance is evaluated on a fair value basis, as these financial assets are required to be measured at FVTPL under HKFRS 9. As a result, the fair value of these investments of HK\$29,885,000 were reclassified from financial assets designated as at FVTPL to financial assets at FVTPL.

The reclassification of financial assets designated as at FVTPL as at 31 March 2018 reconciled to the opening balance of financial assets at FVTPL as at 1 April 2018 is as follows:

(ii) 按公平值計入損益及／或指定為按公平值計入損益之金融資產

於首次應用日期，本集團不再應用指定為按公平值計入損益以計量股本掛鈎投資，其管理及表現乃以公平值基準評估，因該等金融資產須遵守香港財務報告準則第9號項下之按公平值計入損益以計量。因此，該等投資之公平值29,885,000港元已由指定為按公平值計入損益之金融資產重新分類至按公平值計入損益之金融資產。

於2018年3月31日之指定按公平值計入損益之金融資產調節至於2018年4月1日按公平值計入損益之金融資產期初結餘之重新分類如下：

		Financial assets designated as at FVTPL 指定為 按公平值 計入損益 之金融資產 HK\$'000 千港元	Financial assets at FVTPL 按公平值 計入損益 之金融資產 HK\$'000 千港元 (Note) (附註)
Closing balance at 31 March 2018	於2018年3月31日之 期末結餘		
– HKAS 39	– 香港會計準則 第39號	29,885	100,094
Effect arising from initial application of HKFRS 9	首次應用香港財務 報告準則第9號 之影響		
Reclassification from financial assets designated as at FVTPL	由指定為按公平值計 入損益之金融資產 重新分類	(29,885)	29,885
Opening balance at 1 April 2018	於2018年4月1日之 期初結餘	<u>–</u>	<u>129,979</u>

Note: Equity securities listed in Hong Kong amounting to HK\$100,094,000 was presented as investments held for trading as at 31 March 2018.

附註： 於香港上市之股本證券100,094,000港元於2018年3月31日呈列為持作買賣投資。

(iii) Convertible notes

Before the application of HKFRS 9, convertible notes held by the Group consisted of two components, which are receivable component classified as loans and receivables and derivatives component classified as FVTPL. Upon the application of HKFRS 9, these convertible notes were reclassified to financial assets at FVTPL upon the application of HKFRS 9 because their cash flows do not represent solely payments of principal and interest on the principal amount outstanding. The remeasurement of fair value loss of HK\$373,000 relating to fair value of the receivable component of convertible notes as at 31 March 2018 was recognised against accumulated profits as at 1 April 2018.

The reclassification of receivable component and derivatives component of convertible notes as at 31 March 2018 reconciled to the opening balance of financial assets at FVTPL as at 1 April 2018 is as follows:

(iii) 可換股票據

在應用香港財務報告準則第9號前，本集團持有之可換股票據包含兩個成份，應收成份分類為貸款及應收款項及衍生成份分類為按公平值計入損益。於應用香港財務報告準則第9號時，該等可換股票據重新分類至按公平值計入損益之金融資產於應用香港財務報告準則第9號因為其現金流量並不完全反映本金及按尚餘本金之利息之支付。有關重新計量於2018年3月31日可換股票據應收成份公平值之公平值虧損373,000港元已於2018年4月1日之累計溢利確認對沖。

於2018年3月31日之可換股票據應收成份及衍生成份調節至於2018年4月1日按公平值計入損益之金融資產之期初結餘之重新分類如下：

		Receivable component of convertible notes	Derivatives component of convertible notes	Financial assets at FVTPL 按公平值 計入損益 之金融資產
		<i>HK\$'000</i> 千港元	<i>HK\$'000</i> 千港元	<i>HK\$'000</i> 千港元
Closing balance at 31 March 2018	於2018年3月31日 之期末結餘			
– HKAS 39	– 香港會計準則 第39號	61,317	10,750	–
Effect arising from initial application of HKFRS 9	首次應用香港財務 報告準則第9號 之影響			
Reclassification from convertible notes	由可換股票據 重新分類	(61,317)	–	61,317
Reclassification from derivatives component of convertible notes	由可換股票據之 衍生成份重新 分類	–	(10,750)	10,750
Amounts remeasured through opening accumulated profits	透過於期初累計 溢利重新計量之 金額	–	–	(373)
Opening balance at 1 April 2018	於2018年4月1日之 期初結餘	<u>–</u>	<u>–</u>	<u>71,694</u>

(iv) Deposit and prepayments for a life insurance policy

Deposit and prepayments for a life insurance policy will be classified as financial assets at FVTPL as these financial assets have contractual right to cash flows that do not represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The remeasurement of fair value gain of HK\$226,000 relating to fair value of these financial assets as at 31 March 2018 was recognised against accumulated profits as at 1 April 2018.

The reclassification of deposit and prepayments for a life insurance policy as at 31 March 2018 reconciled to the opening balance of financial assets at FVTPL as at 1 April 2018 is as follows:

(iv) 人壽保單之按金及預付款

人壽保單之按金及預付款將分類為按公平值計入損益之金融資產因該等資產之合約現金流量權限並不完全反映本金及尚餘本金之利息支付之合約現金流量。有關重新計量該等金融資產於2018年3月31日之公平值其公平值收益226,000港元已於2018年4月1日之累計溢利確認對沖。

於2018年3月31日之人壽保單之按金及預付款調節至2018年4月1日按公平值計入損益之金融資產期初結餘之重新分類如下：

		Loans and receivables		
		貸款及應收款項		
		Deposit and prepayments for a life insurance policy	Trade and other receivables	Financial assets at FVTPL
		人壽保單之按金及預付款	貿易及其他應收款項	按公平值計入損益之金融資產
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Closing balance at 31 March 2018	於2018年3月31日之期末結餘			
- HKAS 39	- 香港會計準則第39號	10,275	190,267	-
Effect arising from initial application of HKFRS 9	首次應用香港財務報告準則第9號之影響			
Reclassification from deposit and prepayments for a life insurance policy	由人壽保單之按金及預付款重新分類	(10,275)	-	10,275
Reclassification from trade and other receivables	由貿易及其他應收款項重新分類	-	(286)	286
Amounts remeasured through opening accumulated profits	透過期初累計溢利重新分類之金額	-	-	226
Opening balance at 1 April 2018	於2018年4月1日之期初結餘	<u>-</u>	<u>189,981</u>	<u>10,787</u>

(v) Impairment under ECL model

In relation to the impairment of financial assets, HKFRS 9 requires an ECL model, as opposed to an incurred credit loss model under HKAS 39. The ECL model requires an entity to account for ECL and changes in those ECL at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Loss allowance for financial assets at amortised cost mainly comprise of loans receivable, other receivables and bank balances, which are measured on 12m ECL basis and there had been no significant increase in credit risk since initial recognition.

As at 1 April 2018, the additional credit loss allowance of HK\$3,457,000 for loans receivable has been recognised against accumulated profits. The additional loss allowance is charged against the loans receivable.

The directors of the Company considered that the additional ECL allowance for other receivables and bank balances as at 1 April 2018 measured under the ECL model is insignificant.

(v) 預期信貸虧損模式之減值

就金融資產減值而言，與香港會計準則第39號項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映自首次確認以來之信貸風險變動。換言之，毋須再待發生信貸事件方確認信貸虧損。

按攤銷成本計量之金融資產主要包括應收貸款、其他應收款項及銀行結餘之虧損撥備，以12個月預期信貸虧損為基準計量，且其信貸風險自初次確認後並無大幅增加。

於2018年4月1日，已就累計溢利確認應收貸款之額外信貸虧損撥備3,457,000港元。額外虧損撥備自應收貸款中扣除。

本公司董事認為，於2018年4月1日根據預期信貸虧損模式計量之其他應收款項及銀行結餘之額外預期信貸虧損撥備不屬重大。

(c) *Impacts on opening condensed consolidated statement of financial position arising from the application of all new standards*

As a result of the changes in the Group's accounting policies above, the opening condensed consolidated statement of financial position had to be restated. The following table shows the adjustments recognised for each individual line item.

(c) 應用所有新增準則對期初簡明綜合財務報表之影響

由於上述本集團之會計政策之變動，期初簡明綜合財務狀況表已重列。以下列表顯示已確認之調整對個別項目之影響。

		31 March 2018 2018年 3月31日 HK\$'000 千港元 (Audited) (經審核)	HKFRS 15 香港財務 報告準則 第15號 HK\$'000 千港元	HKFRS 9 香港財務 報告準則 第9號 HK\$'000 千港元	1 April 2018 2018年 4月1日 HK\$'000 千港元 (Restated) (經重列)
Non-current assets	非流動資產				
Available-for-sale investments	可供出售投資	109,665	-	(109,665)	-
Convertible notes	可換股票據	19,213	-	(19,213)	-
Derivatives component of convertible notes	可換股票據之衍生成份	9,792	-	(9,792)	-
Deposit and prepayments for a life insurance policy	人壽保單之按金及預付款	10,275	-	(10,275)	-
Financial assets at FVTPL	按公平值計入損益之金融資產	-	-	39,009	39,009
Loans receivable	應收貸款	13,979	-	(427)	13,552
Current assets	流動資產				
Trade and other receivables	貿易及其他應收款項	190,267	-	(286)	189,981
Convertible notes	可換股票據	42,104	-	(42,104)	-
Derivatives component of convertible notes	可換股票據之衍生成份	958	-	(958)	-
Financial assets designated as at FVTPL	指定為按公平值計入損益之金融資產	29,885	-	(29,885)	-
Financial assets at FVTPL	按公平值計入損益之金融資產	100,094	-	183,022	283,116
Loans receivable	應收貸款	245,282	-	(3,030)	242,252
Current liabilities	流動負債				
Trade and other payables	貿易及其他應付款項	63,260	(11,554)	-	51,706
Contract liabilities	合約負債	-	11,554	-	11,554
Capital and reserves	股本及儲備				
Reserves	儲備	3,182,213	-	(3,604)	3,178,609

Except as described above, the application of other amendments to HKFRSs and interpretations in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

除上文所述者外，於本中期期間應用香港財務報告準則其他修訂本及詮釋對該等簡明綜合財務報表所呈報金額及／或所載披露資料並無重大影響。

3. SEGMENT INFORMATION

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

The Group's operating and reportable segments under HKFRS 8 "Operating Segments" are (i) property investment, (ii) property development, (iii) investment in securities and (iv) loan financing.

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

Six months ended 30 September 2018

		Property investment 物業投資 HK\$'000 千港元 (Unaudited) (未經審核) (note) (附註)	Property development 物業發展 HK\$'000 千港元 (Unaudited) (未經審核) (note) (附註)	Investment in securities 證券投資 HK\$'000 千港元 (Unaudited) (未經審核)	Loan financing 貸款融資 HK\$'000 千港元 (Unaudited) (未經審核)	Total 總額 HK\$'000 千港元 (Unaudited) (未經審核)
Segment revenue	分部營業額					
External	外來	<u>27,802</u>	<u>48,195</u>	<u>-</u>	<u>9,381</u>	<u>85,378</u>
Segment result	分部業績	<u>48,157</u>	<u>(1,945)</u>	<u>(25,506)</u>	<u>8,939</u>	<u>29,645</u>
Unallocated corporate income	無分配之公司收入					132
Unallocated corporate expenses	無分配之公司開支					(2,907)
Finance costs	融資成本					(11,495)
Results attributable to interests in associates	聯營公司權益分佔之業績					<u>(9,870)</u>
Profit before taxation	除稅前溢利					<u>5,505</u>

3. 分部資料

就資源分配及分部表現評估而言，呈報給本集團之首席行政總裁，為主要經營決策者（「主要經營決策者」）之資料，乃集中於物業出售或服務提供之種類。此亦為組織之基準，管理層選擇以此來組織本集團產品及服務之差異。

按香港財務報告準則第8號「經營分部」本集團之經營及呈報分部為(i)物業投資、(ii)物業發展、(iii)證券投資及(iv)貸款融資。

回顧期間按經營及呈報分部分析本集團之營業額及業績如下：

截至2018年9月30日止六個月

Six months ended 30 September 2017

截至2017年9月30日止六個月

		Property investment 物業投資 HK\$'000 千港元 (Unaudited) (未經審核) (note) (附註)	Property development 物業發展 HK\$'000 千港元 (Unaudited) (未經審核) (note) (附註)	Investment in securities 證券投資 HK\$'000 千港元 (Unaudited) (未經審核)	Loan financing 貸款融資 HK\$'000 千港元 (Unaudited) (未經審核)	Total 總額 HK\$'000 千港元 (Unaudited) (未經審核)
Segment revenue	分部營業額					
External	外來	<u>27,005</u>	<u>204,309</u>	<u>-</u>	<u>15,691</u>	<u>247,005</u>
Segment result	分部業績	<u>54,905</u>	<u>43,443</u>	<u>22,835</u>	<u>15,222</u>	136,405
Unallocated corporate income	無分配之公司收入					3,388
Unallocated corporate expenses	無分配之公司開支					(10,232)
Finance costs	融資成本					(9,100)
Results attributable to interests in associates	聯營公司權益分佔 之業績					<u>(81,173)</u>
Profit before taxation	除稅前溢利					<u>39,288</u>

Note: Rental income generated from properties held for development for sale was included in property investment segment.

附註：來自持作出售發展物業之租金收入已包括在物業投資之分部內。

Segment result represents the result of each segment without allocation of results attributable to interests in associates, finance costs, and unallocated corporate income and expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

分部業績乃指各分部之業績，當中沒有分配聯營公司權益分佔之業績、融資成本，及無分配之公司收入及開支。用以向主要經營決策者匯報，作為資源分配及表現評估之計量。

Segment assets and liabilities

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

分部資產及負債

按經營及呈報分部分析本集團之資產及負債如下：

		30 September 9月30日 2018 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2018 HK\$'000 千港元 (Audited) (經審核)
Segment assets	分部資產		
Property investment	物業投資	1,830,996	1,800,157
Property development	物業發展	1,616,373	1,155,774
Investment in securities	證券投資	160,679	313,431
Loan financing	貸款融資	212,531	259,867
		<hr/>	<hr/>
Total segment assets	分部資產總額	3,820,579	3,529,229
Interests in associates	聯營公司權益	646,366	665,666
Tax recoverable	可收回稅項	321	449
Bank balances and cash	銀行結餘及現金	184,503	150,370
Unallocated corporate assets	無分配之公司資產	110,341	88,797
		<hr/>	<hr/>
Consolidated assets	綜合資產	4,762,110	4,434,511
		<hr/>	<hr/>
Segment liabilities	分部負債		
Property investment	物業投資	23,299	23,687
Property development	物業發展	257,309	35,455
Investment in securities	證券投資	330	219
Loan financing	貸款融資	946	2,552
		<hr/>	<hr/>
Total segment liabilities	分部負債總額	281,884	61,913
Secured bank borrowings	有抵押銀行借貸	1,221,336	1,151,742
Tax payable	應付稅項	28,476	29,354
Unallocated corporate liabilities	無分配之公司負債	527	1,347
		<hr/>	<hr/>
Consolidated liabilities	綜合負債	1,532,223	1,244,356
		<hr/>	<hr/>

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

- all assets are allocated to operating and reportable segments other than interests in associates, tax recoverable, unallocated bank balances and cash and assets used jointly by operating and reportable segments.
- all liabilities are allocated to operating and reportable segments other than secured bank borrowings, tax payable and liabilities for which operating and reportable segments are jointly liable.

就分部表現監控及分部間之資源分配而言：

- 除聯營公司權益、可收回稅項、無分配銀行結餘及現金及經營及呈報分部共同使用之資產外，所有資產已分配至經營及呈報分部。
- 除有抵押銀行借貸、應付稅項及經營及呈報分部共同承擔之負債外，所有負債已分配至經營及呈報分部。

4. PROFIT BEFORE TAXATION

4. 除稅前溢利

		Six months ended 30 September 截至9月30日止六個月	
		2018 HK\$'000 千港元 (Unaudited) (未經審核)	2017 HK\$'000 千港元 (Unaudited) (未經審核)
Profit before taxation has been arrived at after charging (crediting):	除稅前溢利已扣除(計入)：		
Interest on bank borrowings	銀行借貸之利息	18,337	11,719
Less: Amount capitalised in the cost of qualifying assets	減：於合資格資產資本化之金額	<u>(6,842)</u>	<u>(2,619)</u>
		<u>11,495</u>	<u>9,100</u>
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	2,332	1,803
and after crediting to other income:	及已計入其他收入：		
Dividend income from listed investments	來自上市投資之股息收入	(5,105)	(7,109)
Interest income from Accretion from receivable component of convertible notes	來自利息收入 可換股票據應收成份之自然增值	-	(6,352)
Deposit and prepayments for a life insurance policy	人壽保單之按金及預付款	-	(188)
Bank and others	銀行及其他	<u>(3,595)</u>	<u>(7,888)</u>

5. TAXATION CHARGE

5. 稅項開支

		Six months ended 30 September 截至9月30日止六個月	
		2018 HK\$'000 千港元 (Unaudited) (未經審核)	2017 HK\$'000 千港元 (Unaudited) (未經審核)
The charge (credit) comprises:	開支(計入)包含：		
Hong Kong profits tax	香港利得稅		
Charge for the period	本期間開支	2,366	16,526
Overprovision in prior periods	前期超額撥備	<u>-</u>	<u>(40)</u>
		<u>2,366</u>	<u>16,486</u>

On 21 March 2018, the Hong Kong Legislative Council passed the Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. The two-tiered profits tax rate applies to years of assessment commencing on or after 1 April 2018.

Hong Kong profits tax for the six months ended 30 September 2017 was calculated at 16.5% of the estimated assessable profit for that period.

Under the two-tiered profits tax rates regime, the first HK\$2 million of assessable profits of qualifying corporation will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%. For the relevant period in the six months ended 30 September 2018, Hong Kong profits tax of the qualifying corporation of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other corporations in the Group which are not qualified for the two-tiered profits tax rates regime will continue to be taxed at the rate of 16.5%.

6. BASIC AND DILUTED EARNINGS PER SHARE

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

Earnings for the purpose of calculating basic and diluted earnings per share (profit for the period attributable to owners of the Company) 就計算每股基本及攤薄盈利而言之盈利 (本公司股東應佔本期間溢利)

Number of shares

股份數目

Weighted average number of shares for the purpose of calculating basic and diluted earnings per share 就計算每股基本及攤薄盈利而言之加權平均股份數目

Six months ended 30 September 截至9月30日止六個月	
2018 HK\$'000 千港元 (Unaudited) (未經審核)	2017 HK\$'000 千港元 (Unaudited) (未經審核)

3,173

22,802

88,329,147

79,420,403

The computation of diluted earnings per share for the six months ended 30 September 2018 and 2017 does not assume the conversion of the associates' outstanding convertible notes and share options since their exercise would result in increase in earnings per share.

於2018年3月21日，香港立法會通過《2017年稅務(修訂)(第7號)條例草案》(「該條例草案」)，引入利得稅兩級制。該條例草案於2018年3月28日經簽署生效，並於翌日在憲報刊登。利得稅兩級制應用於2018年4月1日或之後開始之應課稅年度。

截至2017年9月30日止六個月之香港利得稅乃按該期預計應課稅溢利以16.5%計算。

根據利得稅兩級制，合資格法團就首港幣2,000,000元的溢利將按8.25%之稅率繳納稅項，並就超過港幣2,000,000元的溢利將按16.5%之稅率繳納稅項。截至2018年9月30日止六個月之相關期間，本集團符合資格法團將按利得稅兩級制計算香港利得稅。不符合利得稅兩級制資格的法團的溢利將繼續按16.5%之稅率繳納稅項。

6. 每股基本及攤薄盈利

本公司股東應佔之每股基本及攤薄盈利乃根據以下資料計算：

計算截至2018年及2017年9月30日止六個月之每股攤薄盈利並沒有假設聯營公司的未兌換可換股票據及認股權之兌換因其行使將引致增加每股盈利。

7. DIVIDEND

7. 股息

		Six months ended 30 September 截至9月30日止六個月	
		2018 HK\$'000 千港元 (Unaudited) (未經審核)	2017 HK\$'000 千港元 (Unaudited) (未經審核)
Dividend recognised as distribution during the period	於期內已確認派發之股息		
Final dividend for the year ended 31 March 2018 of HK\$0.05 per share on 91,320,403 shares (six months ended 30 September 2017: HK\$0.05 per share for the year ended 31 March 2017 on 79,420,403 shares), paid	截至2018年3月31日止年度91,320,403股股份之末期股息為每股0.05港元(截至2017年9月30日止六個月:截至2017年3月31日止年度79,420,403股股份每股0.05港元), 已支付	<u>4,566</u>	<u>3,971</u>
The directors have determined that no dividend will be paid in respect of both periods.		董事決定兩個期間均不派發股息。	

8. LOANS RECEIVABLE

8. 應收貸款

		30 September 9月30日 2018 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2018 HK\$'000 千港元 (Audited) (經審核)
Fixed-rate loans receivable	定息應收貸款	184,640	228,080
Variable-rate loans receivable	浮息應收貸款	<u>30,427</u>	<u>31,181</u>
		215,067	259,261
Less: Impairment allowance	減: 減值撥值	<u>(3,457)</u>	<u>—</u>
		<u>211,610</u>	<u>259,261</u>
Analysed as:	分析為:		
Current portion	流動部分	169,970	245,282
Non-current portion	非流動部分	<u>41,640</u>	<u>13,979</u>
		<u>211,610</u>	<u>259,261</u>

The movement of impairment allowance for loans receivable for the period is as follows:

期內應收貸款之減值撥備之變動如下：

		Impairment allowance for loans receivable 應收貸款之減值撥備 HK\$'000 千港元
At 31 March 2018 (audited) Impairment allowance recognised	於2018年3月31日(經審核) 已確認之減值撥備	<u>3,457</u>
At 1 April 2018 (restated) and 30 September 2018 (unaudited)	於2018年4月1日(經重列)及 2018年9月30日(未經審核)	<u>3,457</u>

At 30 September 2018, the range of interest rate on the Group's fixed-rate loans receivable is 3.125% to 18% (31 March 2018: 3% to 19%) per annum and the range of interest rate on the Group's variable-rate loans receivable is prime rate less 1.0% to prime rate plus 2.0% (31 March 2018: prime rate less 2.95% to prime rate plus 2.0%) per annum.

於2018年9月30日，本集團之定息應收貸款每年利率介乎3.125%至18% (2018年3月31日：每年3%至19%) 及本集團之浮息應收貸款每年利率介乎最優惠利率減1.0%至最優惠利率加2.0% (2018年3月31日：每年最優惠利率減2.95%至最優惠利率加2%)。

Before granting loans to outsiders, the Group assesses the potential borrower's credit quality and defines credit limits granted to each borrower. The credit limits attributed to the borrowers are reviewed by the management regularly.

在授出貸款予外來者前，本集團評估潛在借款人之信貸質素及釐定授予每位借款人之信貸額。管理層定期檢討借款人之信貸額。

The Group has a policy for assessing the impairment on loans receivable on an individual basis. The assessment also includes evaluation of collectability of accounts and management's judgment, including the financial background, current creditworthiness, collateral and past collection history of each borrower.

本集團按個別基準之政策評估應收貸款之減值。該評估亦包括賬戶可收回狀況之評估及就包括每名借款人之財務背景、現時信譽、抵押及過往收回歷史之管理層之判斷。

In determining the recoverability of loans receivable, the Group considers any change in the credit quality of the loans receivable from the date credit was initially granted up to the reporting date. This includes assessing the credit history of the borrowers, such as financial difficulties or default in payments, and current market conditions. The management closely monitors the credit quality of loans receivable. At 30 September 2018 and 31 March 2018, no loans receivable are past due at the end of the reporting period.

於釐定應收貸款之可收回狀況，本集團考慮應收貸款自最初授出信貸直至報告日期之信貸質素之任何改變。當中包括評估借款人之信貸歷史，如財務困難或違約還款，及現時市場狀況。管理層緊密監控應收貸款之信貸質素。於2018年9月30日及2018年3月31日，於報告期末並無應收貸款過期。

Since the adoption of HKFRS 9 on 1 April 2018, assessments were further made based on forward-looking information and after considering the factors that are specific to the borrowers, general economic conditions and assessment of both the current conditions at the reporting date as well as the forecast of future conditions. The Group applies the general approach for providing for ECL prescribed by HKFRS 9 for loans receivable, which the loss allowance are measured on 12m ECL basis and there has been no significant increase in credit risk since initial recognition. As at 1 April 2018, the credit loss allowance of HK\$3,457,000 for loans receivable has been recognised against accumulated profits. No loss allowance is charged against the loans receivable during the current interim period since the directors of the Company considered it is negligible.

No ageing analysis is disclosed, as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of business of loan financing.

9. TRADE AND OTHER RECEIVABLES

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

Trade receivables:

0-60 days
61-90 days
Over 90 days

貿易應收款項：

0-60日
61-90日
超過90日

Deposit paid for acquisition of properties held for development for sale

Deposit and prepayments for a life insurance policy (see note 2(b)(iv))

Escrow deposits for properties held for sale

Amount recoverable from joint operator (note (a))

Prepayments

Interest receivable

Refundable stamp duty (note (b))

Other receivables

收購持作出售發展物業之已付按金

人壽保單之按金及預付款(見附註2(b)(iv))

持作出售物業之託管按金

來自共同合作方之可收回金額(附註(a))

預付款

應收利息

可退回印花稅(附註(b))

其他應收款項

30 September 9月30日 2018 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2018 HK\$'000 千港元 (Audited) (經審核)
627	405
24	13
48	–
699	418
3,139	–
–	286
9,300	14,448
81,602	81,602
1,731	1,368
1,185	1,015
89,400	89,400
2,081	1,730
189,137	190,267

於2018年4月1日採納香港財務報告準則第9號起，作出進一步評估乃根據前瞻性資料及考慮個別借款人之獨特因素、整體經濟狀況及評估於報告日期之現時狀況及預測之將來狀況。本集團應用香港財務報告準則第9號所規定之方式就應收貸款計算預期信貸虧損，虧損撥備以12個月預期信貸虧損之基準計量及於首次確認後並沒有重大增加信貸風險。於2018年4月1日，應收貸款之預期信貸虧損3,457,000港元已於累計溢利確認對沖。於本中期應收貸款並無虧損撥備因本公司董事認為其微不足道。

沒有披露賬齡分析，因本公司董事認為，就貸款融資業務性質而言，賬齡分析並沒有額外價值。

9. 貿易及其他應收款項

本集團沒有給予租戶賒帳期。於報告期末，根據發票日期，貿易應收款項之賬齡分析如下：

Notes:

- (a) Under the terms of a joint operation arrangement for a property redevelopment project, each of the Group and the other joint operator agreed to pay for and bear the redevelopment costs incurred on the project in proportion to their agreed proportion. The other joint operator undertook to promptly make contributions when called upon to do so by the Group. The amounts recoverable from joint operator represented redevelopment costs incurred which were attributable to the proportion agreed to be paid for and borne by the other joint operator for which the Group had not called for payment.
- (b) In accordance with the provisions of the Hong Kong Stamp Duty Ordinance, the Group will apply for refund of the stamp duty paid when the property redevelopment project commences. At 30 September 2018, the amount is included in the Group's current assets in the condensed consolidated statement of financial position as it is expected that the refund of stamp duty will be received within twelve months.

10. TRADE AND OTHER PAYABLES

		30 September 9月30日 2018 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2018 HK\$'000 千港元 (Audited) (經審核)
Trade payables	貿易應付款項	4,343	9,151
Retention payable (note)	應付保修金(附註)	6,825	10,325
Rental deposits received and rental received in advance	已收租金按金及預收租金	23,464	13,725
Deposits received from sale of residential units (see note 2(a))	出售住宅單位之已收按金(見附註2(a))	-	11,554
Property management fund payable	應付物業管理基金	7,843	7,655
Interest payable	應付利息	908	735
Accruals and other payables	預提及其他應付款項	7,828	10,115
		51,211	63,260

Note: At 30 September 2018, retention payable of HK\$6,825,000 (31 March 2018: HK\$10,325,000) is expected to be settled within twelve months after the end of the reporting period.

附註：

- (a) 根據一項有關物業重建項目之共同合作安排條款，本集團及其他共同合作方各自同意按照各方同意之比例支付及分擔項目之重建成本。其他共同合作方承諾會應本集團要求即時提供資金。來自共同合作方之可收回金額乃為其他共同合作方按照各方同意比例需要支付及分擔而本集團並未要求支付之重建成本。
- (b) 根據香港印花稅法例之條款，當物業重建項目展開時，本集團將申請退回已支付印花稅。於2018年9月30日，此金額包括在本集團簡明綜合財務狀況表內之流動資產內因預期印花稅退款將於十二個月內收回。

10. 貿易及其他應付款項

附註：於2018年9月30日，應付保修金6,825,000港元(2018年3月31日：10,325,000港元)預期將於報告期末後十二個月內支付。

The aged analysis of trade payables determined based on invoice date at the end of the reporting period is as follows:

貿易應付款項之賬齡分析，乃根據於報告期末之發票日期釐定。

		30 September 9月30日 2018 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2018 HK\$'000 千港元 (Audited) (經審核)
0-60 days	0-60日	4,343	8,251
Over 90 days	超過90日	<u>–</u>	<u>900</u>
		<u>4,343</u>	<u>9,151</u>