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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 MONTH ENDED 30 SEPTEMBER 2015

截至2015年9月30日止六個月之 中期業績公佈

The board of directors (the “**Board**”) of Easyknit International Holdings Limited (the “**Company**”) is pleased to announce the results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 September 2015 (the “**Period**”). These interim results 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2015年9月30日止六個月(「本期間」)之業績。本中期業績已由本公司之審核委員會審閱。

INTERIM RESULTS

For the Period, the Group’s turnover from continuing operations was HK\$356,307,000 representing 103.5% increase as compared to the corresponding period in 2014 (the “**2014 Period**”) of HK\$175,074,000; and the Group’s unaudited consolidated profit from continuing and discontinued operations was HK\$243,115,000 (2014 Period: HK\$7,213,000).

中期業績

於本期間，本集團來自持續經營業務錄得營業額356,307,000港元，較2014年同期(「**2014期間**」)之175,074,000港元增加103.5%；而本集團來自持續經營及已終止業務之未經審核綜合溢利為243,115,000港元(2014期間：7,213,000港元)。

For the Period, the Group’s revenue from continuing operations was mostly derived from the aggregate of income generated from the disposal of properties held for sale, properties rental income and interest income from loan financing business.

於本期間，本集團來自持續經營業務錄得營業額主要源自持作出售物業之出售、物業租金收入及從貸款融資業務的利息收入之總額。

* for identification only

* 僅供識別

For the Period, the increase of profit was mainly attributable to the gain of HK\$57,915,000 on disposal of available-for-sale investments from continuing operations and gain on changes in fair value of investment properties of HK\$37,763,000 from continuing operations (2014 Period: gain of HK\$1,233,000 from continuing operations and loss of HK\$103,833,000 from discontinued operations).

The basic earnings per share from continuing and discontinued operations for the Period was approximately HK\$2.74 (2014 Period: basic earnings per share of HK\$0.64).

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Period (2014 Period: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

A. Continuing Operations

During the Period, the Group was principally engaged in the property investments, property development, loan financing and investment in securities.

(i) *Property Investments*

The Group has investment properties in Hong Kong and Singapore.

Turnover of the Group's property rental for the Period was HK\$28,660,000 (2014 Period: HK\$27,345,000), an increase of approximately HK\$1,315,000 or 4.8% over the 2014 Period. The Group's investment properties comprise residential, commercial and industrial properties.

As at 30 September 2015, the Group's commercial and residential rental properties in Hong Kong and Singapore were both leased 100%. The industrial rental properties in Hong Kong continued to maintain a high occupancy rate of 90.7%. The property management fee income was HK\$477,000 (2014 Period: HK\$241,000).

於本期間，溢利增加主要由於來自持續經營業務的出售可供出售投資之收益57,915,000港元及來自持續經營業務的投資物業之公平值變動收益37,763,000港元（2014期間：來自持續經營業務收益1,233,000港元及來自已終止經營業務虧損103,833,000港元）。

於本期間，來自持續經營及來自已終止業務的每股基本盈利約為2.74港元（2014期間：每股基本盈利0.64港元）。

中期股息

董事會不建議就本期間派發中期股息（2014期間：無）。

管理層討論及分析

業務回顧

A. 持續經營業務

於本期間，本集團主要從事物業投資、物業發展、貸款融資及證券投資。

(i) *物業投資*

本集團於香港及新加坡擁有投資物業。

於本期間，本集團之物業租賃營業額為28,660,000港元（2014期間：27,345,000港元），比2014期間增加約1,315,000港元或4.8%。本集團的投資物業包括住宅、商業及工業物業。

於2015年9月30日，本集團位於香港及新加坡之商業及住宅租賃物業已租出100%。位於香港之工業租賃物業繼續維持高出租率90.7%。物業管理費收入為477,000港元（2014期間：241,000港元）。

(ii) Property Development

A residential project, namely PAXTON, at No. 311-313 Prince Edward Road West, Kowloon, Hong Kong which offers about 49 units of 74,285 square feet gross floor area has been formally launched with grand opening in July 2014. For the Period, the total revenue derived from the property sales of PAXTON was HK\$314,622,000.

The foundation works on the redevelopment of Project 301 at the site of Nos. 301, 301A-C Prince Edward Road West, Kowloon, Hong Kong shall be completed in about February 2016; and it is expected to be launched in the year 2017.

(iii) Investment in Securities

The Group maintains a securities portfolio with a strategy of diversification to reduce effects of price fluctuations of any single securities.

For the period ended 30 September 2015, the Group held trading securities in the amount of HK\$31,230,000 as compared to HK\$325,435,000 as at 31 March 2015, representing a 90.4% decrease. It was derived from: (1) the disposal of trading securities which had a cost or fair value as at 31 March 2015 of HK\$224,358,000; and (2) deemed disposal of subsidiaries of HK\$132,373,000; and (3) purchase of trading securities of HK\$24,036,000 during the Period; and (4) net increase in market value in the amount of HK\$38,490,000 of the trading securities.

From continuing operations, the Group recognised (1) gain on fair value changes of trading securities for the Period of HK\$26,994,000 (2014 Period: HK\$40,357,000); (2) gain of HK\$732,000 (2014 Period: nil) on fair value changes of financial assets designated at fair value through profit or loss; and (3) gain of HK\$57,915,000 (2014 Period: nil) on disposal of available-for-sale investments. This segment recorded a profit of HK\$87,644,000 (2014 Period: HK\$45,905,000).

(ii) 物業發展

位於香港九龍太子道西311至313號之住宅項目「雋瓏」提供約49個單位，建築面積為74,285平方呎，已於2014年7月正式隆重推出市場。於本期間，來自雋瓏之物業銷售的總營業額為314,622,000港元。

重建地盤位於香港九龍太子道西301號及301A-C號之301項目的地基工程將於2016年2月完成，並預期於2017年推出。

(iii) 證券投資

本集團的策略是維持證券組合多樣化，以減少任何單一證券的價格波動之影響。

截至2015年9月30日，本集團持有交易證券為31,230,000港元，表示相比於截至2015年3月31日之325,435,000港元減少了90.4%。此是來自：(1)截至2015年3月31日具有成本或公平值的買賣證券出售為224,358,000港元；及(2)視作出售之附屬公司為132,373,000港元；及(3)於本期間購入的買賣證券為24,036,000港元；及(4)買賣證券之淨增長市值為38,490,000港元。

從持續經營中，本集團得知(1)於本期間買賣證券之公平值變動收益為26,994,000港元(2014期間：40,357,000港元)；(2)按公平值計入損益之金融資產之公平值變動收益為732,000港元(2014期間：無)；及(3)可供出售投資之出售收益為57,915,000港元(2014期間：無)。本分部所記錄之溢利為87,644,000港元(2014期間：45,905,000港元)。

B. Discontinued operations

Garment Sourcing and Export Businesses

With effect from 12 June 2015, the financial results of this business segment was classified as the discontinued operation because Easyknit Enterprises Holdings Limited (“EE”) was changed from subsidiary to associate of the Company due to the deemed disposal of Group’s interests from 40.96% to 34.41% in EE. The deemed disposal of interests is caused by the issuing of a convertible note by EE to an independent third party.

During the Period, the turnover of this business segment contributed to the Group amounted to HK\$11,409,000 (2014 Period: HK\$119,532,000) and recorded the loss of HK\$1,805,000 (2014 Period: gain of HK\$1,293,000) from the discontinued operation.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group financed its operation through internally generated cash flow and bank borrowings. As at 30 September 2015, the Group’s bank borrowings amounted to HK\$1,009,040,000 (31 March 2015: HK\$1,537,826,000). The gearing ratio of the Group, calculated as a ratio of total borrowings to total equity, for the Period was 0.32 (31 March 2015: 0.39).

As at 30 September 2015, the Group has net current assets of HK\$1,191,268,000 (31 March 2015: HK\$1,587,915,000). Current ratio as at 30 September 2015 was 5.4 (31 March 2015: 2.5). The bank balances and cash as at 30 September 2015 was HK\$58,816,000 (31 March 2015: HK\$378,520,000).

Capital Structure

During the Period, there was no change to the share capital of the Company. As at 30 September 2015, the total number of issued ordinary shares of the Company was 79,420,403 shares.

B. 已終止經營業務

採購及出口成衣業務

於2015年6月12日起，此業務分部的財務業績已重新分類為已終止業務，原因是本集團於永義實業集團有限公司（「永義實業」）的權益被視為出售由40.96%減至34.41%，因此永義實業由本公司的附屬公司變為聯營公司，被視為出售權益是由於永義實業集團發行了一張可換股票據予獨立第三方。

於本期間，這業務分部為本集團帶來之營業額是11,409,000港元（2014期間：119,532,000港元），並來自已終止業務錄得虧損為1,805,000港元（2014期間：收益1,293,000港元）。

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2015年9月30日，本集團之銀行借貸為1,009,040,000港元（2015年3月31日：1,537,826,000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）為0.32（2015年3月31日：0.39）。

於2015年9月30日，本集團之流動資產淨值為1,191,268,000港元（2015年3月31日：1,587,915,000港元）。於2015年9月30日，流動比率為5.4（2015年3月31日：2.5）。於2015年9月30日，銀行結餘及現金為58,816,000港元（2015年3月31日：378,520,000港元）。

股本結構

於本期間，本公司股本並無任何變動。於2015年9月30日，本公司已發行普通股股份總數為79,420,403股。

Charge on Group Assets

As at 30 September 2015, bank loans amounting to HK\$1,009,040,000 (31 March 2015: HK\$1,537,826,000) were secured by investment properties, properties held for development for sale; and deposit and prepayment for a life insurance policy of the Group having a net book value of HK\$2,326,810,000 (31 March 2015: HK\$3,229,175,000).

Exposure on Foreign Exchange Fluctuations

Most of the Group's revenues and payments are in Hong Kong dollars and Singapore 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 directors considered the risk of exposure to the currency fluctuation to be minimal.

Material Acquisitions and Disposals

Interest in Easyknit Enterprises Holdings Limited

(i) *Deemed Disposal of Interests in EE*

Upon the completion of issuing a convertible note in a principal amount of HK\$86,000,000 to an independent party by EE on 12 June 2015, the Group's effective interest in EE, assuming the full conversion of convertible note by convertible noteholders, was diluted from approximately 40.96% to 34.41%. Therefore, it was treated as a deemed disposal of the interests in EE by the Group, and EE became an associate of the Company.

(ii) *Subscription of Rights Shares of EE*

During the Period, the Group has undertaken to EE and the underwriter on the subscription of the rights shares of EE for a total of 435,553,040 rights shares which were allotted and taken up in full on 3 November 2015, the subscription cost amounted to approximately HK\$209,065,500.

The Group did not apply any excess rights shares in the above rights issue.

本集團資產之抵押

於2015年9月30日，銀行貸款為1,009,040,000港元（2015年3月31日：1,537,826,000港元）乃以本集團賬面淨值為2,326,810,000港元（2015年3月31日：3,229,175,000港元）之投資物業、持作出售發展物業；及人壽保單之按金及預付款作為抵押。

外匯波動之風險

本集團之收入與支出以港元及新加坡元為主。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。董事認為承受兌換率波動之風險極微。

重大收購及出售

於永義實業集團有限公司之權益

(i) *視作出售於永義實業之權益*

永義實業於2015年6月12日完成發行一張本金金額86,000,000港元予獨立投資，假設可換票據持有人全面兌換後，本集團於永義實業之實際權益由約40.96%攤薄至34.41%。因此，被視作本集團出售於永義實業之權益，及永義實業變為本公司之聯營公司。

(ii) *認購永義實業之供股股份*

於本期間，本集團已向永義實業及包銷商承諾認購永義實業之供股股份，本集團於2015年11月3日獲配發及全數承購合共435,553,040股供股股份，認購成本約為209,065,500港元。

於上述供股中，本集團並無申請任何額外供股股份。

As at the date of this announcement, the Company, through its wholly-owned subsidiaries, Landmark Profits Limited and Goodco Development Limited, is interested in 457,330,692 shares of EE, representing approximately 40.96% of the issued share capital of EE.

Disposal of Properties Group

On 6 August 2015, EE and Easyknit Properties Holdings Limited, a wholly-owned subsidiary of the Company, entered into 4 sets of sale and purchase agreements in relation to the purchase of all the issued shares and sale loan of the properties group at a total consideration of HK\$240 million. The disposal has been completed on 11 November 2015. The properties group has 11 properties comprises 6 residential units (3 units in Hong Kong and 3 units in Singapore) and 5 industrial units.

Save as disclosed above, the Group had no material acquisitions or disposals of subsidiaries or associated companies during the Period.

Contingent Liabilities

The Group did not have significant contingent liabilities as at 30 September 2015 (31 March 2015: nil).

Capital Expenditures

During the Period, the Group has spent HK\$2,375,000 on the acquisitions of property, plant and equipment (2014 Period: HK\$382,000); and spent HK\$119,000 on the additions of investment properties (2014 Period: HK\$293,211,000).

Capital Commitments

As at 30 September 2015, the Group has capital commitments of HK\$7,025,000 (31 March 2015: HK\$8,669,000).

Changes in Fair Value of Investment Properties

As at 30 September 2015, the gain of HK\$37,763,000 arising on changes of fair value of investment properties (2014 Period: HK\$1,233,000 from continuing operations).

於本公佈日期，本公司透過其全資附屬公司Landmark Profits Limited及佳豪發展有限公司於457,330,692股永義實業股份中擁有權益，相當於永義實業已發行股本約40.96%。

出售物業組合

於2015年8月6日，永義實業與本公司全資附屬公司Easyknit Properties Holdings Limited訂立4份買賣協議，內容有關購入物業組合之全部已發行股份及銷售貸款，總代價為240,000,000港元。出售事項已於2015年11月11日完成。物業組合內共有11項物業，其中6項為住宅單位（3個位於香港及3個位於新加坡）及5項為工業單位。

除上文所述外，於本期間本集團並無有關附屬公司或聯營公司之重大收購或出售。

或然負債

於2015年9月30日，本集團並無任何重大或然負債（2015年3月31日：無）。

資本開支

於本期間，本集團已動用約2,375,000港元（2014期間：382,000港元）於購買物業、廠房及設備，並動用119,000港元（2014期間：293,211,000港元）於增置投資物業。

資本承擔

於2015年9月30日，本集團之資本承擔為7,025,000港元（2015年3月31日：8,669,000港元）。

投資物業之公平值變動

於2015年9月30日，投資物業之公平值變動產生之收益為37,763,000港元（2014期間：來自持續經營業務1,233,000港元）。

Finances Costs

Finance costs from continuing operations was HK\$12,969,000, decreased by HK\$8,136,000 or 38.6% for the Period from HK\$21,105,000 in the 2014 Period which was mainly due to the decreases in bank loans.

PROSPECTS

Recent economic data in the United States (“US”) has been sending mixed signals and causing uncertainty about the US recovery as well as speculation about the timing of interest rate hike. In Asia, the economic outlook remains generally favourable, although Mainland China experienced the slowest growth in recent years, which is expected to cloud the region’s economic outlook. As Hong Kong’s economic performance hinges on global economic and financial conditions, these uncertain factors may affect property market sentiment in the months ahead. However, we expect the market to remain buoyant with more projects coming onto the market at competitive pricing levels and strong end user demand driving sales.

The Group will continue to closely monitor market changes and proactively refine its sales and pricing strategies of PAXTON according to the market conditions. It will adopt specific measures to speed up the sales of inventory and cash inflows. Meanwhile, it will accelerate the development pace and strive to swiftly destock saleable resources in order to enhance its competitiveness in the market.

In addition, the Group will continue to adhere to its principle of steady development and endeavor to improve the development of existing projects so as to increase the asset turnover rate. Meanwhile, the Group strives to improve the debt structure, adjust the projects’ management system in respect of management models and construction cost in order to enhance the profitability of the Group.

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

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

融資成本

來自持續經營業務之融資成本為12,969,000港元，相比2014期間21,105,000港元，本期間減少8,136,000港元或38.6%，主要由於銀行貸款減少。

展望

美國（「美國」）近期的經濟數據喜憂參半，令美國經濟復甦前景不甚明朗，並導致市場對加息時間有不同揣測。亞洲方面，雖然中國內地經濟錄得近年來的最低增速，預期會影響區內經濟前景，但亞洲整體經濟前景仍然向好。由於香港經濟表現與全球經濟及財務狀況息息相關，該等不明朗因素或會影響未來數月地產市場的氣氛。然而，隨著更多新項目以具競爭力的價格推出市場，以及剛性需求將帶動銷售，我們預期市場會保持暢旺。

本集團將繼續密切關注市場形勢轉換，積極制定雋麗符合市場環境的銷售及定價策略。採取針對性措施，加快存貨銷售和現金回籠。同時，加快開發節奏，努力快速去化可供銷售資源，以期進一步增強本集團在市場的競爭力。

另外，本集團將始終堅持穩健發展的原則，堅持改善現有項目的建設，加快資產周轉速度，同時，爭取改善本集團的債務結構，調整項目的管控模式和建造成本的管控體系，從而提升本集團的盈利能力。

購買、出售及贖回本公司之上市證券

於本期間，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

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 Rules Governing the Listing of Securities during the Period, with the exception of the following deviation.

Code Provision A.2.1

Chairman and chief executive officer should not be performed by the same individual

The Company does not have separate appointments for president and chief executive officer. Mr. Kwong Jimmy Cheung Tim holds both positions. The Board believes that vesting the roles of both president and chief executive officer in the same person enables the Group to have a stable and consistent leadership. It also facilitates the planning and execution of the Company's strategy and is hence, for the interests of the Company and its shareholders.

REVIEW OF INTERIM RESULTS

The interim results of the Group for the Period have not been audited, but have been reviewed by the audit committee of the Company.

By Order of the Board
Easyknit International Holdings Limited
Kwong Jimmy Cheung Tim
President and Chief Executive Officer

Hong Kong, 26 November 2015

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

企業管治

於本期間，本公司一直遵守證券上市規則附錄14之《企業管治守則》之原則及所有守則條文，惟下文所述的守則條文除外：

守則條文第A.2.1條

主席與行政總裁不應由一人同時兼任

本公司並未分別委任主席與行政總裁。鄺長添先生現兼任本公司的主席與首席行政總裁。董事會認為鄺先生兼任主席及首席行政總裁可以為本集團提供穩健及一貫的領導，並且利於本公司有效策劃及推行戰略，符合本公司及其股東利益。

審閱中期業績

本集團於本期間之中期業績未經審核，但已由本公司之審核委員會審閱。

承董事會命
永義國際集團有限公司
主席兼首席行政總裁
鄺長添

香港，2015年11月26日

於本公佈日期，董事會成員包括執行董事鄺長添先生、雷玉珠女士及官可欣女士；非執行董事謝永超先生及賴羅球先生；以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 2015

簡明綜合損益及其他全面收益表

截至2015年9月30日止六個月

| | | Six months ended | | |
|--|-----------------------|-------------------------|-------------------------------------|-----------------|
| | | 30 September | | |
| | | 截至9月30日止六個月 | | |
| | | 2015 | 2014 | |
| | | HK\$'000 | HK\$'000 | |
| | | 千港元 | 千港元 | |
| | | (Unaudited) | (Unaudited and restated) | |
| | | (未經審核) | (未經審核及 經重列) | |
| Continuing operations | 持續經營業務 | | | |
| Turnover | 營業額 | 3 | 356,307 | 175,074 |
| Cost of goods sold and services rendered | 銷售及提供服務成本 | | <u>(210,011)</u> | <u>(85,498)</u> |
| Gross profit | 毛利 | | 146,296 | 89,576 |
| Other income | 其他收入 | | 2,650 | 5,847 |
| Distribution and selling expenses | 經銷成本 | | (36,875) | (11,167) |
| Administrative expenses | 行政開支 | | (33,896) | (16,225) |
| Gain arising on changes in fair value of investment properties | 投資物業之公平值變動收益 | | 37,763 | 1,233 |
| Gain on changes in fair value of investments held for trading | 持作買賣投資之公平值變動收益 | | 26,994 | 40,357 |
| Gain on changes in fair value of financial assets designated as 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收益 | | 732 | - |
| Gain on disposal of available-for-sale investments | 出售可供出售投資之收益 | | 57,915 | - |
| Share of results of associates | 分佔聯營公司業績 | 4 | 588,675 | - |
| Finance costs | 融資成本 | | <u>(12,969)</u> | <u>(21,105)</u> |
| Profit before taxation | 除稅前溢利 | | 777,285 | 88,516 |
| Taxation charge | 稅項開支 | 5 | <u>(23,794)</u> | <u>(5,218)</u> |
| Profit for the period from continuing operations | 來自持續經營業務之本期間溢利 | 6 | <u>753,491</u> | <u>83,298</u> |
| Discontinued operations | 已終止經營業務 | | | |
| Loss for the period from discontinued operations | 來自已終止經營業務之本期間虧損 | 13 | <u>(510,376)</u> | <u>(76,085)</u> |
| Profit for the period | 本期間溢利 | | <u>243,115</u> | <u>7,213</u> |

| Six months ended 30 September 截至9月30日止六個月 | |
|--|--|
| 2015 HK\$'000 千港元 (Unaudited) (未經審核) | 2014 HK\$'000 千港元 (Unaudited and restated) (未經審核及 經重列) |

| | | | |
|---|--------------------------|-----------------|--------|
| Other comprehensive income (expense) | 其他全面收入(開支) | | |
| <i>Item that will not be reclassified subsequently to profit or loss:</i> | <i>不會於其後重新分類至損益之項目:</i> | | |
| Fair value gain on leasehold properties upon transfer to investment properties | 租賃物業轉撥至投資物業之公平值收益 | 28,968 | – |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | <i>可於其後重新分類至損益之項目:</i> | | |
| Exchange difference arising on translation of foreign operations | 換算海外營運之匯兌差異 | (6,612) | 3,458 |
| Change in fair value of available-for-sale investments | 可供出售投資之公平值變動 | 31,861 | 14,423 |
| Released on disposal of available-for-sale investments | 於出售可供出售投資時解除 | (57,915) | – |
| Reclassification of translation reserve to profit or loss upon deemed disposal of subsidiaries | 於視為出售附屬公司時重新分類至損益之匯兌儲備 | 189 | – |
| Reclassification of investment revaluation reserve to profit or loss upon deemed disposal of subsidiaries | 於視為出售附屬公司時重新分類至損益之投資重估儲備 | (2,469) | – |
| Share of translation reserve of associates | 分佔聯營公司之匯兌儲備 | (3,018) | – |
| Share of investment revaluation reserve of associates | 分佔聯營公司之投資重估儲備 | (7,528) | – |
| | | (45,492) | 17,881 |
| Other comprehensive (expense) income for the period | 本期間之其他全面(開支)收入 | (16,524) | 17,881 |
| Total comprehensive income for the period | 本期間之全面收入總額 | 226,591 | 25,094 |

| | | Six months ended 30 September 截至9月30日止六個月 | |
|---|-----------------------------------|--|--|
| | | 2015 HK\$'000 千港元 (Unaudited) (未經審核) | 2014 HK\$'000 千港元 (Unaudited and restated) (未經審核及 經重列) |
| | | NOTE 附註 | |
| Profit (loss) for the period from continuing and discontinued operations attributable to: | 分佔來自持續及已終 止經營業務之本 期間溢利(虧損): | | |
| – owners of the Company | – 本公司股東 | 217,409 | 50,746 |
| – non-controlling interests | – 非控股權益 | 25,706 | (43,533) |
| | | <u>243,115</u> | <u>7,213</u> |
| Profit for the period from continuing operations attributable to: | 分佔來自持續經營業 務之本期間溢利: | | |
| – owners of the Company | – 本公司股東 | 753,491 | 83,298 |
| – non-controlling interests | – 非控股權益 | – | – |
| | | <u>753,491</u> | <u>83,298</u> |
| (Loss) profit for the period from discontinued operations attributable to: | 分佔來自已終止經營 業務之本期間 (虧損)溢利: | | |
| – owners of the Company | – 本公司股東 | (536,082) | (32,552) |
| – non-controlling interests | – 非控股權益 | 25,706 | (43,533) |
| | | <u>(510,376)</u> | <u>(76,085)</u> |
| Total comprehensive income (expense) for the period attributable to: | 分佔本期間之 全面收入(開支) 總額: | | |
| – owners of the Company | – 本公司股東 | 196,834 | 66,098 |
| – non-controlling interests | – 非控股權益 | 29,757 | (41,004) |
| | | <u>226,591</u> | <u>25,094</u> |
| Basic earnings per share | 每股基本盈利 | | |
| From continuing and discontinued operations | 來自持續及已終 止經營業務 | 7 | |
| | | <u>HK\$2.74港元</u> | <u>HK\$0.64港元</u> |
| From continuing operations | 來自持續經營業務 | <u>HK\$9.49港元</u> | <u>HK\$1.05港元</u> |

**CONDENSED CONSOLIDATED STATEMENT
OF FINANCIAL POSITION**

At 30 September 2015

簡明綜合財務狀況表

於2015年9月30日

| | | 30 September 9月30日 2015 <i>NOTES</i> 附註 <i>HK\$'000</i> 千港元 (Unaudited) (未經審核) | 31 March 3月31日 2015 <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 | 4,708 | 36,220 |
| Investment properties | 投資物業 | 1,925,331 | 2,756,494 |
| Interests in associates | 聯營公司權益 | 771,950 | – |
| Available-for-sale investments | 可供出售投資 | 54,011 | 97,916 |
| Loans receivable | 應收貸款 | 49,026 | 54,017 |
| Deposits for acquisition of property, plant and equipment | 購入物業、廠房及 設備之按金 | 5,129 | 4,249 |
| Deposit and prepayments for a life insurance policy | 人壽保單之按金及 預付款 | 9,949 | 9,901 |
| | | 2,820,104 | 2,958,797 |
| Current assets | 流動資產 | | |
| Properties held for development for sale | 持作出售發展物業 | 90,340 | 604,918 |
| Deposits and prepayments for acquisition of properties held for development for sale | 購入持作出售發 展物業之按金 及預付款 | – | 84,848 |
| Properties held for sale | 持作出售物業 | 829,612 | 1,035,599 |
| Investments held for trading | 持作買賣投資 | 31,230 | 325,435 |
| Financial assets designated as at fair value through profit or loss | 按公平值計入損益 之金融資產 | 120,732 | – |
| Trade and other receivables | 貿易及其他 應收款項 | 30,871 | 93,771 |
| Bills receivable | 應收票據 | – | 869 |
| Loans receivable | 應收貸款 | 282,913 | 100,831 |
| Convertible note | 可換股票據 | 19,083 | – |
| Bank balances and cash | 銀行結餘及現金 | 58,816 | 378,520 |
| | | 1,463,597 | 2,624,791 |

| | | | 30 September 9月30日 2015 | 31 March 3月31日 2015 |
|--|---------------|--------------------------|--|---|
| | | <i>NOTE</i> <i>附註</i> | HK\$'000 千港元 (Unaudited) (未經審核) | HK\$'000 千港元 (Audited) (經審核) |
| Current liabilities | 流動負債 | | | |
| Trade and other payables | 貿易及其他 應付款項 | 12 | 68,469 | 104,494 |
| Tax payable | 應付稅項 | | 44,579 | 29,615 |
| Secured bank borrowings | 有抵押銀行借貸 | | 159,281 | 902,767 |
| | | | 272,329 | 1,036,876 |
| Net current assets | 流動資產淨額 | | 1,191,268 | 1,587,915 |
| | | | 4,011,372 | 4,546,712 |
| Capital and reserves | 資本及儲備 | | | |
| Share capital | 股本 | | 7,942 | 7,942 |
| Reserves | 儲備 | | 3,152,375 | 2,964,272 |
| Equity attributable to owners of the Company | 本公司股東應佔權益 | | 3,160,317 | 2,972,214 |
| Non-controlling interests | 非控股權益 | | - | 922,585 |
| | | | 3,160,317 | 3,894,799 |
| Non-current liabilities | 非流動負債 | | | |
| Secured bank borrowings | 有抵押銀行借貸 | | 849,759 | 635,059 |
| Deferred tax liabilities | 遞延稅項負債 | | 1,296 | 16,854 |
| | | | 851,055 | 651,913 |
| | | | 4,011,372 | 4,546,712 |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For The Six Months Ended 30 September 2015

1. BASIS OF PREPARATION

The condensed consolidated financial statements of Easyknit International Holdings Limited (the “Company”) have been prepared in accordance with Hong Kong Accounting Standard 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.

As at 1 April 2014, the Group had 40.96% equity interest in the issued share capital of Easyknit Enterprises Holdings Limited (“Easyknit Enterprises”). Easyknit Enterprises and its subsidiaries (“EE Group”) had been accounted for as subsidiaries of the Group in the consolidated financial statements of the Group for the year ended 31 March 2015 as the management of the Company considered that the Group had control over EE Group. On 12 June 2015, Easyknit Enterprises completed an issue of convertible note to an independent third party and this resulted in the Group’s effective equity interest in EE Group, assuming the full conversion of convertible notes by the convertible notes holders, being decreased from 40.96% to 34.41%. Based on the assessment of facts and circumstances, the directors of the Company considered that the other shareholders has increased influence to the decision of relevant activities of and voting power over Easyknit Enterprises, and concluded that the Group lost its control over EE Group as from 12 June 2015. As such, EE Group became associates of the Group with effect from 12 June 2015 and have since been accounted for using the equity method of accounting. Accordingly, EE Group was presented as discontinued operations in the interim condensed consolidated financial statements of the Company for the six months ended 30 September 2015.

簡明綜合財務報表附註

截至2015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」）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第34號「中期財務報告」及香港聯合交易所有限公司證券上市規則附錄16適用之披露規定而編製。

於2014年4月1日，本集團持有永義實業集團有限公司（「永義實業」）已發行股本之40.96%股本權益。永義實業及其附屬公司（「永義實業集團」）於本集團截至2015年3月31日止年度之綜合財務報表記賬為本集團之附屬公司，因本公司管理層認為本集團擁有永義實業集團之控制。於2015年6月12日，永義實業完成發行可換股票據予獨立第三者並導致本集團於永義實業集團之實際股本權益由40.96%減少至34.41%，假設可換股票據持有人悉數兌換此等可換股票據。根據事實及情況之評估，本公司董事認為其他股東已增加對永義實業相關活動及投票權之決策影響力，及斷定本集團已自2015年6月12日起失去永義實業集團之控制。因此，自2015年6月12日起永義實業集團成為本集團之聯營公司及自此以權益法記賬。因此，於截至2015年9月30日止六個月之本公司中期簡明綜合財務報表，永義實業集團呈列為已終止經營業務。

The comparative figures for the six months ended 30 September 2014 in these condensed consolidated financial statements have also been restated to present EE Group as discontinued operations.

2. SIGNIFICANT ACCOUNTING POLICIES

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

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2015 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2015.

In the current interim period, the Group has applied, for the first time, the following new and revised HKAS(s), Hong Kong Financial Reporting Standards ("HKFRSs"), amendments and interpretation ("HK(IFRIC) – INT") (herein after collectively referred to as "new and revised HKFRSs" issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

| | |
|------------------------|--|
| Amendments to HKFRS 19 | Defined benefit plans: Employee contributions |
| Amendments to HKFRSs | Annual improvements to HKFRSs 2010 –2012 cycle |
| Amendments to HKFRSs | Annual improvements to HKFRSs 2011 –2013 cycle |

The application of the other new and revised HKFRSs 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.

於本簡明綜合財務報表內之截至2014年9月30日止六個月之比較數字亦經重列而呈列永義實業集團為已終止經營業務。

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。

截至2015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2015年3月31日止年度之全年綜合財務報表所採用者相同。

於本中期，本集團首次應用香港會計師公會所頒佈與編製本集團簡明綜合財務報表有關之以下新增及經修訂之香港會計準則、香港財務報告準則（「香港財務報告準則」）、修訂本及詮釋（「香港（國際財務報告詮釋委員會）— 詮釋」（統稱為「新增及經修訂之香港財務報告準則」）：

| | |
|-----------------|----------------------------|
| 香港會計準則第19號（修訂本） | 界定福利計劃：僱員供款 |
| 香港財務報告準則（修訂本） | 2010年－2012年週期香港財務報告準則之年度改進 |
| 香港財務報告準則（修訂本） | 2011年－2013年週期香港財務報告準則之年度改進 |

於本中期應用其他新增及經修訂之香港財務報告準則對於本簡明綜合財務報表所呈報之金額及／或披露並無重大影響。

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 types of goods delivered or 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 from continuing operations include (i) property investments, (ii) property development, (iii) investment in securities, (iv) loan financing and (v) garment sourcing and exporting. Upon deemed disposal of EE Group during the current interim period, EE Group was treated as discontinued operations. EE Group's operating and reportable segments include (i) property investments, (ii) property development, (iii) investment in securities, (iv) garment sourcing and exporting and (v) loan financing. The Group's CODM reviewed this segment information of EE Group for the purpose of resources allocation and performance assessment when EE Group were still subsidiaries of the Group.

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

3. 分類資料

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，乃集中於貨物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。

本集團來自持續經營業務之經營及呈報分部包括(i)物業投資、(ii)物業發展、(iii)證券投資、(iv)貸款融資及(v)採購及出口成衣。於本中期，於視為出售永義實業集團時，永義實業集團被列作已終止經營業務處理。永義實業集團之經營及呈報分部包括(i)物業投資、(ii)物業發展、(iii)證券投資、(iv)採購及出口成衣及(v)貸款融資。當永義實業集團仍為本集團之附屬公司時，就資源分配及分部表現評估而言，本集團之主要經營決策者審閱永義實業集團之分部資料。

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：

Six months ended 30 September 2015

截至2015年9月30日止六個月

| | | Continuing operations 持續經營業務 | | | | | | Discontinued operations 已終止經營業務 | | | | | | | |
|---|-------------|---------------------------------|----------------------|--------------------------|----------------|--------------|----------------|------------------------------------|----------------------|--------------------------|----------------|--------------------------------|---------------|------------------|--|
| | | Property investments | Property development | Investment in securities | Loan financing | Eliminations | Sub-total | Property investments | Property development | Investment in securities | Loan financing | Garment sourcing and exporting | Sub-total | Total | |
| | | 物業投資 | 物業發展 | 證券投資 | 貸款融資 | 撇銷 | 小計 | 物業投資 | 物業發展 | 證券投資 | 貸款融資 | 出口成衣採購及 | 小計 | 總額 | |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | |
| | | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) | |
| Segment revenue | 分類營業額 | | | | | | | | | | | | | | |
| External | 外來 | 28,660 | 314,622 | - | 13,025 | - | 356,307 | 3,204 | - | - | 245 | 11,409 | 14,858 | 371,165 | |
| Inter-segment | 分類業務間 | 416 | - | - | - | (416) | - | - | - | - | - | - | - | - | |
| | | <u>29,076</u> | <u>314,622</u> | <u>-</u> | <u>13,025</u> | <u>(416)</u> | <u>356,307</u> | <u>3,204</u> | <u>-</u> | <u>-</u> | <u>245</u> | <u>11,409</u> | <u>14,858</u> | <u>371,165</u> | |
| Segment result | 分類業績 | <u>62,634</u> | <u>43,614</u> | <u>87,644</u> | <u>11,988</u> | <u>-</u> | <u>205,880</u> | <u>2,453</u> | <u>(43)</u> | <u>17,833</u> | <u>26,959</u> | <u>(1,805)</u> | <u>45,397</u> | <u>251,277</u> | |
| Unallocated corporate income | 無分配之公司收入 | | | | | | 97 | | | | | | | 385 | |
| Unallocated corporate expenses | 無分配之公司開支 | | | | | | (4,398) | | | | | | | (900) | |
| Finance costs | 融資成本 | | | | | | (12,969) | | | | | | | (1,342) | |
| Share of results of associates | 分佔聯營公司業績 | | | | | | 588,675 | | | | | | | - | |
| Loss on deemed disposal of subsidiaries | 視為出售附屬公司之虧損 | | | | | | - | | | | | | | (553,916) | |
| Profit (loss) before taxation | 除稅前溢利(虧損) | | | | | | <u>777,285</u> | | | | | | | <u>(510,376)</u> | |
| | | | | | | | | | | | | | | <u>266,909</u> | |

Six months ended 30 September 2014 (Restated)

截至2014年9月30日止六個月(經重列)

| | | Continuing operations 持續經營業務 | | | | | | Discontinued operations 已終止經營業務 | | | | | | | |
|--------------------------------|-----------|---------------------------------|----------------------|--------------------------|----------------|-----------------|----------------|------------------------------------|----------------------|--------------------------|----------------|--------------------------------|-----------------|-----------------|--|
| | | Property investments | Property development | Investment in securities | Loan financing | Eliminations | Sub-total | Property investments | Property development | Investment in securities | Loan financing | Garment sourcing and exporting | Sub-total | Total | |
| | | 物業投資 | 物業發展 | 證券投資 | 貸款融資 | 撇銷 | 小計 | 物業投資 | 物業發展 | 證券投資 | 貸款融資 | 出口成衣採購及 | 小計 | 總額 | |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | |
| | | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) | |
| Segment revenue | 分類營業額 | | | | | | | | | | | | | | |
| External | 外來 | 27,345 | 144,198 | - | 3,531 | - | 175,074 | 8,389 | - | - | 534 | 119,532 | 128,455 | 303,529 | |
| Inter-segment | 分類業務間 | 1,254 | 9,295 | - | - | (10,549) | - | - | - | - | - | - | - | - | |
| | | <u>28,599</u> | <u>153,493</u> | <u>-</u> | <u>3,531</u> | <u>(10,549)</u> | <u>175,074</u> | <u>8,389</u> | <u>-</u> | <u>-</u> | <u>534</u> | <u>119,532</u> | <u>128,455</u> | <u>303,529</u> | |
| Segment result | 分類業績 | <u>23,944</u> | <u>39,516</u> | <u>45,905</u> | <u>3,457</u> | <u>-</u> | <u>112,822</u> | <u>(98,594)</u> | <u>-</u> | <u>24,068</u> | <u>486</u> | <u>1,293</u> | <u>(72,747)</u> | <u>40,075</u> | |
| Unallocated corporate income | 無分配之公司收入 | | | | | | 268 | | | | | | | 3,716 | |
| Unallocated corporate expenses | 無分配之公司開支 | | | | | | (3,469) | | | | | | | (3,285) | |
| Finance costs | 融資成本 | | | | | | (21,105) | | | | | | | (2,870) | |
| Profit (loss) before taxation | 除稅前溢利(虧損) | | | | | | <u>88,516</u> | | | | | | | <u>(75,186)</u> | |
| | | | | | | | | | | | | | | <u>13,330</u> | |

Segment result represents the result of each segment without allocation of loss on deemed disposal of subsidiaries, share of results of 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.

Segment assets and liabilities

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

分類業績乃指各分部之業績，當中沒有分配視為出售附屬公司之虧損、分佔聯營公司業績、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。

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 2015 <i>HK\$'000</i> 千港元 (Unaudited) (未經審核) | 31 March 3月31日 2015 <i>HK\$'000</i> 千港元 (Audited) (經審核) |
|-----------------------------------|-------------|---|---|
| Segment assets | 分部資產 | | |
| Property investments | 物業投資 | 1,932,036 | 2,845,316 |
| Property development | 物業發展 | 949,001 | 1,726,756 |
| Investment in securities | 證券投資 | 205,973 | 423,356 |
| Loan financing | 貸款融資 | 334,633 | 155,727 |
| Garment sourcing and exporting | 採購及出口成衣 | - | 8,387 |
| | | <hr/> | <hr/> |
| Total segment assets | 分部資產總額 | 3,421,643 | 5,159,542 |
| Interests in associates | 聯營公司權益 | 771,950 | - |
| Convertible note | 可換股票據 | 19,083 | - |
| Bank balances and cash | 銀行結餘及現金 | 58,816 | 378,520 |
| Unallocated corporate assets | 無分配之公司資產 | 12,209 | 45,526 |
| | | <hr/> | <hr/> |
| Consolidated assets | 綜合資產 | 4,283,701 | 5,583,588 |
| | | <hr/> | <hr/> |
| Segment liabilities | 分部負債 | | |
| Property investments | 物業投資 | 25,627 | 41,075 |
| Property development | 物業發展 | 40,181 | 52,354 |
| Investment in securities | 證券投資 | 107 | 30 |
| Loan financing | 貸款融資 | 1,495 | 130 |
| Garment sourcing and exporting | 採購及出口成衣 | - | 3,413 |
| | | <hr/> | <hr/> |
| Total segment liabilities | 分部負債總額 | 67,410 | 97,002 |
| Secured bank borrowings | 有抵押銀行借貸 | 1,009,040 | 1,537,826 |
| Tax payable | 應付稅項 | 44,579 | 29,615 |
| Deferred tax liabilities | 遞延稅項負債 | 1,296 | 16,854 |
| Unallocated corporate liabilities | 無分配之公司負債 | 1,059 | 7,492 |
| | | <hr/> | <hr/> |
| Consolidated liabilities | 綜合負債 | 1,123,384 | 1,688,789 |
| | | <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, unallocated bank balances and cash, convertible note 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, deferred tax liabilities and liabilities for which operating and reportable segments are jointly liable.

4. INTERESTS IN ASSOCIATES/SHARE OF RESULTS OF ASSOCIATES

Continuing operations

As at 1 April 2014, the Group had 40.96% equity interest in the issued share capital of Easyknit Enterprises. EE Group had been accounted for as subsidiaries of the Group in the consolidated financial statements of the Group for the year ended 31 March 2015 as the management of the Company considered that the Group had control over EE Group. On 12 June 2015, Easyknit Enterprises completed an issue of convertible note to an independent third party and this resulted in the Group's effective equity interest in EE Group, assuming the full conversion of convertible notes by the convertible notes holders, being decreased from 40.96% to 34.41%. Based on an assessment of facts and circumstances, the directors of the Company considered that the other shareholders has increased influence to the decision of relevant activities of and voting power over Easyknit Enterprises, and concluded that the Group lost its control over EE Group as from 12 June 2015. As such, EE Group became associates of the Group with effect from 12 June 2015 and have since been accounted for using the equity method of accounting. Accordingly, EE Group was presented as discontinued operations in the interim condensed consolidated financial statements of the Company for the six months ended 30 September 2015. The fair value of the equity interest retained in EE Group on the date when control was lost amounting to HK\$193,821,000 is recognised as the deemed cost of interests in associates. The excess of the Group's share of the net fair value of the associates' identifiable assets and liabilities over the deemed cost of the investment amounted to HK\$607,179,000 and is included in the share of results of associates.

就分部表現監控及就分部間之資源分配而言：

- 除聯營公司權益、無分配之銀行結餘及現金、可換股票據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、遞延稅項負債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. 聯營公司權益／分佔聯營公司業績

持續經營業務

於2014年4月1日，本集團持有永義實業已發行股本之40.96%股本權益。本公司管理層認為本集團擁有永義實業集團之控制，永義實業集團於本集團截至2015年3月31日止年度之綜合財務報表記賬為本集團之附屬公司。於2015年6月12日，永義實業完成發行可換股票據予獨立第三者並導致本集團於永義實業集團之實際股本權益由40.96%減少至34.41%，假設可換股票據持有人悉數兌換此等可換股票據。根據事實及情況之評估，本公司董事認為其他股東已增加對永義實業相關活動之影響力，及斷定本集團已自2015年6月12日起失去永義實業集團之控制。因此，自2015年6月12日起永義實業集團成為本集團之聯營公司及自此於簡明綜合財務報表以權益法記賬。因此，於本公司截至2015年9月30日止六個月期間之中期簡明財務報表永義實業集團呈列為已終止經營業務。於失去控制時，保留於永義實業集團股本權益之公平值193,821,000港元確認為聯營公司權益之視為成本。本集團分佔聯營公司可識別資產及負債公平值淨額超出投資之視為成本607,179,000港元及已包括在分佔聯營公司業績內。

5. TAXATION CHARGE

5. 稅項開支

| | | Six months ended | |
|---|-----------------|-------------------------|---------------------------------|
| | | 30 September | |
| | | 截至9月30日止六個月 | |
| | | 2015 | 2014 |
| | | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | | 千港元 | 千港元 |
| | | (Unaudited) | (Unaudited and restated) |
| | | (未經審核) | (未經審核及經重列) |
| The charge (credit) comprises: | 開支(計入)包含: | | |
| Continuing operations | 持續經營業務 | | |
| Hong Kong Profits Tax for the period | 本期間香港利得稅 | 22,554 | 5,119 |
| Taxation arising in other jurisdictions for the period | 本期間其他司法之稅項 | 64 | 63 |
| Under(over)provision in prior periods | 前期不足(超額)撥備 | 2 | (88) |
| | | 22,620 | 5,094 |
| Deferred taxation Charge for the period | 遞延稅項 本期間開支 | 1,174 | 124 |
| Tax charge attributable to the Company and its subsidiaries | 本公司及其附屬公司應佔稅項開支 | 23,794 | 5,218 |
| Discontinued operations | 已終止經營業務 | | |
| Deferred taxation Charge for the period | 遞延稅項 本期間開支 | - | 899 |

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 September 2014: 16.5%) of the estimated assessable profit for the period. Certain tax losses previously not recognised are utilised during both periods.

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

香港利得稅乃按本期間之預計應課稅溢利以16.5% (截至2014年9月30日止六個月: 16.5%) 計算。過往沒有確認之若干稅項虧損已於兩個期間使用。

其他司法之稅項乃按相關司法之適用稅率計算。

6. PROFIT FOR THE PERIOD

6. 本期間溢利

| | | Six months ended | |
|---|---------------|-------------------------|---------------------------------|
| | | 30 September | |
| | | 截至9月30日止六個月 | |
| | | 2015 | 2014 |
| | | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | | 千港元 | 千港元 |
| | | (Unaudited) | (Unaudited and restated) |
| | | (未經審核) | (未經審核及經重列) |
| From continuing operations | 來自持續經營業務 | | |
| Profit for the period has been arrived at after (charging) crediting: | 本期間溢利已(扣除)計入: | | |
| Depreciation of property, plant and equipment | 物業、廠房及設備之折舊 | (417) | (761) |
| Bank interest income | 銀行利息收入 | 564 | 267 |
| Dividend income from listed investments | 來自上市投資之股息收入 | | |
| Net exchange loss | 匯兌虧損淨額 | 2,047 | 5,551 |
| | | (4) | (1,888) |
| From discontinued operations | 來自已終止經營業務 | | |
| Loss for the period has been arrived at after (charging) crediting: | 本期間虧損已(扣除)計入: | | |
| Depreciation of property, plant and equipment | 物業、廠房及設備之折舊 | (29) | (71) |
| Bank interest income | 銀行利息收入 | 632 | 3,717 |
| Dividend income from listed investments | 來自上市投資之股息收入 | | |
| Net exchange gain (loss) | 匯兌收益(虧損)淨額 | 1 | 2,044 |
| | | 25 | (64) |

7. BASIC EARNINGS PER SHARE

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

7. 每股基本盈利

本公司股東應佔之每股基本盈利乃根據以下資料計算：

| | | Six months ended | |
|--|------------------------------|--------------------------|--------------------------|
| | | 30 September | |
| | | 截至9月30日止六個月 | |
| | | 2015 | 2014 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| From continuing operations and discontinued operations | 來自持續經營及已終止經營業務 | | |
| Earnings for the purpose of calculating basic earnings per share (profit for the period attributable to owners of the Company) | 就計算每股基本盈利而言之盈利(本公司股東應佔本期間溢利) | <u><u>217,409</u></u> | <u><u>50,746</u></u> |
| | | Six months ended | |
| | | 30 September | |
| | | 截至9月30日止六個月 | |
| | | 2015 | 2014 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| Number of shares | 股份數目 | | |
| Number of shares for the purpose of calculating basic earnings per share | 就計算每股基本盈利而言之股份數目 | <u><u>79,420,403</u></u> | <u><u>79,420,403</u></u> |
| From continuing operations | 來自持續經營業務 | | |
| Earnings for the purposes of basic earnings per share from continuing operations | 就計算來自持續經營業務之每股基本盈利之盈利 | <u><u>753,491</u></u> | <u><u>83,298</u></u> |
| The denominators used are the same as those detailed above for basic earnings per share. | 每股基本盈利使用之分母與以上詳述之相同。 | | |

From discontinued operations

Basic loss per share for the discontinued operations is HK\$6.75 per share (six months ended 30 September 2014: HK\$0.41), based on the loss for the period from discontinued operations of HK\$536,082,000 (six months ended 30 September 2014: HK\$32,552,000) and the denominators detailed above for basic earnings per share.

No diluted earnings per share is presented as there is no potential ordinary shares of the Company outstanding during both periods.

8. DIVIDEND

Dividend recognised as distribution during the period
Final dividend for the year ended 31 March 2015 of HK\$0.10 per share (six months ended 30 September 2014: HK\$0.10 per share for the year ended 31 March 2014) on 79,420,403 shares, paid

The directors have determined that no dividend will be paid in respect of both periods.

來自已終止經營業務

已終止經營業務之每股基本虧損為每股6.75港元（截至2014年9月30日止六個月：每股0.41港元），此乃根據來自已終止經營業務之本期間虧損536,082,000港元（截至2014年9月30日止六個月：32,552,000港元）及以上詳述之每股基本盈利之分母。

由於本公司於兩個期間內並無尚未行使之潛在普通股股份，故不呈列每股攤薄盈利。

8. 股息

| Six months ended 30 September 截至9月30日止六個月 | |
|---|-------------|
| 2015 | 2014 |
| HK\$'000 | HK\$'000 |
| 千港元 | 千港元 |
| (Unaudited) | (Unaudited) |
| (未經審核) | (未經審核) |

於期內已確認派發之股息

截至2015年3月31日止年度79,420,403股股份之末期股息為每股0.10港元（截至2014年9月30日止六個月：截至2014年3月31日止年度每股0.10港元），已支付

7,942

7,942

董事決定兩個期間均不派發股息。

9. LOANS RECEIVABLE

9. 應收貸款

| | | 30 September 9月30日 2015 HK\$'000 千港元 (Unaudited) (未經審核) | 31 March 3月31日 2015 HK\$'000 千港元 (Audited) (經審核) |
|---|---|---|--|
| Unsecured amount | 無抵押金額 | | |
| – guaranteed by outside parties and bearing interest at a fixed rate of 5% (31 March 2015: a fixed rate of 5%) per annum | – 由外界人士擔保及按固定息率5% (2015年3月31日：固定息率：5%) 之年利率計算 | 5,600 | 16,240 |
| – bearing interest at a fixed rate ranging from 3% to 7% (31 March 2015: a fixed rate ranging from 5% to 7%) per annum | – 按固定息率由3%至7% (2015年3月31日：固定息率由5%至7%) 之年利率計算 | 94,380 | 118,830 |
| Amount secured by shares and bearing interest at a fixed rate of 17% per annum | 以股票作抵押之金額及按固定息率17%之年利率計算 | 187,189 | – |
| Amount secured by a property and bearing interest at a fixed rate of 5% per annum | 以物業作抵押之金額及按固定息率5%之年利率計算 | 5,690 | 5,690 |
| Amount secured by properties and bearing interest ranging from prime rate to prime rate less 2.8% (31 March 2015: prime rate) | 以物業作抵押之金額及由按最優惠利率至最優惠利率減2.8%計算 (2015年3月31日：最優惠利率) | 39,080 | 14,088 |
| | | 331,939 | 154,848 |
| <i>Less:</i> Amount due from borrowers repayable within one year shown under current assets | 減：顯示於流動資產之一年內到期償還之應收借款人金額 | (282,913) | (100,831) |
| Amount due from borrowers repayable after one year shown under non-current assets | 顯示於非流動資產之一年後到期償還之應收借款人金額 | 49,026 | 54,017 |

The management closely monitors the credit quality of loans receivable and considers loans receivable amounting to HK\$331,939,000 (31 March 2015: HK\$154,848,000) that are neither past due nor impaired to be of good credit quality based on historical settlement records. As at 30 September 2015 and 31 March 2015, no loans receivable under current assets are past due for which the Group has not provided for impairment loss as there has not been a significant change in the credit quality and amounts are still considered recoverable based on historical experience.

10. TRADE AND OTHER RECEIVABLES

The Group allows credit period of up to 20 days to its lessees and up to 90 days to its other customers. The aged analysis of trade receivables, based on invoice date, which approximates to revenue recognition date, at the end of the reporting period is as follows:

| | |
|---|----------------|
| Trade receivables: | 貿易應收款項： |
| 0 – 60 days | 0 – 60日 |
| 61 – 90 days | 61 – 90日 |
| Over 90 days | 超過90日 |
| Deposits paid to suppliers to be realised within one year | 於一年內變現之已付供應商按金 |
| Deposit and prepayments for a life insurance policy | 人壽保單之按金及預付款 |
| Escrow deposits of properties held for sale | 持作出售物業之託管按金 |
| Prepayments | 預付款 |
| Interest receivable | 應收利息 |
| Other receivables | 其他應收款項 |

管理層緊密監察應收貸款之信貸質素及認為沒有過期及減值之應收貸款331,939,000港元(2015年3月31日：154,848,000港元)按過往償還記錄為有良好信貸質素。於2015年9月30日及2015年3月31日，於流動資產之應收貸款賬面值並無已過期但本集團並沒有就減值虧損作出撥備因信貸質素並無重大改變及根據歷史經驗確認為此金額可以收回。

10. 貿易及其他應收款項

本集團允許其承租人之信貸期達20日及其他客戶達90日。於報告期末，根據接近收益確認日期之發票日期，貿易應收款項之賬齡分析如下：

| 30 September 9月30日 2015 <i>HK\$'000</i> 千港元 (Unaudited) (未經審核) | 31 March 3月31日 2015 <i>HK\$'000</i> 千港元 (Audited) (經審核) |
|---|---|
| 745 | 8,684 |
| – | 356 |
| 113 | 793 |
| 858 | 9,833 |
| 1,678 | 2,000 |
| 280 | 280 |
| 24,964 | 77,205 |
| 400 | 1,049 |
| 2,686 | 1,006 |
| 5 | 2,398 |
| 30,871 | 93,771 |

11. BILLS RECEIVABLE

At 31 March 2015, the bills receivable were aged within 60 days.

12. TRADE AND OTHER PAYABLES

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

Trade payables:

0 – 60 days
61 – 90 days
Over 90 days

貿易應付款項：

0 – 60日
61 – 90日
超過90日

Commissions and rebates payable
Construction costs payable
Rental deposits received and rental received in advance
Deposits received from sale of residential units
Property management fund payable
Other taxes payable
Interest payable
Accruals and other payables

應付佣金及折扣
應付建築成本
已收租金按金及預收租金
出售住宅單位之已收按金
應付物業管理基金
其他應付稅項
應付利息
預提及其他應付款項

13. LOSS ON DEEMED DISPOSAL OF SUBSIDIARIES

As set out in note 4, the Group lost control over EE Group upon completion of issue of convertible note to an independent third party by Easyknit Enterprises on 12 June 2015. Accordingly, Easyknit Enterprises and its subsidiaries ceased to be subsidiaries of the Group as from 12 June 2015 and they became associates of the Group with effect from the same date and EE Group has since been accounted for in the condensed consolidated financial statements using the equity method of accounting.

11. 應收票據

於2015年3月31日，應收票據之賬齡為60日內。

12. 貿易及其他應付款項

於報告期末，根據發票日期，貿易應付款項之賬齡分析如下：

| | 30 September 9月30日 2015 HK\$'000 千港元 (Unaudited) (未經審核) | 31 March 3月31日 2015 HK\$'000 千港元 (Audited) (經審核) |
|--|---|--|
| | 94 | 3,284 |
| | 168 | – |
| | 9,324 | 8,941 |
| | 9,586 | 12,225 |
| | 5,629 | 10,637 |
| | – | 3,933 |
| | 15,676 | 23,782 |
| | 23,061 | 28,094 |
| | 9,234 | 8,230 |
| | – | 4,822 |
| | 416 | 1,781 |
| | 4,867 | 10,990 |
| | 68,469 | 104,494 |

13. 視為出售附屬公司之虧損

如附註4所述，永義實業於2015年6月12日完成發行可換股票據予獨立第三者後，本集團失去永義實業集團之控制。因此，自2015年6月12日起，永義實業及其附屬公司不再為本集團之附屬公司及自同一日期起成為本集團之聯營公司及自此永義實業集團於簡明綜合財務報表以權益法列賬。

The management of the Group considers EE Group as a separate component of the Group. Accordingly, the operations of EE Group are presented as discontinued operations.

Loss from the discontinued operations for the current and preceding interim periods is analysed as follows. The comparative profit/loss from discontinued operations have been re-presented to include the operations classified as discontinued in the current interim period.

本集團之管理層認為永義實業集團為本集團之個別部分。因此，永義實業集團之經營業務呈列為已終止經營業務。

來自己終止經營業務之本中期間及前中期間之虧損分析如下。來自己終止經營業務之比較溢利／虧損已重新呈列以包括於本中期間分類為已終止之經營業務。

| | | Six months ended | |
|---|-----------------------|-------------------------|-----------------|
| | | 30 September | |
| | | 截至9月30日止六個月 | |
| | | 2015 | 2014 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Discontinued operations | 已終止經營業務 | | |
| Turnover | 營業額 | 14,858 | 128,455 |
| Cost of goods sold and services rendered | 銷售及提供服務成本 | (10,307) | (107,186) |
| Gross profit | 毛利 | 4,551 | 21,269 |
| Other income | 其他收入 | 633 | 5,761 |
| Distribution and selling expenses | 經銷成本 | (205) | (2,779) |
| Administrative expenses | 行政開支 | (4,654) | (14,830) |
| Loss arising on changes in fair value of investment properties | 投資物業之公平值變動虧損 | - | (103,833) |
| Gain on fair value changes of financial assets designated as 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收益 | - | 648 |
| Gain on fair value changes of investments held for trading | 持作買賣投資之公平值變動收益 | 44,557 | 21,448 |
| Loss on deemed disposal of subsidiaries | 視為出售附屬公司之虧損 | (553,916) | - |
| Finance costs | 融資成本 | (1,342) | (2,870) |
| Loss before taxation | 除稅前虧損 | (510,376) | (75,186) |
| Taxation charge | 稅項開支 | - | (899) |
| Loss for the period from discontinued operations | 來自己終止經營業務之本期間虧損 | (510,376) | (76,085) |

The major classes of assets and liabilities of EE Group as at the date of deemed disposal were as follows:

永義實業集團於視為出售日期之資產及負債主要類別如下：

| | | HK\$'000 千港元 |
|--|----------------------------------|------------------|
| Property, plant and equipment | 物業、廠房及設備 | 608 |
| Investment properties | 投資物業 | 924,531 |
| Available-for-sale investments | 可供出售投資 | 24,012 |
| Loans receivable | 應收貸款 | 93,640 |
| Properties held for development for sale | 持作出售發展物業 | 523,654 |
| Deposits and prepayments for acquisition of properties held for development for sale | 購入持作出售發展物業之按金及預付款 | 90,848 |
| Trade and other receivables | 貿易及其他應收款項 | 22,485 |
| Investments held for trading | 持作買賣投資 | 132,373 |
| Bank balances and cash | 銀行結餘及現金 | 447,163 |
| Trade and other payables | 貿易及其他應付款項 | (28,892) |
| Convertible note | 可換股票據 | (11,152) |
| Tax payable | 應付稅項 | (6,909) |
| Secured bank borrowings | 有抵押銀行借貸 | (292,743) |
| Deferred tax liabilities | 遞延稅項負債 | (16,732) |
| | | <hr/> |
| Net assets disposed of | 出售資產淨額 | <u>1,902,886</u> |
| Net loss on deemed disposal: | 視為出售之虧損淨額： | |
| Net assets disposed of | 出售資產淨額 | (1,902,886) |
| Non-controlling interests | 非控股權益 | 1,145,526 |
| Cumulative exchange differences in respect of the net assets of the subsidiaries reclassified from equity to profit or loss on loss of control of subsidiaries | 於失去控制附屬公司時資產淨額之累計匯兌差異由權益重新分類至損益 | (189) |
| Reclassification of equity component of convertible note to profit or loss upon loss of control of subsidiaries | 於失去控制附屬公司時可換股票據權益成分重新分類至損益 | 7,343 |
| Reclassification of investment revaluation reserve to profit or loss upon loss of control of subsidiaries | 於失去控制附屬公司時投資重估儲備重新分類至損益 | 2,469 |
| Fair value of the equity interest retained in EE Group, based on share price of Easyknit Enterprises at the date of deemed disposal | 於永義實業集團股本權益之公平值，根據永義實業於視為出售日期之股價 | <u>193,821</u> |
| Loss on deemed disposal of subsidiaries | 視為出售附屬公司之虧損 | <u>(553,916)</u> |
| Net cash outflow arising on deemed disposal: | 視為出售之現金流出淨額： | |
| Bank balances and cash disposed of | 出售之銀行結餘及現金 | <u>(447,163)</u> |