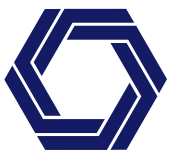




2018/19

INTERIM REPORT 中期報告



沪港联合

Hong Kong Shanghai Alliance Holdings Limited

滬港聯合控股有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股票代號：1001

MISSION

We will deliver on our vision by being responsible and relevant in the markets we choose to participate in. We will deliver sustainable shareholder value and the best total value solution to customers through excellent service, an efficient supply chain, financing and value-added processing. We will be knowledgeable of the market and the needs of our target customers. We will hire people that raise the average and will invest in the development of all of our employees.

VISION

We will be a preferred investment option for our **SHAREHOLDERS**. We will consistently execute on our strategies to provide desired returns on investment and sustainable growth. All strategies will have robust analysis and the proper market intelligence to assure delivery of our promises to our board of directors.

We will be a preferred supplier to **CUSTOMERS**. They will think of us when needing our products. Their purchasing experience will always be pleasant, informative and helpful in meeting their objectives.

We will be a preferred employer. We will hire only people that raise the average. We will hire for attitude and invest in development of our **EMPLOYEES** to create loyalty and love of company. We will provide a safe and pleasant working environment with constant learning and growth opportunities.

使命

我們積極參與所經營市場的相關事務，致力成為負責任企業，以實現我們的願景。我們矢志透過優越的服務、高效供應鏈、融資及增值加工服務，為股東持續增值及為客戶提供最佳的全方位解決方案。我們對市場瞭如指掌，深明目標客戶的需要。我們一向選賢以能，聘用勇於突破的人才，並在員工培訓方面積極投資。

願景

我們致力成為**股東**投資的首選。我們將貫徹實行我們的發展策略，藉以為股東提供可觀的投資回報及持續增長。所有策略將通過健全的分析及根據適當的市場訊息制定，確保實現對董事會的承諾。

我們致力成為**客戶**的首選供應商。在需要產品時，客戶均以我們為首選，客戶在採購過程中都能獲得愉快的經驗，同時獲得豐富的資料，有助達成目標。

我們致力成為首選僱主。我們聘用的員工均是勇於突破的人才。我們重視員工的工作態度，並不遺餘力投資於**員工**培訓方面，以加強員工對公司的歸屬感和熱愛，我們努力為員工提供舒適安全的工作環境，並提供各種機會，讓員工不斷學習和成長。

CORPORATE VALUES

Safe and Enjoyable Working Environment
Shareholder Value
Customer Loyalty
Integrity
Honesty and Respect
Responsiveness and Dedication
Clear and Measurable Goals
Embrace of Change
Ambition and Confidence to Excel
Teamwork

公司價值

- 安全愉悅的工作環境
- 股東價值
- 客戶忠誠度
- 廉潔
- 誠信與尊重
- 及時回應
- 清晰可量的目標
- 擁抱變化
- 抱負及信心
- 團隊合作



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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Yao Cho Fai Andrew
(Chairman and Chief Executive Officer)
Ms. Luk Pui Yin Grace
Mr. Lau Chi Chiu

Independent Non-executive Directors

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

COMPANY SECRETARY

Ms. Lam Yee Fan, *FCIS, FCS*

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

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

SHARE REGISTRARS AND TRANSFER OFFICES

Principal Registrar

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

Hong Kong Branch Registrar

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

LISTED ON THE STOCK EXCHANGE OF HONG KONG LIMITED

Stock Code : 1001

董事會

執行董事

姚祖輝先生
(主席兼首席執行官)
陸佩然女士
劉子超先生

獨立非執行董事

譚競正先生
徐林寶先生
楊榮樂先生
李引泉先生

公司秘書

林伊芬女士, *FCIS, FCS*

核數師

羅兵咸永道會計師事務所
香港執業會計師

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

香港主要營業地點

香港灣仔
駱克道41號
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11樓1103-05室

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股份登記過戶處

主要過戶處

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

香港過戶處

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

在香港聯合交易所有限公司上市

股票代號 : 1001

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

簡明綜合中期損益表

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2018 截至二零一八年九月三十日止六個月

The board of directors (the “Board”) of Hong Kong Shanghai Alliance Holdings Limited (the “Company”) hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30th September 2018, together with comparative figures, as follows:

滬港聯合控股有限公司(「本公司」)之董事會(「董事會」)謹此宣佈本公司及其附屬公司(統稱「本集團」)截至二零一八年九月三十日止六個月之未經審核簡明綜合中期業績連同比較數字如下：

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2018

簡明綜合中期損益表

截至二零一八年九月三十日止六個月

		Six months ended	
		30th September	
		截至九月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
	Note		
	附註		
Revenue	7	1,485,486	1,643,735
Cost of sales	9	(1,340,712)	(1,499,738)
Gross profit		144,774	143,997
Other gains/(losses)			
– net	8	43,164	(27,829)
Selling and distribution expenses	9	(36,239)	(29,555)
General and administrative expenses	9	(158,007)	(133,472)
Fair value gain on an investment property	15	40,846	–
Operating profit/(loss)		34,538	(46,859)
Finance income	10	3,718	1,294
Finance costs	10	(40,859)	(33,760)
Share of results of an associate		2,106	–
Share of results of joint ventures – net		(1,015)	47,849
Loss before income tax		(1,512)	(31,476)
Income tax credit	11	3,537	13,693
Profit/(loss) for the period		2,025	(17,783)
Profit/(loss) attributable to:			
– Owners of the Company	13	8,131	(25,196)
– Non-controlling interests		(6,106)	7,413
		2,025	(17,783)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

簡明綜合中期損益表

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2018 截至二零一八年九月三十日止六個月

		Six months ended	
		30th September	
		截至九月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		Note	
		附註	
Earnings/(loss) per ordinary share attributable to owners of the Company	本公司擁有人應佔每股普通股盈利／(虧損)		
— Basic earnings/(loss) per share	— 每股基本盈利／(虧損)	13	HK1.3 cents 港仙 HK(3.9) cents 港仙
— Diluted earnings/(loss) per share	— 每股攤薄盈利／(虧損)	13	HK1.3 cents 港仙 HK(3.9) cents 港仙

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

簡明綜合中期全面損益表

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2018 截至二零一八年九月三十日止六個月

		Six months ended	
		30th September	
		截至九月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Profit/(loss) for the period	期內溢利／(虧損)	2,025	(17,783)
Other comprehensive (loss)/income:	其他全面(虧損)／收入：		
<i>Items that may be subsequently reclassified to profit or loss:</i>	<i>其後可重新分類為損益之項目：</i>		
Change in fair value of an available-for-sale financial asset	一項可供出售之金融資產之公允價值變動	—	(134)
Change in financial assets at fair value through other comprehensive income	按公允價值計入其他全面收入之金融資產變動	(140)	—
Currency translation differences	貨幣匯兌差額	(105,429)	51,269
Other comprehensive (loss)/income for the period	期內其他全面(虧損)／收入	(105,569)	51,135
Total comprehensive (loss)/income for the period	期內全面(虧損)／收入總額	(103,544)	33,352
Total comprehensive (loss)/income for the period attributable to:	應佔期內全面(虧損)／收入總額：		
— Owners of the Company	— 本公司擁有人	(88,639)	24,686
— Non-controlling interests	— 非控制性權益	(14,905)	8,666
		(103,544)	33,352

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

上述簡明綜合中期全面損益表應與隨附之附註一併閱讀。

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

簡明綜合中期財務狀況表

AS AT 30TH SEPTEMBER 2018 於二零一八年九月三十日

			As at 30th September 2018 於二零一八年 九月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31st March 2018 於二零一八年 三月三十一日 HK\$'000 千港元 (Audited) (經審核)
	Note 附註			
ASSETS		資產		
Non-current assets		非流動資產		
Property, plant and equipment	14	物業、廠房及設備	138,772	131,319
Investment properties	15	投資物業	1,309,904	1,389,377
Land use rights		土地使用權	9,215	9,316
Intangible assets		無形資產	5,932	6,607
Investment in an associate		於一間聯營公司之投資	1,995	—
Investments in joint ventures	16	於合營公司之投資	272,206	19,931
Prepayments, deposits and other receivables	18	預付款項、按金及其他應收賬款	21,088	22,628
Deferred income tax assets		遞延所得稅資產	44,779	24,817
Financial assets at fair value through other comprehensive income		按公允價值計入其他全面收入之金融資產	146	—
Available-for-sale financial asset		可供出售之金融資產	—	286
Total non-current assets		非流動資產總額	1,804,037	1,604,281
Current assets		流動資產		
Inventories		存貨	254,016	289,566
Trade and bill receivables	17	應收賬款及票據	567,439	528,238
Prepayments, deposits and other receivables	18	預付款項、按金及其他應收賬款	146,581	186,102
Financial assets at fair value through profit or loss		按公允價值計入損益之金融資產	5,685	135,535
Amount due from a joint venture		應收一間合營公司款項	—	17,593
Pledged bank deposits		已抵押銀行存款	45,933	57,807
Cash and cash equivalents		現金及現金等值	201,652	312,766
Total current assets		流動資產總額	1,221,306	1,527,607
Total assets		資產總額	3,025,343	3,131,888

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

簡明綜合中期財務狀況表

AS AT 30TH SEPTEMBER 2018 於二零一八年九月三十日

			As at 30th September 2018 於二零一八年 九月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31st March 2018 於二零一八年 三月三十一日 HK\$'000 千港元 (Audited) (經審核)
	Note 附註			
EQUITY		權益		
Equity attributable to owners of the Company		本公司擁有人應佔權益		
Share capital	21	股本	64,055	64,055
Reserves		儲備	891,415	993,648
			955,470	1,057,703
Non-controlling interests		非控制性權益	123,080	29,738
Total equity		權益總額	1,078,550	1,087,441
LIABILITIES		負債		
Non-current liabilities		非流動負債		
Accrued liabilities and other payables		應計負債及其他應付賬款	14,409	11,813
Deferred income tax liabilities		遞延所得稅負債	74,651	71,156
Borrowings	20	借貸	568,519	611,292
Total non-current liabilities		非流動負債總額	657,579	694,261
Current liabilities		流動負債		
Trade and bill payables	19	應付賬款及票據	192,530	284,811
Receipts in advance		預收款項	36,068	24,174
Accrued liabilities and other payables		應計負債及其他應付賬款	75,607	81,604
Current income tax liabilities		當期所得稅負債	14,765	12,032
Borrowings	20	借貸	970,244	947,565
Total current liabilities		流動負債總額	1,289,214	1,350,186
Total liabilities		負債總額	1,946,793	2,044,447
Total equity and liabilities		權益及負債總額	3,025,343	3,131,888

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

上述簡明綜合中期財務狀況表應與隨附之附註一併閱讀。

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

簡明綜合中期權益變動表

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2018 截至二零一八年九月三十日止六個月

		Attributable to owners of the Company 本公司擁有人應佔				Non-	Total
		Share	Other	Retained	Total	controlling	equity
		capital	reserves	earnings		interests	
		股本	其他儲備	保留盈利	總額	非控制性權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
As at 1st April 2018 (audited)	於二零一八年四月一日(經審核)	64,055	642,796	350,852	1,057,703	29,738	1,087,441
Change in accounting policy (Note 4)	會計政策之變動(附註4)	-	-	(4,672)	(4,672)	(518)	(5,190)
Restated balance as at 1st April 2018	於二零一八年四月一日之經重列結餘	64,055	642,796	346,180	1,053,031	29,220	1,082,251
Profit/(loss) for the period	期內溢利/(虧損)	-	-	8,131	8,131	(6,106)	2,025
Other comprehensive loss	其他全面虧損						
- Change in financial assets at fair value through other comprehensive income	- 按公允價值計入其他全面收入之金融資產變動	-	(140)	-	(140)	-	(140)
- Currency translation differences	- 貨幣匯兌差額	-	(96,630)	-	(96,630)	(8,799)	(105,429)
Total comprehensive (loss)/income for the period	期內全面(虧損)/收入總額	-	(96,770)	8,131	(88,639)	(14,905)	(103,544)
Transaction with owners in their capacity as owners	擁有人以其擁有人之身份進行之交易						
- Lapse of share options	- 購股權失效	-	(3,774)	3,774	-	-	-
- Share-based payment	- 以股份為基礎之支付	-	1,135	-	1,135	-	1,135
- Capital injection from non-controlling interests	- 非控制性權益注資	-	-	-	-	110,036	110,036
- Dividends relating to 2018	- 關於二零一八年之股息	-	-	(10,057)	(10,057)	-	(10,057)
- Dividends paid to non-controlling interests of a subsidiary	- 已付一間附屬公司非控制性權益之股息	-	-	-	-	(1,271)	(1,271)
Total transaction with owners in their capacity as owners	擁有人以其擁有人之身份進行之交易總額	-	(2,639)	(6,283)	(8,922)	108,765	99,843
As at 30th September 2018 (unaudited)	於二零一八年九月三十日(未經審核)	64,055	543,387	348,028	955,470	123,080	1,078,550

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

簡明綜合中期權益變動表

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2018 截至二零一八年九月三十日止六個月

		Attributable to owners of the Company 本公司擁有人應佔					
		Share capital 股本 HK\$'000 千港元	Other reserves 其他儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總額 HK\$'000 千港元	Non- controlling interests 非控制性權益 HK\$'000 千港元	Total equity 權益總額 HK\$'000 千港元
As at 1st April 2017 (audited)	於二零一七年四月一日(經審核)	64,188	525,836	519,487	1,109,511	21,387	1,130,898
(Loss)/profit for the period	期內(虧損)/溢利	-	-	(25,196)	(25,196)	7,413	(17,783)
Other comprehensive (loss)/income	其他全面(虧損)/收入						
– Change in fair value of an available-for-sale financial asset	– 一項可供出售之金融資產 之公允價值變動	-	(134)	-	(134)	-	(134)
– Currency translation differences	– 貨幣匯兌差額	-	50,016	-	50,016	1,253	51,269
Total comprehensive income/(loss) for the period	期內全面收入/(虧損) 總額	-	49,882	(25,196)	24,686	8,666	33,352
Transaction with owners in their capacity as owners	擁有人以其擁有人之身份進行之 交易						
– Share-based payment	– 以股份為基礎之支付	-	1,406	-	1,406	-	1,406
– Dividends relating to 2017	– 關於二零一七年之股息	-	-	(15,983)	(15,983)	-	(15,983)
Total transaction with owners in their capacity as owners	擁有人以其擁有人之身份進行之 交易總額	-	1,406	(15,983)	(14,577)	-	(14,577)
As at 30th September 2017 (unaudited)	於二零一七年九月三十日(未經審核)	64,188	577,124	478,308	1,119,620	30,053	1,149,673

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

上述簡明綜合中期權益變動表應與隨附之附註一併閱讀。

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

簡明綜合中期現金流量表

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2018 截至二零一八年九月三十日止六個月

		Six months ended 30th September 截至九月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
Cash flows from operating activities	經營活動之現金流量		
Net cash (used in)/generated from operations	經營活動(所用)/產生現金淨額	(85,246)	122,145
Interest received	已收利息	3,718	1,294
Interest paid	已付利息	(40,523)	(33,285)
Hong Kong profits tax paid	已付香港利得稅	-	(3,571)
Hong Kong profits tax refund	香港利得稅退稅	12	203
China corporate income tax paid	已付中國企業所得稅	(3,087)	(67,160)
Net cash (outflow)/inflow from operating activities	經營活動(流出)/流入之現金淨額	(125,126)	19,626
Cash flows from investing activities	投資活動之現金流量		
Purchase of property, plant and equipment	購置物業、廠房及設備	(519)	(9,479)
Capital expenditures for an investment property	一項投資物業之資本開支	(3,449)	(5,431)
Acquisition of a subsidiary, net of cash acquired	收購一間附屬公司(扣除所獲現金)	47,497	-
Capital injection to a joint venture	向一間合營企業注資	(289,590)	-
Purchases of financial assets at fair value through profit or loss	購買按公允價值計入損益之金融資產	(92,666)	-
Proceeds from sale of financial assets at fair value through profit or loss	出售按公允價值計入損益之金融資產之所得款項	218,886	15,500
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備之所得款項	404	36
Distribution from a joint venture	來自一間合營公司之分派	-	124,550
Net cash (outflow)/inflow from investing activities	投資活動(流出)/流入之現金淨額	(119,437)	125,176

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

簡明綜合中期現金流量表

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2018 截至二零一八年九月三十日止六個月

		Six months ended 30th September 截至九月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
Cash flows from financing activities	融資活動之現金流量		
Proceeds from bank borrowings	銀行借貸之所得款項	223,005	146,189
Repayment of bank borrowings	償還銀行借貸	(164,471)	(89,910)
Net decrease in trust-receipt bank loans	信託收據銀行貸款之減少淨額	(28,048)	(335,134)
Net change in pledged bank deposits	已抵押銀行存款之變動淨額	13,030	44,619
Capital injection from non-controlling interests	非控制性權益注資	110,036	-
Dividends paid to owners of the Company	已付本公司擁有人之股息	(10,057)	(15,983)
Dividends paid to non-controlling interests in a subsidiary	已付一間附屬公司非控制性權益之股息	(1,271)	-
Net cash inflow/(outflow) from financing activities	融資活動流入/(流出)之現金淨額	142,224	(250,219)
Net decrease in cash and cash equivalents	現金及現金等值之減少淨額	(102,339)	(105,417)
Cash and cash equivalents at beginning of period	於期初之現金及現金等值	312,766	628,382
Currency translation differences	貨幣匯兌差額	(8,775)	9,858
Cash and cash equivalents at end of period	於期末之現金及現金等值	201,652	532,823

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

上述簡明綜合中期現金流量表應與隨附之附註一併閱讀。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

1 GENERAL INFORMATION

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

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

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

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

2 BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information for the six months ended 30th September 2018 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). This unaudited condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31st March 2018, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA.

The Group’s current liabilities exceeded its current assets by HK\$67,908,000 as at 30th September 2018 (31st March 2018: net current assets of HK\$177,421,000). During the six months ended 30th September 2018, the Group has invested HK\$289,590,000 in a new joint venture (disclosed in Note 16) by using both external and internal funds. Based on the Group’s history of its operating performance, availability of banking facilities and its expected future working capital requirements, the directors consider that there are sufficient financial resources available to the Group to meet its obligations as and when they fall due. Accordingly, this condensed consolidated interim financial information has been prepared on a going concern basis.

1 一般資料

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

本公司及其附屬公司(「**本集團**」)主要從事存銷及分銷建築材料，例如鋼材產品；潔具、廚櫃及工程塑膠貿易；鋼材回收以及房地產投資及項目管理業務。

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

本簡明綜合中期財務資料尚未經審核或審閱。

2 編製基準

本截至二零一八年九月三十日止六個月之未經審核簡明綜合中期財務資料乃依照香港會計師公會(「**香港會計師公會**」)頒佈之香港會計準則(「**香港會計準則**」)第34號「中期財務報告」編製。本未經審核簡明綜合中期財務資料應連同依照香港會計師公會頒佈之香港財務報告準則(「**香港財務報告準則**」)編製截至二零一八年三月三十一日止年度之年度綜合財務報表一併閱讀。

於二零一八年九月三十日，本集團之流動負債超逾其流動資產共67,908,000港元(於二零一八年三月三十一日：流動資產淨額為177,421,000港元)。於截至二零一八年九月三十日止六個月期間，本集團運用外部及內部資金合共投資289,590,000港元於一間新合營公司(於附註16披露)。根據本集團之過往營運表現、可用銀行信貸及預期未來營運資金需求，董事認為本集團擁有充足財務資源，可供應付償還到期債務之責任。因此，本簡明綜合中期財務資料乃按持續經營基準編製。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

3 ACCOUNTING POLICIES

The accounting policies applied to this condensed consolidated interim financial information are consistent with those of the annual financial statements for the year ended 31st March 2018 as described in those annual financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings and the adoption of amendments to HKFRSs effective for the financial year ending 31st March 2019.

- (a) The following amendments to standards and annual improvements are mandatory for the first time for the financial year beginning on 1st April 2018 and currently relevant to the Group:

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
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers
HK (IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Annual Improvements project HKFRS 1 and HKAS 28 (Amendments)	Annual improvements 2014-2016 cycle

The impact of the adoption of HKFRS 9 Financial Instruments (“**HKFRS 9**”) and HKFRS 15 Revenue from Contracts with Customers (“**HKFRS 15**”) are disclosed in Note 4.

Apart from aforementioned HKFRS 9 and HKFRS 15, there are no other new standards or amendments to standards that are effective for the first time for this interim period that could be expected to have a material impact on the Group.

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

3 會計政策

本簡明綜合中期財務資料採納之會計政策均與截至二零一八年三月三十一日止年度之年度財務報表所述者一致，惟適用於年度預計總盈利所得稅估計之稅率及採納於截至二零一九年三月三十一日止財政年度起生效之香港財務報告準則之修訂本除外。

- (a) 下列準則之修訂本及年度改進首次於二零一八年四月一日起之財政年度強制生效，及適用於本集團：

香港財務報告準則第2號(修訂)	以股份為基礎之付款交易之分類及計量
香港財務報告準則第4號(修訂)	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	來自客戶合約的收入
香港財務報告準則第15號(修訂)	香港財務報告準則第15號來自客戶合約的收入之澄清
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1號之年度改善項目及香港會計準則第28號(修訂)	對於二零一四年至二零一六年期間進行之年度改善

採納香港財務報告準則第9號金融工具(「**香港財務報告準則第9號**」)及香港財務報告準則第15號來自客戶合約的收入(「**香港財務報告準則第15號**」)之影響於附註4披露。

除上述香港財務報告準則第9號及香港財務報告準則第15號外，於本中期期間首次生效之其他新訂準則或對準則之修訂本預期並無可能對本集團造成重大影響。

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

3 ACCOUNTING POLICIES (CONTINUED)

- (b) The following new standards, amendments to standards and annual improvement have been issued but are not effective for the financial year beginning on 1st April 2018 and have not been early adopted by the Group:

3 會計政策(續)

- (b) 下列已頒佈之新訂準則、準則之修訂本及年度改善，於二零一八年四月一日起之財政年度仍未生效，亦未獲本集團提前採納：

		Effective for accounting periods beginning on or after
		於下列日期或之後開始之會計期間生效
Amendments to HKFRS 9 香港財務報告準則第9號(修訂)	Prepayment Features with Negative Compensation 具有負補償特性之預付款特性	1st January 2019 二零一九年一月一日
HKFRS 16 香港財務報告準則第16號	Leases 租賃	1st January 2019 二零一九年一月一日
HK (IFRIC) Int-23 香港(國際財務報告詮釋委員會)詮釋第23號	Uncertainty over Income Tax Treatments 所得稅不確定性之處理	1st January 2019 二零一九年一月一日
Amendments to HKFRSs 香港財務報告準則(修訂)	Annual Improvements to HKFRSs 2015-2017 Cycle 對於二零一五年至二零一七年期間的香港財務報告準則進行之年度改善	1st January 2019 二零一九年一月一日
Amendments to HKAS 19 香港會計準則第19號(修訂)	Plan Amendment, Curtailment or Settlement 計劃修訂、縮減或結清	1st January 2019 二零一九年一月一日
Amendments to HKAS 28 香港會計準則第28號(修訂)	Investment in Associates and Joint Ventures 於聯營或合營公司之投資	1st January 2019 二零一九年一月一日
HKFRS 17 香港財務報告準則第17號	Insurance Contracts 保險合約	1st January 2021 二零二一年一月一日
Amendments to HKFRS 10 and HKAS 28 香港財務報告準則第10號及香港會計準則第28號(修訂)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 投資者與其聯營或合營公司之間資產出售或注資	To be determined 待釐定

None of the above is expected to have a significant effect on the Group's consolidated financial statements, except the following:

預期上述者對本集團之綜合財務報表概無重大影響，惟下列者除外：

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

3 ACCOUNTING POLICIES (CONTINUED)

- (b) The following new standards, amendments to standards and annual improvement have been issued but are not effective for the financial year beginning on 1st April 2018 and have not been early adopted by the Group: (Continued)

HKFRS 16 “Leases”

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of approximately HK\$72,822,000. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16.

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1st January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

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

3 會計政策(續)

- (b) 下列已頒佈之新訂準則、準則之修訂本及年度改善，於二零一八年四月一日起之財政年度仍未生效，亦未獲本集團提前採納：(續)

香港財務報告準則第16號「租賃」

香港財務報告準則第16號於二零一六年一月發佈。由於經營與融資租賃間之劃分已經移除，該準則將導致近乎所有租賃均於財務狀況表內確認。根據新準則，資產(租賃資產的使用權)及支付租金的金融負債須確認入賬。豁免僅適用於短期和低價值租賃。

出租人之會計處理不會有重大變動。

該準則將主要影響本集團經營租賃之會計處理。於本報告日期，本集團不可撤銷經營租賃承擔約為72,822,000港元。然而，本集團尚未釐定此等承擔將會導致確認資產及未來付款之負債的程度，以及對本集團溢利及現金流量分類的影響。

部分承擔可能涉及短期及低價值租賃的例外情況，而部分承擔則可能涉及不符合根據香港財務報告準則第16號所指有關租賃之安排。

該準則於二零一九年一月一日或之後開始之年度報告期間內之首個中期期間強制生效。於現階段，本集團不擬於生效日期前採納該準則。

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

4 CHANGES IN ACCOUNTING POLICIES

The following explains the impact of the adoption of HKFRS 9 and HKFRS 15 on the Group's unaudited condensed consolidated interim financial information and also discloses the new accounting policies that have been applied from 1st April 2018, where they are different to those applied in prior periods.

(a) Impact on condensed consolidated interim financial information

HKFRS 9 was generally adopted without restating comparative information with the exception of certain aspects of hedge accounting. The adjustments arising from the new impairment rules are therefore not reflected in the consolidated statement of financial position as at 31st March 2018, but are recognised in the opening of the unaudited condensed consolidated interim statement of financial position on 1st April 2018.

The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more detail by standard below.

		Audited 經審核		Unaudited 未經審核	
		31st March 2018 As originally presented 二零一八年 三月三十一日 按原本呈列	HKFRS 9 香港 財務報告 準則第9號 HK\$'000 千港元	HKFRS 15 香港 財務報告 準則第15號 HK\$'000 千港元	1st April 2018 Restated 二零一八年 四月一日 經重列 HK\$'000 千港元
Statement of financial position (extract)	財務狀況表(摘錄)				
Non-current assets	非流動資產				
Available-for-sale financial assets	可供出售之金融資產	286	(286)	—	—
Financial assets at fair value through other comprehensive income	按公允價值計入其他全面收入 之金融資產	—	286	—	286
Current assets	流動資產				
Trade receivables	應收賬款	528,238	(5,190)	—	523,048
Total assets	資產總額	3,131,888	(5,190)	—	3,126,698
Equity	權益				
Reserves	儲備	993,648	(4,672)	—	988,976
Non-controlling interests	非控制性權益	29,738	(518)	—	29,220
Total equity	權益總額	1,087,441	(5,190)	—	1,082,251

4 會計政策之變動

下文說明採納香港財務報告準則第9號及香港財務報告準則第15號對本集團未經審核簡明綜合中期財務資料之影響，並披露已於二零一八年四月一日起應用之新會計政策，該等政策有別於過往期間應用之會計政策。

(a) 對簡明綜合中期財務資料之影響

香港財務報告準則第9號，一般在並無重列可比較資料之情況下採納，惟對沖會計處理若干範疇除外。因此，新減值規則產生之調整並無於二零一八年三月三十一日之綜合財務狀況表中反映，惟於二零一八年四月一日之未經審核簡明綜合中期財務狀況表之期初賬目內確認。

下表列示就每個別項目確認之調整。概無載入並無受變動影響的個別項目。因此，不能從已提供的數字重新計算所披露的小計及總計。有關調整按以下準則詳細說明。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

4 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(b) HKFRS 9 – Impact on adoption

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of HKFRS 9 from 1st April 2018 resulted in changes in accounting policies. The new accounting policies are set out as follows.

The total impact on the Group's retained earnings and non-controlling interests as at 1st April 2018 is as follows:

		31st March 2018 (HKAS 39) 二零一八年三 月三十一日 (香港會計準則 第39號) HK\$'000 千港元	Increase in provision of impairment of trade receivables 應收賬款減值 撥備增加 HK\$'000 千港元	1st April 2018 (HKFRS 9) 二零一八年 四月一日 (香港財務報告 準則第9號) HK\$'000 千港元
Retained earnings	保留盈利	350,852	(4,672)	346,180
Non-controlling interests	非控制性權益	29,738	(518)	29,220
		380,590	(5,190)	375,400

(i) Classification and measurement

On 1st April 2018 (the date of initial application of HKFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories. The Group elected to present changes in the fair value of all of its previously classified as available-for-sale financial assets in other comprehensive income.

4 會計政策之變動(續)

(b) 香港財務報告準則第9號 – 採納的影響

香港財務報告準則第9號取代香港會計準則第39號有關金融資產及金融負債確認、分類及計量、金融工具終止確認、金融資產減值及對沖會計處理之規定。自二零一八年四月一日起採納香港財務報告準則第9號導致會計政策產生變動。新會計政策載於下文。

對本集團於二零一八年四月一日之保留盈利及非控制性權益之整體影響如下：

(i) 分類及計量

於二零一八年四月一日(初始應用香港財務報告準則第9號當日)，本集團之管理層已評估應用於本集團所持金融資產之業務模式，並將其金融工具分類至香港財務報告準則第9號合適之類別。本集團已選擇於其他全面收入呈列其全部過往分類為可供出售之金融資產之公允價值變動。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

4 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(b) HKFRS 9 – Impact on adoption (Continued)

(i) Classification and measurement (Continued)

The impact of classification is as follows:

		Available-for-sale assets	Financial assets at fair value through other comprehensive income
		可供出售之 資產	按公允價值 計入其他 全面收入之 金融資產
		HK\$'000 千港元	HK\$'000 千港元
Closing balance as at 31st March 2018 – HKAS 39	於二零一八年三月三十一日 之期末結餘 – 香港會計 準則第39號	286	–
Reclassify investment from available-for-sale financial assets to financial assets at fair value through other comprehensive income	將投資由可供出售之金融資 產重新分類至按公允價值 計入其他全面收入之金融 資產	(286)	286
Opening balance as at 1st April 2018 – HKFRS 9	於二零一八年四月一日之期 初結餘 – 香港財務報告 準則第9號	–	286

4 會計政策之變動(續)

(b) 香港財務報告準則第9號 – 採納的影響(續)

(i) 分類及計量(續)

分類之影響如下：

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

4 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(b) HKFRS 9 – Impact on adoption (Continued)

(i) Classification and measurement (Continued)

The impact of these changes on the Groups' equity is as follows:

		Available-for-sale reserve	Financial assets at fair value through other comprehensive income reserve 按公允價值 計入其他 全面收入之 金融資產之儲備
		可供出售 儲備 HK\$'000 千港元	全面收入之 金融資產之儲備 HK\$'000 千港元
Closing balance as at 31st March 2018 – HKAS 39	於二零一八年三月三十一日之期末結餘 – 香港會計準則第39號	203	–
Reclassify investment from available-for-sale financial assets to financial assets at fair value through other comprehensive income	將投資由可供出售之金融資產重新分類至按公允價值計入其他全面收入之金融資產	(203)	203
Opening balance as at 1st April 2018 – HKFRS 9	於二零一八年四月一日之期初結餘 – 香港財務報告準則第9號	–	203

(ii) Impairment of financial assets

The Group's significant financial assets which are subject to the new expected credit loss model include trade and other receivables. The Group was required to revise its impairment methodology under HKFRS 9 for these classes of financial assets. The impact of the change in impairment methodology on the Group's retained earnings and equity is disclosed in the table in Note 4(a) above.

While cash and cash equivalents and pledged bank deposits are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

4 會計政策之變動(續)

(b) 香港財務報告準則第9號 – 採納的影響(續)

(i) 分類及計量(續)

此等變動對本集團權益之影響如下：

	Available-for-sale reserve	Financial assets at fair value through other comprehensive income reserve 按公允價值 計入其他 全面收入之 金融資產之儲備
	可供出售 儲備 HK\$'000 千港元	全面收入之 金融資產之儲備 HK\$'000 千港元
Closing balance as at 31st March 2018 – HKAS 39	203	–
Reclassify investment from available-for-sale financial assets to financial assets at fair value through other comprehensive income	(203)	203
Opening balance as at 1st April 2018 – HKFRS 9	–	203

(ii) 金融資產減值

本集團受限於新預期信貸虧損模式的重大金融資產，包括應收及其他應收賬款。本集團須根據香港財務報告準則第9號修訂其各類金融資產實施的減值模式。減值模式變動對本集團保留盈利及權益之影響於上文附註4(a)之列表披露。

儘管現金及現金等值以及已抵押銀行存款亦須遵守香港財務報告準則第9號之減值規定，惟已識別之減值虧損並不重大。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

4 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(b) HKFRS 9 – Impact on adoption (Continued)

(ii) Impairment of financial assets (Continued)

For other receivables, management considers that its credit risk has not increased significantly since initial recognition with reference to the counterparty historical default rate and current financial position. The impairment provision is determined based on the 12-month expected credit losses which is close to zero.

Trade receivables

The Group applies the HKFRS 9 simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The range of expected credit loss rate is 0% to 30% for current to 121-180 days past due, and 22% to 80% for over 180 days past due.

The loss allowances for trade receivables as at 31st March 2018 reconcile to the opening loss allowances on 1st April 2018 as follows:

		Unaudited 未經審核 HK\$'000 千港元
Closing loss allowance as at 31st March 2018 – calculated under HKAS 39	於二零一八年三月三十一日之期末虧損撥備 – 根據香港會計準則第39號計算	17,536
Amounts restated through opening retained earnings	透過期初保留盈利重列之金額	4,672
Amounts restated through opening non-controlling interests	透過期初非控制性權益重列之金額	518
Opening loss allowances as at 1st April 2018 – calculated under HKFRS 9	於二零一八年四月一日之期初虧損撥備 – 根據香港財務報告準則第9號計算	22,726

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there are no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

4 會計政策之變動(續)

(b) 香港財務報告準則第9號 – 採納的影響(續)

(ii) 金融資產減值(續)

就其他應收賬款而言，管理層認為信貸風險自參考交易對手過往違約率及當前財務狀況初步確認後，並未因而大幅增加。減值撥備乃根據12個月近乎零之預期信貸虧損釐定。

應收賬款

本集團應用香港財務報告準則第9號簡化方式計量預期信貸虧損，就所有應收賬款全期預期虧損撥備。為計量預期信貸虧損，應收賬款根據共同信貸風險特徵及逾期日數被分組。

當期至121至180日已過期應收賬款，預期信貸虧損率介乎於0%至30%，及超過180日已過期應收賬款，則介乎於22%至80%。

於二零一八年三月三十一日之應收賬款虧損撥備與二零一八年四月一日之期初虧損撥備對賬如下：

應收賬款於無合理預期可收回時予以撇銷。無合理預期可收回之指標，其中包括債務人未能實行與本集團之還款計劃。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

4 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(b) HKFRS 9 – Impact on adoption (Continued)

(ii) Impairment of financial assets (Continued)

The amount of impairment of financial assets in the current period and period to date by the application of HKFRS 9 as compared to HKAS 39 that was previously in effect before the adoption of HKFRS 9 is as follows:

		Six months ended 30th September 2018 截至二零一八年九月三十日止六個月		
		Amounts without the adoption of HKFRS 9 並無採納香港 財務報告準則 第9號之金額 HK\$'000 千港元	Effects of the adoption of HKFRS 9 採納香港財務 報告準則 第9號之影響 HK\$'000 千港元	Amounts as reported 呈報金額 HK\$'000 千港元
Statement of profit or loss (extract)	損益表 (摘錄)			
General and administrative expenses	一般及行政支出	157,093	914	158,007
Profit attributable to:	應佔溢利：			
– Owners of the Company	– 本公司擁有人	9,257	(1,126)	8,131
– Non-controlling interests	– 非控制性權益	(6,318)	212	(6,106)
		2,939	(914)	2,025

(c) HKFRS 9 – Accounting policies applied from 1st April 2018

(i) Classification

From 1st April 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (“FVOCI”), or through profit or loss (“FVTPL”)); and
- those to be measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

4 會計政策之變動(續)

(b) 香港財務報告準則第9號 – 採納的影響(續)

(ii) 金融資產減值(續)

與過往之香港會計準則第39號相比，應用香港財務報告準則第9號後，本期間及迄今為止期間之金融資產減值金額如下：

(c) 香港財務報告準則第9號 – 自二零一八年四月一日起應用之會計政策

(i) 分類

自二零一八年四月一日起，本集團將其金融資產分類至以下計量類別：

- 該等隨後按公允價值計量(不論為按公允價值計入其他全面收入或按公允價值計入損益)的金融資產；及
- 該等將按攤銷成本計量的金融資產。

有關分類取決於金融資產的實體業務模式及現金流量的合約條款。

就按公允價值計量之資產而言，其收益及虧損將記錄於損益或其他全面收入。就並非持作買賣之股權工具投資而言，則取決於本集團是否於初始確認時不可撤回地選擇將股權投資按公允價值計入其他全面收入。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

4 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(c) HKFRS 9 – Accounting policies applied from 1st April 2018 (Continued)

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies all its debt instruments as amortised cost. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), net, together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the condensed consolidated interim statement of comprehensive income.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in the profit or loss, there is no subsequent reclassification of fair value gains and losses to the comprehensive income following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in "other gains/(losses), net" in the condensed consolidated interim statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured in FVOCI are not reported separately from other changes in fair value.

4 會計政策之變動(續)

(c) 香港財務報告準則第9號 – 自二零一八年四月一日起應用之會計政策(續)

(ii) 計量

於初步確認時，倘若金融資產並非按公允價值計入損益，本集團按公允價值加於購置該項金融資產直接所涉之交易成本計量。按公允價值計入損益之金融資產之交易成本於損益中支銷。

債務工具

隨後的債務工具計量取決於本集團管理資產之業務模式及該資產之現金流量特徵。本集團將其全部債務工具按攤銷成本分類。持作收回合約現金流量之資產，而該等合約現金流量僅代表本金及利息款項，則按攤銷成本計量。來自該等金融資產之利息收入以實際利率法計入財務收入。終止確認產生之任何收益或虧損直接於損益確認，並與外匯收益及虧損一併於其他收益/(虧損)淨額內呈列。減值虧損於簡明綜合中期全面損益表內以個別項目呈列。

股權工具

本集團隨後按公允價值計量所有股權投資。倘本集團之管理層選擇於損益呈列股權投資之公允價值收益及虧損，則於終止確認投資後不會重新分類公允價值收益及虧損至全面收入。當本集團有權收取股息付款時，來自該等投資之股息繼續於損益確認為其他收入。

在適用時，按公允價值計入損益之金融資產之公允價值變動於簡明綜合中期全面損益表「其他收益/(虧損)淨額」確認。按公允價值計入其他全面收入之股權投資之減值虧損(及撥回減值虧損)不會與其他公允價值變動獨立呈報。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

4 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(c) HKFRS 9 – Accounting policies applied from 1st April 2018 (Continued)

(iii) Impairment

From 1st April 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and other receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(d) HKFRS 15 – Impact of adoption

HKFRS 15 replaces the provisions of HKAS 18 “Revenue” which resulted in changes in accounting policies that relate to timing of revenue recognition and presentation of contract assets and liabilities.

The directors consider the application of HKFRS 15 has no material impact on the timing and amounts of revenue recognised.

4 會計政策之變動(續)

(c) 香港財務報告準則第9號 – 自二零一八年四月一日起應用之會計政策(續)

(iii) 減值

自二零一八年四月一日起，本集團按前瞻基準評估其按攤銷成本入賬之債務工具相關預期信貸虧損。所應用減值方法取決於信貸風險有否大幅增加。

就應收及其他應收賬款而言，本集團應用香港財務報告準則第9號許可之簡化法，當中規定於應收賬款於初始確認時，確認預期全期虧損。

(d) 香港財務報告準則第15號 – 採納影響

香港財務報告準則第15號取代香港會計準則第18號「收入」之規定，導致有關確認收入之時間及呈列合約資產及負債之會計政策之變動。

董事認為，採用香港財務報告準則第15號對確認收入的時間及金額並無重大影響。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

4 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(e) HKFRS 15 – Accounting policies

(i) Sales of goods

Revenue is recognised when the control of the products are transferred to the customers at a point in time, being products are delivered to the customers, the customers have full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customers, and either the customers have accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(ii) Sales of services – shipping arrangement

The Group provides shipping services to the goods sold to the customers under certain sales contracts.

Shipping services give rise to a separate performance obligation when the Group promises to deliver the products after the control of the products are transferred to the customers.

Revenue from providing shipping services is recognised in the accounting period in which the services are rendered. Revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customers receive and use the benefits simultaneously.

(iii) Service income

For sales of services, revenue is recognised in accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of actual services provided as a proportion of the total service to be provided.

(iv) Rental income

Rental income from investment properties are recognised on a straight-line basis over the period of the relevant leases.

4 會計政策之變動(續)

(e) 香港財務報告準則第15號 – 會計政策

(i) 銷售貨品

當產品之控制權已轉移至客戶，即已將產品交付予客戶，客戶對銷售產品之渠道及價格擁有完全決定權，且並無未履行之責任可影響客戶接納產品之時，則會確認收入。當產品已付運至指定地點，產品陳舊及損毀之風險已轉移至客戶，且客戶已根據銷售合約接納產品、或接納條款已作廢，或本集團有客觀證據顯示所有接納標準已獲達成時，貨品交付才算產生。

應收賬款於交付貨品時予以確認，原因為當時銷售貨品的代價已為無條件，僅需等待客戶到期付款。

(ii) 銷售服務 – 付運安排

本集團根據若干銷售合約就出售予客戶之貨品提供付運服務。

當本集團於產品控制權轉移至客戶後承諾付運產品，付運服務構成獨立履約責任。

付運服務的收入於提供服務之會計期間內予以確認。收入按截至報告期末日實際已提供服務佔將予提供總服務比例予以確認，原因是客戶同時收取及耗用利益。

(iii) 服務收入

對於服務銷售，收入經參考特定交易之完成階段並按已實際提供服務佔將予提供之總服務之比例評估後，在提供服務之會計期內確認。

(iv) 租金收入

投資物業之租金收入按直線法於相關租賃期間確認。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

5 ESTIMATES

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

In preparing this unaudited condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 31st March 2018, except for impairment of financial assets (disclosed in Note 4(c)(iii)).

6 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

6.1 Financial risk factors

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

The unaudited condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31st March 2018.

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

6.2 Price risk

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

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

5 推算

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

編製此未經審核簡明綜合中期財務資料時，管理層於應用本集團之會計政策時作出的重大判斷及推算不明朗因素之主要來源與截至二零一八年三月三十一日止年度之年度綜合財務報表中所應用者相同，惟金融資產減值(於附註4(c)(iii)披露)除外。

6 財務風險管理及金融工具

6.1 財務風險因素

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

未經審核簡明綜合中期財務資料不包括須載列於年度綜合財務報表的所有財務風險管理資料及披露，並應與本集團截至二零一八年三月三十一日止年度的年度綜合財務報表一併閱讀。

風險管理或任何風險管理政策自年末以來並無變動。

6.2 價格風險

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

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

6 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

6.3 Liquidity risk

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

		Less than 1 year 少於1年 HK\$'000 千港元	Between 1 and 2 years 1至2年 HK\$'000 千港元	Between 2 and 5 years 2至5年 HK\$'000 千港元	Total 總額 HK\$'000 千港元
As at 30th September 2018	於二零一八年九月三十日				
Trade and bill payables	應付賬款及票據	192,530	-	-	192,530
Other payables	其他應付賬款	57,507	5,771	8,638	71,916
Bank borrowings	銀行借貸	971,303	99,604	471,040	1,541,947
Interest payable	應付利息	56,143	27,728	22,500	106,371
		1,277,483	133,103	502,178	1,912,764
As at 31st March 2018	於二零一八年三月三十一日				
Trade and bill payables	應付賬款及票據	284,811	-	-	284,811
Other payables	其他應付賬款	28,882	4,707	7,106	40,695
Bank borrowings	銀行借貸	947,948	128,562	483,580	1,560,090
Interest payable	應付利息	62,744	28,298	23,984	115,026
		1,324,385	161,567	514,670	2,000,622

6 財務風險管理及金融工具(續)

6.3 流動資金風險

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

6 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

6.4 Fair value estimation

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

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

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

The following table presents the Group's financial assets and liability that are measured at fair value as at 30th September 2018:

		Level 1 第一層 HK\$'000 千港元	Level 2 第二層 HK\$'000 千港元	Level 3 第三層 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Assets	資產				
Financial assets at fair value through profit or loss	以公允價值計入損益之金融資產				
– Structured bank products	– 結構性銀行產品	5,685	–	–	5,685
Financial assets through other comprehensive income	計入其他全面收入之金融資產				
– Share listed on The Stock Exchange of Hong Kong Limited	– 於香港聯合交易所有限公司上市之股份	146	–	–	146
Total assets	資產總額	5,831	–	–	5,831

6 財務風險管理及金融工具(續)

6.4 公允價值估算

下表利用估值方法分析本集團按公允價值入賬之金融工具。不同等級界定如下：

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

按公允價值計量之投資物業披露資料請參閱附註15。

下表顯示本集團於二零一八年九月三十日按公允價值計量之金融資產及負債：

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

6 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

6.4 Fair value estimation (Continued)

The following table presents the Group's financial assets that are measured at fair value as at 31st March 2018.

		Level 1 第一層 HK\$'000 千港元	Level 2 第二層 HK\$'000 千港元	Level 3 第三層 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Assets	資產				
Financial assets at fair value through profit or loss	按公允價值計入損益之金融資產				
– Structured bank products	– 結構性銀行產品	23,674	–	–	23,674
– Investments in unit trusts	– 於單位信託之投資	111,861	–	–	111,861
Available-for-sale financial asset	可供出售之金融資產				
– Share listed on The Stock Exchange of Hong Kong Limited	– 於香港聯合交易所有限公司上市之股份	286	–	–	286
Total assets	資產總額	135,821	–	–	135,821

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

The fair value of the following financial assets and liabilities approximated their carrying amounts:

- Trade and bill receivables
- Deposits and other receivables
- Cash and cash equivalents
- Pledged bank deposits
- Trade and bill payables
- Other payables
- Bank borrowings

6 財務風險管理及金融工具(續)

6.4 公允價值估算(續)

下表顯示本集團於二零一八年三月三十一日按公允價值計量之金融資產。

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

以下金融資產及負債之公允價值與其賬面金額相若：

- 應收賬款及票據
- 按金及其他應收賬款
- 現金及現金等值
- 已抵押銀行存款
- 應付賬款及票據
- 其他應付賬款
- 銀行借貸

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

7 REVENUE AND SEGMENT INFORMATION

The Group's revenue consists of the following:

		Six months ended	
		30th September	
		截至九月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Sales of goods	貨品銷售	1,426,701	1,583,259
Service income	服務收入	31,012	47,039
Rental income	租金收入	27,773	13,437
Total revenue	收入總額	1,485,486	1,643,735

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

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

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

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

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

7 收入及分部資料

本集團之收入包括如下：

		Six months ended	
		30th September	
		截至九月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Sales of goods	貨品銷售	1,426,701	1,583,259
Service income	服務收入	31,012	47,039
Rental income	租金收入	27,773	13,437
Total revenue	收入總額	1,485,486	1,643,735

本集團按其營運性質及所提供之產品及服務管理其業務。

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

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

本集團之主要營運決策者按所得稅前溢利之計量評估營運分部表現。

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

7 REVENUE AND SEGMENT INFORMATION (CONTINUED)

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

7 收入及分部資料(續)

本集團於截至二零一八年九月三十日止六個月按業務分部之業績分析如下：

		Unaudited 未經審核						
		Construction materials business	BDS business	Engineering plastics business	Property investment and project management business	Unallocated	Total	
		建築材料業務	建築產品及設計方案業務	工程塑膠業務	房地產投資及項目管理業務	未分配	總額	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	
Revenue from external customers	對外收入	1,057,884	194,031	174,785	56,321	2,465	1,485,486	
Operating profit/(loss)	經營溢利/(虧損)	36,414	16,007	(2,929)	31,380	(46,334)	34,538	
Finance income	財務收入	3,085	33	50	31	519	3,718	
Finance costs	財務費用	(17,525)	(1,893)	(536)	(18,628)	(2,277)	(40,859)	
Share of results of an associate	應佔一間聯營公司之業績	2,106	—	—	—	—	2,106	
Share of results of joint ventures – net	應佔合營公司之業績 – 淨額	(1,377)	—	—	362	—	(1,015)	
Profit/(loss) before income tax	除所得稅前溢利/(虧損)	22,703	14,147	(3,415)	13,145	(48,092)	(1,512)	
Other gains/(losses) – net	其他收益/(虧損) – 淨額	57,912	(1,882)	(6,025)	(5,441)	(1,400)	43,164	
Fair value gain on an investment property	一項投資物業公允價值收益	—	—	—	40,846	—	40,846	
Depreciation and amortisation	折舊及攤銷	(2,752)	(441)	(42)	(925)	(18,104)	(22,264)	

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

7 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Analysis of the Group's results by business segment for the six months ended 30th September 2017 is as follows:

7 收入及分部資料(續)

本集團於截至二零一七年九月三十日止六個月按業務分部之業績分析如下：

		Unaudited 未經審核					
		Construction materials business	BDS business	Engineering plastics business	Property investment and project management business	Unallocated	Total
		建築材料業務	建築產品及設計方案業務	工程塑膠業務	房地產投資及項目管理業務	未分配	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Revenue from external customers	對外收入	1,204,283	183,640	195,336	45,691	14,785	1,643,735
Operating (loss)/profit	經營(虧損)/溢利	(40,798)	18,579	8,516	10,353	(43,509)	(46,859)
Finance income	財務收入	762	5	131	270	126	1,294
Finance costs	財務費用	(14,834)	(2,598)	(222)	(14,805)	(1,301)	(33,760)
Share of results of joint ventures – net	應佔合營公司之業績 – 淨額	-	-	-	47,849	-	47,849
(Loss)/profit before income tax	除所得稅前(虧損)/溢利	(54,870)	15,986	8,425	43,667	(44,684)	(31,476)
Other (losses)/gains – net	其他(虧損)/收益 – 淨額	(26,639)	827	2,174	(4,603)	412	(27,829)
Fair value gain on an investment property	一項投資物業公允價值收益	-	-	-	-	-	-
Depreciation and amortisation	折舊及攤銷	(1,243)	(395)	(13)	(292)	(17,900)	(19,843)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

7 REVENUE AND SEGMENT INFORMATION (CONTINUED)

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

7 收入及分部資料(續)

本公司於香港營運。本集團按地區市場之收入分析如下：

		Six months ended 30th September	
		截至九月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Revenue	收入		
Mainland China	中國內地	603,128	653,837
Hong Kong	香港	882,358	989,898
Total revenue	收入總額	1,485,486	1,643,735

8 OTHER GAINS/(LOSSES) – NET

8 其他收益/(虧損) – 淨額

		Six months ended 30th September	
		截至九月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Reversal of provision/(provision) for onerous contracts	有償契約之撥備撥回/(撥備)	40,656	(30,534)
Net exchange losses	淨匯兌虧損	(21,382)	(2,444)
Net realised fair value change on financial assets at fair value through profit or loss	按公允價值計入損益之金融資產之變現公允價值淨變動	(1,559)	—
Gain on bargain purchase from the acquisition of a subsidiary (Note 22)	收購一間附屬公司之收購議價收益(附註22)	18,554	—
Net sundry income	淨雜項收入	6,895	5,149
		43,164	(27,829)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

9 EXPENSES BY NATURE

Expenses included in “cost of sales”, “selling and distribution expenses” and “general and administrative expenses” are analysed as follows:

9 按性質劃分之支出

計入「銷售成本」、「銷售及分銷支出」與「一般及行政支出」內的支出，其分析如下：

		Six months ended	
		30th September	
		截至九月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Cost of finished goods sold	製成品銷售成本	1,318,031	1,486,842
Provision for impairment of inventories	存貨減值撥備	325	12
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	21,488	19,742
(Gain)/loss on disposals of property, plant and equipment	出售物業、廠房及設備之(收益)/虧損	(57)	145
Amortisation of land use rights	土地使用權之攤銷	101	101
Amortisation of intangible assets	無形資產之攤銷	675	—
Employee benefit expenses	僱員福利支出	63,001	54,136
Legal and professional fees	法律及專業費	5,286	6,880
Service fee paid to a joint venture (Note 24 (a))	向一間合營公司支付之服務費(附註24(a))	—	9,135
Professional fees associated with the formation of a joint venture	成立一間合營公司有關之專業費用	37,383	—
Operating lease rental expense in respect of retail outlets, offices and warehouses	零售商舖、辦公室及貨倉營運租賃之租金支出	21,889	22,072
Provision for impairment of trade receivables, net	應收賬款減值撥備淨額	2,785	816
Freight charges	運費	33,223	28,544
Others	其他	30,828	34,340
Total cost of sales, selling and distribution expenses and general and administrative expenses	銷售成本、銷售及分銷支出與一般及行政支出總額	1,534,958	1,662,765

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

10 FINANCE INCOME AND COSTS

10 財務收入及費用

		Six months ended	
		30th September	
		截至九月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Finance income	財務收入		
— interest income on short-term bank deposits	— 短期銀行存款之利息收入	3,718	1,294
Finance costs	財務費用		
— interest expenses on bank borrowings	— 銀行借貸之利息支出	(37,781)	(30,888)
— bank charges	— 銀行費用	(3,078)	(2,872)
		(40,859)	(33,760)
Net finance costs	淨財務費用	(37,141)	(32,466)

11 INCOME TAX CREDIT

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profit arising in or derived from Hong Kong. Subsidiaries established in Mainland China are subject to China corporate income tax at rate of 25% (2017: 25%).

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

11 所得稅抵扣

香港利得稅乃根據產生自或來自香港之估計應課稅溢利按稅率16.5% (二零一七年：16.5%)作出撥備。於中國內地成立之附屬公司按稅率25% (二零一七年：25%)繳付中國企業所得稅。

於未經審核簡明綜合中期損益表中入賬之所得稅抵扣包括：

		Six months ended	
		30th September	
		截至九月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Current income tax	當期所得稅		
— Hong Kong profits tax	— 香港利得稅	(2,936)	(2,827)
— China corporate income tax	— 中國企業所得稅	(3,484)	(1,197)
Deferred income tax	遞延所得稅	9,957	17,717
		3,537	13,693

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

中期期間所得稅乃根據預期全年盈利總額適用的稅率計提。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

12 DIVIDENDS

The Board does not declare payment of interim dividend for the six months ended 30th September 2018 (2017: nil).

A final dividend in respect of the year ended 31st March 2018 of HK1.57 cents per ordinary share, amounting to approximately HK\$10,057,000 was approved at the annual general meeting of the Company held on 17th August 2018 and was paid on 5th September 2018.

13 EARNINGS/(LOSS) PER ORDINARY SHARE

(a) Basic

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

		Six months ended 30th September 截至九月三十日止六個月	
		2018 二零一八年 (Unaudited) (未經審核)	2017 二零一七年 (Unaudited) (未經審核)
Profit/(loss) attributable to owners of the Company (HK\$'000)	本公司擁有人應佔溢利／(虧損)(千港元)	8,131	(25,196)
Weighted average number of ordinary shares in issue ('000)	已發行普通股之加權平均數(千股)	640,547	641,883
Basic earnings/(loss) per ordinary share (HK cents)	每股普通股基本盈利／(虧損)(港仙)	1.3	(3.9)

(b) Diluted

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

12 股息

董事會並不宣派截至二零一八年九月三十日止六個月之中期股息(二零一七年：無)。

截至二零一八年三月三十一日止年度之末期股息每股普通股1.57港仙，共約10,057,000港元，有關股息在本公司於二零一八年八月十七日舉行之股東週年大會上獲批准並已於二零一八年九月五日支付。

13 每股普通股盈利／(虧損)

(a) 基本

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

(b) 攤薄

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

13 EARNINGS/(LOSS) PER ORDINARY SHARE (CONTINUED)

(b) Diluted (Continued)

		Six months ended 30th September 截至九月三十日止六個月	
		2018 二零一八年 (Unaudited) (未經審核)	2017 二零一七年 (Unaudited) (未經審核)
Profit/(loss) attributable to owners of the Company and used to determine diluted earnings/(loss) per ordinary share (HK\$'000)	本公司擁有人應佔溢利／(虧損)及用以釐定每股普通股攤薄盈利／(虧損) (千港元)	8,131	(25,196)
Weighted average number of ordinary shares in issue ('000)	已發行普通股之加權平均數 (千股)	640,547	641,883
Adjustment for share options ('000)	購股權之調整(千份)	6,034	-
Weighted average number of ordinary shares for diluted earnings/(loss) per ordinary share ('000)	每股普通股攤薄盈利／(虧損)之普通股加權平均數(千股)	646,581	641,883
Diluted earnings/(loss) per ordinary share (HK cents)	每股普通股攤薄盈利／(虧損)(港仙)	1.3	(3.9)

Diluted loss per share for the six months ended 30th September 2017 was the same as basic loss per share since all potential ordinary shares are anti-dilutive.

由於所有潛在普通股具反攤薄效應，故截至二零一七年九月三十日止六個月的每股攤薄虧損與每股基本虧損相同。

14 PROPERTY, PLANT AND EQUIPMENT

14 物業、廠房及設備

		Six months ended 30th September 截至九月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
Net book value	賬面淨值		
At beginning of period	於期初	131,319	163,489
Acquisition of a subsidiary (Note 22)	收購一間附屬公司(附註22)	29,167	-
Additions	添置	519	9,479
Disposals	出售	(350)	(181)
Transfer to inventories	轉撥至存貨	(2)	(6)
Depreciation	折舊	(21,488)	(19,742)
Currency translation differences	貨幣匯兌差額	(393)	346
At end of period	於期末	138,772	153,385

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

15 INVESTMENT PROPERTIES

15 投資物業

		Six months ended	
		30th September	
		截至九月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
At fair value	按公允價值		
At beginning of period	於期初	1,389,377	1,222,682
Capitalised subsequent expenditure	其後開支撥充資本	3,449	5,431
Fair value gain on an investment property	一項投資物業之公允價值收益	40,846	-
Currency translation differences	貨幣匯兌差額	(123,768)	52,257
		1,309,904	1,280,370
At end of period	於期末	1,309,904	1,280,370

Fair value measurement

As at 30th September 2018 and 31st March 2018, the fair value of the investment properties were measured at level 3 of fair value hierarchy using significant unobservable inputs.

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

Valuation process of investment properties

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

As at 30th September 2017, the fair value of a commercial building in Shanghai of HK\$1,280,370,000 was determined by management and reviewed by the directors.

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

Adjusted market yield

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

公允價值計量

於二零一八年九月三十日及二零一八年三月三十一日，投資物業之公允價值使用重大不可觀察輸入數據，按公允價值等級第三層計量。

於本期內，第一層、第二層及第三層之間並無轉撥。

投資物業之估值程序

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

於二零一七年九月三十日，一幢於上海之商業大廈之公允價值由管理層釐定為1,280,370,000港元，並由董事審閱。

主要第三層輸入數據來自及評估如下：

經調整市場收益率

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

16 INVESTMENTS IN JOINT VENTURES

16 於合營公司之投資

		Six months ended 30th September 截至九月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)
At beginning of period	於期初	19,931	110,631
Investment in HSL Shanghai Office Partners I Limited (Note (i))	於HSL Shanghai Office Partners I Limited之投資(附註(i))	289,590	-
Share of (loss)/profit, net	應佔(虧損)/溢利 — 淨額	(1,015)	47,849
Upon completion of the step acquisition of VSC Construction Steel Solutions Limited (Note 22)	完成分階段收購VSC Construction Steel Solutions Limited(附註22)	(18,554)	-
Distribution from HSL China Metropolitan Fund I L.P.	來自HSL China Metropolitan Fund I L.P.之分派	-	(124,550)
Currency translation differences	貨幣匯兌差額	(17,746)	6,021
At end of period	於期末	272,206	39,951

Note:

- (i) On 18th April 2018, the Company, Plentiful Praise Limited (“Plentiful”) (a 62% subsidiary of the Group), Reco Wisteria Private Limited (“RECO”) (an independent third party), Hongkong and Shanghai Land Capital Ltd. (“HSL Capital”) (a 60% subsidiary of the Group) and HSL Shanghai Office Partners I Limited (“HSO”) entered into a subscription and shareholders’ agreement (the “Transaction”). Upon completion of the Transaction, HSO owns as to 15% by Plentiful and 85% by RECO.

During the period ended 30th September 2018, Plentiful injected capital contribution of HK\$289,590,000 into HSO and form part of its investment.

附註：

- (i) 於二零一八年四月十八日，本公司、頌裕有限公司(「頌裕」、本集團持股62%之附屬公司)、Reco Wisteria Private Limited(「RECO」、獨立第三方)、滬港地產資本有限公司(「滬港地產資本」、本集團持股60%之附屬公司)及HSL Shanghai Office Partners I Limited(「HSO」)訂立認購及股東協議(「該交易」)。該交易完成後，頌裕及RECO分別擁有HSO 15%及85%之股權。

截至二零一八年九月三十日止期間，頌裕向HSO出資289,590,000港元，構成其投資之一部分。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

17 TRADE AND BILL RECEIVABLES

Sales are either covered by letters of credit or open account with credit terms of 15 to 90 days.

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

		As at 30th September 2018	As at 31st March 2018
		於二零一八年 九月三十日	於二零一八年 三月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
0 – 60 days	0 – 60 日	402,775	349,681
61 – 120 days	61 – 120 日	107,572	99,638
121 – 180 days	121 – 180 日	30,012	12,464
181 – 365 days	181 – 365 日	16,179	42,460
Over 365 days	超過 365 日	34,302	41,531
		590,840	545,774
Less: Provision for impairment	減：減值撥備	(23,401)	(17,536)
		567,439	528,238

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

18 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Prepayments for purchases	預付採購款項	96,449	124,235
Rental and other deposits	租金及其他按金	18,493	18,201
Prepayments for property, plant and equipment	預付物業、廠房及設備之款項	722	2,539
Compensation receivable in relation to an unfulfilled contract	未履行合約之應收賠償款項	11,658	18,944
Value-added tax recoverable	可收回增值稅	23,143	30,016
Others	其他	17,204	14,795

		167,669	208,730
Less: Non-current	減：非即期	(21,088)	(22,628)
Current	即期	146,581	186,102

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

17 應收賬款及票據

銷售均以信用證或具信貸期之記賬方式進行，信貸期一般介乎 15 至 90 日不等。

應收賬款及票據根據發票日期之賬齡分析如下：

	As at 30th September 2018	As at 31st March 2018
	於二零一八年 九月三十日	於二零一八年 三月三十一日
	HK\$'000	HK\$'000
	千港元	千港元
	(Unaudited)	(Audited)
	(未經審核)	(經審核)
0 – 60 days	402,775	349,681
61 – 120 days	107,572	99,638
121 – 180 days	30,012	12,464
181 – 365 days	16,179	42,460
Over 365 days	34,302	41,531
	590,840	545,774
Less: Provision for impairment	(23,401)	(17,536)
	567,439	528,238

淨應收賬款及票據之賬面金額與彼等之公允價值相若。

18 預付款項、按金及其他應收賬款

	As at 30th September 2018	As at 31st March 2018
	於二零一八年 九月三十日	於二零一八年 三月三十一日
	HK\$'000	HK\$'000
	千港元	千港元
	(Unaudited)	(Audited)
	(未經審核)	(經審核)
Prepayments for purchases	96,449	124,235
Rental and other deposits	18,493	18,201
Prepayments for property, plant and equipment	722	2,539
Compensation receivable in relation to an unfulfilled contract	11,658	18,944
Value-added tax recoverable	23,143	30,016
Others	17,204	14,795

	167,669	208,730
Less: Non-current	(21,088)	(22,628)
Current	146,581	186,102

按金及其他應收款項之賬面金額與其公允價值相若。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

19 TRADE AND BILL PAYABLES

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

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

		As at 30th September 2018 於二零一八年 九月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31st March 2018 於二零一八年 三月三十一日 HK\$'000 千港元 (Audited) (經審核)
0 – 60 days	0 – 60 日	142,064	239,723
61 – 120 days	61 – 120 日	49,718	43,961
121 – 180 days	121 – 180 日	81	299
181 – 365 days	181 – 365 日	396	74
Over 365 days	超過 365 日	271	754
		192,530	284,811

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

20 BORROWINGS

		As at 30th September 2018 於二零一八年 九月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31st March 2018 於二零一八年 三月三十一日 HK\$'000 千港元 (Audited) (經審核)
Current	即期		
– Trust receipts bank loans	– 信託收據銀行貸款	721,831	749,879
– Short-term bank loans	– 短期銀行貸款	130,792	155,958
– Current portion of long-term bank loan, secured	– 長期銀行貸款之 即期部份，有抵押	117,621	41,728
		970,244	947,565
Non-current	非即期		
– Long-term bank loans, secured	– 長期銀行貸款，有抵押	568,519	611,292
Total borrowings	借貸總額	1,538,763	1,558,857

19 應付賬款及票據

與供應商之付款條款均以信用證或具30至60日信貸期之記賬方式進行。

應付賬款及票據根據發票日期之賬齡分析如下：

		As at 30th September 2018 於二零一八年 九月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31st March 2018 於二零一八年 三月三十一日 HK\$'000 千港元 (Audited) (經審核)
0 – 60 days	0 – 60 日	142,064	239,723
61 – 120 days	61 – 120 日	49,718	43,961
121 – 180 days	121 – 180 日	81	299
181 – 365 days	181 – 365 日	396	74
Over 365 days	超過 365 日	271	754
		192,530	284,811

應付賬款及票據之賬面金額與彼等之公允價值相若。

20 借貸

		As at 30th September 2018 於二零一八年 九月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31st March 2018 於二零一八年 三月三十一日 HK\$'000 千港元 (Audited) (經審核)
Current	即期		
– Trust receipts bank loans	– 信託收據銀行貸款	721,831	749,879
– Short-term bank loans	– 短期銀行貸款	130,792	155,958
– Current portion of long-term bank loan, secured	– 長期銀行貸款之 即期部份，有抵押	117,621	41,728
		970,244	947,565
Non-current	非即期		
– Long-term bank loans, secured	– 長期銀行貸款，有抵押	568,519	611,292
Total borrowings	借貸總額	1,538,763	1,558,857

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

21 SHARE CAPITAL

21 股本

	Authorised (Ordinary shares of HK\$0.10 each) 法定 (每股0.10港元之普通股)		Issued and fully paid (Ordinary shares of HK\$0.10 each) 已發行及繳足 (每股0.10港元之普通股)	
	Number of shares 股份數目 '000 千股	Nominal value 面值 HK\$'000 千港元	Number of shares 股份數目 '000 千股	Nominal value 面值 HK\$'000 千港元
As at 31st March 2018 and 30th September 2018				
於二零一八年三月三十一日及 二零一八年九月三十日	1,000,000	100,000	640,547	64,055

22 ACQUISITION OF VSC CONSTRUCTION STEEL SOLUTIONS LIMITED

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

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

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

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

22 收購VSC CONSTRUCTION STEEL SOLUTIONS LIMITED

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

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

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

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

22 ACQUISITION OF VSC CONSTRUCTION STEEL SOLUTIONS LIMITED (CONTINUED)

22 收購 VSC CONSTRUCTION STEEL SOLUTIONS LIMITED (續)

		HK\$'000 千港元
Consideration:	代價：	
— Cash paid	— 已付現金	—
— Fair value of 50% shares held by the Group	— 本集團所持50%股份之公允價值	18,699
		18,699
Less: Net assets acquisition of:	減：收購以下項目之資產淨值：	
— Property, plant and equipment	— 物業、廠房及設備	(29,167)
— Trade and other receivables, deposits and prepayments	— 應收及其他應收賬款、按金及預付款項	(10,643)
— Cash and cash equivalents	— 現金及現金等值	(47,497)
— Pledged bank deposit	— 已抵押銀行存款	(1,156)
— Inventories	— 存貨	(6,804)
— Trade and other payables	— 應付及其他應付賬款	32,710
— Borrowings	— 借貸	5,308
		(57,249)
Amount due to the Group	應付本集團賬款	19,996
Gain on bargain purchase	收購議價之收益	(18,554)
An analysis on net cash flows arising from the acquisition:	收購事項產生之現金流量淨額分析：	
Net cash consideration	現金代價淨額	—
Add: Cash and cash equivalents acquired	加：所收購現金及現金等值	47,497
Net cash acquired from the acquisition of subsidiary	收購一間附屬公司之所獲現金流出淨額	47,497

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

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

The acquired business contributed revenues of HK\$31,841,000 and net loss of HK\$25,864,000 to the Group for the period from 10th May 2018 to 30th September 2018. If the acquisition had occurred on 1st April 2018, consolidated revenue and consolidated profit after tax of the Group for the six months ended 30th September 2018 would have been HK\$1,490,773,000 and HK\$649,000 respectively.

所收購業務於二零一八年五月十日至二零一八年九月三十日期間為本集團貢獻收入 31,841,000 港元及虧損淨額 25,864,000 港元。倘收購事項於二零一八年四月一日發生，本集團截至二零一八年九月三十日止六個月之除稅後綜合收入及綜合溢利應分別為 1,490,773,000 港元及 649,000 港元。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

23 COMMITMENTS

(a) Commitments under operating leases

(i) Lessor

The Group leases an investment property under non-cancellable operating lease agreements. The lease terms are between 1 and 8 years, and the lease agreements are renewable at the end of the lease period at market rate.

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

23 承擔

(a) 營業租賃承擔

(i) 出租人

本集團根據不可撤銷之營業租賃出租一項投資物業。租期介乎1至8年，而租約可在租期屆滿後以市場租值續簽。

就出租物業而訂立之多份不可撤銷營業租賃之應付承擔總額分析如下：

		As at 30th September 2018	As at 31st March 2018
		於二零一八年 九月三十日	於二零一八年 三月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Not later than one year	未逾1年	57,891	49,247
Later than one year and not later than five years	逾1年及未逾5年	104,160	72,426
Later than five years	逾5年	7,139	-
		169,190	121,673

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

23 COMMITMENTS (CONTINUED)

(a) Commitments under operating leases (Continued)

(ii) Lessee

The Group leases various retail outlets, offices and warehouses under non-cancellable operating lease agreements. The lease terms are between 1 and 3 years, and majority of lease agreements are renewable at the end of lease period at market rate.

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

		As at 30th September 2018 於二零一八年 九月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31st March 2018 於二零一八年 三月三十一日 HK\$'000 千港元 (Audited) (經審核)
Not later than one year	未逾1年	36,700	33,490
Later than one year and not later than five years	逾1年及未逾5年	36,122	48,298
		72,822	81,788

(b) Capital commitments

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

		As at 30th September 2018 於二零一八年 九月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31st March 2018 於二零一八年 三月三十一日 HK\$'000 千港元 (Audited) (經審核)
Contracted but not provided for: Renovation work for the investment property	已訂約但尚未撥備： 投資物業之翻修工程	2,631	3,865

23 承擔(續)

(a) 營業租賃承擔(續)

(ii) 承租人

本集團根據不可撤銷之營業租賃承租多個零售商舖、辦公室及貨倉。租期介乎1至3年，而大部分租約可在租期屆滿後以市場租值續簽。

就承租物業而訂立之各份不可撤銷營業租賃之應付承擔總額分析如下：

	As at 30th September 2018 於二零一八年 九月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31st March 2018 於二零一八年 三月三十一日 HK\$'000 千港元 (Audited) (經審核)
Not later than one year	36,700	33,490
Later than one year and not later than five years	36,122	48,298
	72,822	81,788

(b) 資本承擔

於報告期末之資本承擔如下：

		As at 30th September 2018 於二零一八年 九月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31st March 2018 於二零一八年 三月三十一日 HK\$'000 千港元 (Audited) (經審核)
Contracted but not provided for: Renovation work for the investment property	已訂約但尚未撥備： 投資物業之翻修工程	2,631	3,865

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

24 RELATED-PARTY TRANSACTIONS

(a) Transactions

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

		Six months ended	
		30th September	
		截至九月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Note	附註	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Sales of goods to	銷售貨品予		
— an associate	— 一間聯營公司	46,205	18,144
— a joint venture	— 一間合營公司	3,256	24,613
		49,461	42,757
Purchase of goods from a joint venture	從一間合營公司購買貨品	189	1,892
Management fee income from services provided to joint ventures	提供服務予合營公司之管理費收入	28,750	47,039
Service fee paid to a joint venture	向一間合營公司支付之服務費	-	9,135

Notes:

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

24 關聯方交易

(a) 交易

於本集團日常業務過程中進行之重大關連人士交易概要如下：

		Six months ended	
		30th September	
		截至九月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Note	附註	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Sales of goods to	銷售貨品予		
— an associate	— 一間聯營公司	46,205	18,144
— a joint venture	— 一間合營公司	3,256	24,613
		49,461	42,757
Purchase of goods from a joint venture	從一間合營公司購買貨品	189	1,892
Management fee income from services provided to joint ventures	提供服務予合營公司之管理費收入	28,750	47,039
Service fee paid to a joint venture	向一間合營公司支付之服務費	-	9,135

附註：

- (i) 由本集團之附屬公司上海寶順昌國際貿易有限公司銷售予一間聯營公司之貨品按雙方協定之價格收取。
- (ii) 由本集團之附屬公司萬順昌鋼鐵有限公司銷售予一間合營公司之貨品按雙方協定之價格收取。
- (iii) 本集團之附屬公司和泰鋼鐵有限公司及萬順昌鋼鐵有限公司從一間合營公司按有關雙方協定之價格購買貨品。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

24 RELATED-PARTY TRANSACTIONS (CONTINUED)

(a) Transactions (Continued)

Notes: (Continued)

- (iv) Management services were provided by Hongkong and Shanghai Land Capital Limited and VSC Steel Processing Holdings Limited, subsidiaries of the Group, to joint ventures at prices mutually agreed by the relevant parties.
- (v) Service fee was paid by VSC China Property Limited to a joint venture for providing consultancy service at prices mutually agreed by both parties.

(b) Key management compensation

24 關聯方交易(續)

(a) 交易(續)

附註：(續)

- (iv) 由本集團之附屬公司滬港地產資本有限公司及萬順昌鋼材加工控股有限公司提供予合營公司之管理服務按雙方協定之價格收取。
- (v) 本集團之附屬公司VSC China Property Limited向一間合營公司就提供諮詢服務按雙方協定之價格支付服務費。

(b) 主要管理層報酬

		Six months ended	
		30th September	
		截至九月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Salaries and allowances	薪金及津貼	4,359	6,500
Bonus	花紅	1,125	8,000
Pension costs	退休金成本		
— defined contribution schemes	— 界定供款計劃	114	153
Share option schemes	購股權計劃		
— value of services	— 服務價值	36	267
		5,634	14,920

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

For the six months ended 30th September 2018 (the “**current period**”), the Group recorded an unaudited profit attributable to owners of the Company of approximately HK\$8.1 million on a revenue of approximately HK\$1,485.5 million, versus an unaudited net loss of approximately HK\$25.2 million on a revenue of approximately HK\$1,643.7 million for the same period last year.

The unaudited basic earnings per ordinary share was HK1.3 cents for the current period, versus the unaudited basic loss per ordinary share of HK3.9 cents of the same period last year. The Board does not declare payment of interim dividend for the current period (2017: Nil).

During the current period, the Group has added another mark of success to its Property Investment and Project Management Business under its project management arm Hongkong and Shanghai Land Capital Ltd. (together with its affiliated companies, collectively “**HSL**”). Through our value enhancement and tenant upgrade effort for our wholly-owned Central Park Pudong, we were able to achieve an increase in rental revenue, with its occupancy rate increased from approximately 76% as of 31st March 2018 to approximately 91% as of 30th September 2018. In addition, the Group has also completed the formation of a co-investment venture (the “**JV**”) with Reco Wisteria Private Limited under a sovereign wealth fund GIC (“**GIC**”) which is wholly-owned by the Minister of Finance of the Government of Singapore, in order to further diversify its investment portfolio and provide an opportunity for the Group to participate in multiple larger size investment projects. GIC is a global long-term investor and among the largest real estate investors worldwide. Partnering with GIC would yield goodwill and enhance the Group’s reputation, while providing flexibility to the Group’s capital allocation. These achievements have demonstrated the effectiveness of our property investment and project management business model, in which we have been devoting our efforts in value-added renovation, offering design expertise and product application knowledge, as well as cultivating supplier relationship.

截至二零一八年九月三十日止六個月(「**本期間**」)，本集團錄得收入約1,485,500,000港元，本公司擁有人應佔未經審核溢利約為8,100,000港元，而去年同期錄得收入約1,643,700,000港元，未經審核虧損淨額約25,200,000港元。

本期間每股普通股之未經審核基本盈利為1.3港仙，而去年同期每股普通股之未經審核基本虧損為3.9港仙。董事會並不宣派本期間之中期股息(二零一七年：無)。

於本期間，本集團透過其項目管理公司滬港地產資本有限公司(連同其聯屬公司，統稱「**滬港地產**」)，再一次在房地產投資及項目管理業務方面增添里程碑。就我們全資擁有的中港匯浦東，透過提升其物業價值及優化其租戶組合，我們得以提高其租金收入。其出租率由二零一八年三月三十一日約76%上升至二零一八年九月三十日約91%。此外，本集團已經與Reco Wisteria Private Limited(其為Minister of Finance of the Government of Singapore全資擁有的主權財富基金GIC(「**GIC**」)旗下的公司)成立共同投資企業(「**共同企業**」)，令本集團的投資組合更多元化，並提供參與多項大型投資項目的機會。GIC是全球長期投資者，也是全球最大的房地產投資者之一。與GIC合作將可提高本集團之商譽及聲譽，同時為本集團的資本分配提供靈活性。這些成就證明了我們的房地產投資及項目管理業務模式的有效性，並展示了我們在增值翻新、提供專業設計及產品應用知識，以及維護供應商關係等方面的努力。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

Property Investment and Project Management Business

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

The core value of our property investment and project management business lies on the ability of the property team to generate and unlock value for property projects through alternations and additions works and provision of active property services. HSL has a team of industry veterans and proven track record in asset revitalisation and optimisation. HSL provides integrated value-add framework which involves re-positioning, re-development, re-leasing and refurbishment of commercial assets. It carries out value enhancement works on the properties and their surrounding common areas at a minimum renovation cost, while implementing successfully leasing strategy to remix tenants in order to secure premium tenants and drive up rental income, with the eventual target of generating significant capital gains for the Group's investments. The team members of HSL have substantial business experience in Greater China, and HSL has built a strong business network with leading state-owned enterprises, local governments and property developers in Mainland China.

The Group focuses on office properties in Shanghai, which is the most economically-developed, financial and economic center of China. Its steady-growing GDP, driven by tertiary industries such as finance, technology and advanced businesses, along with initiatives such as Shanghai Free Trade Zone and the Shanghai-Hong Kong Stock Connect introduced by the Central Government, have together generated sustainable demand in premium-grade offices, which lead to an increasing rental level.

業務回顧

房地產投資及項目管理業務

我們是領先的私募房地產投資者及投資經理人。我們的房地產投資及項目管理業務包括(i)直接收購物業作投資，如我們全資擁有的中港匯浦東，該物業為本集團帶來租金收入及提升公允價值；及(ii)透過合夥企業或投資基金投資物業，本集團於該等合夥企業或投資基金中持有權益，而滬港地產作為一般合夥人及／或投資經理人以賺取費用收入。

我們的房地產投資和項目管理業務的核心價值在於房地產團隊透過改動及加建工程及提供有效的房地產服務的能力，為房地產項目創造及帶來價值。滬港地產擁有資深的行業團隊，並在資產重組和優化方面擁有良好往績。滬港地產提供綜合增值框架，包括商業資產的重新定位、開發、租賃及翻新。以最低的翻新成本對物業及其周邊公用地區進行增值工程，成功實施租賃策略以優化租戶組合以獲優質租戶及提升租金收入，最終目標是為本集團的投資帶來可觀的資本收益。滬港地產之成員在大中華區擁有豐富的業務經驗，而滬港地產與中國內地的國有企業、地方政府和房地產開發商已建立了強大的業務網絡。

本集團專注於上海的辦公樓物業，上海乃中國經濟最發達的金融及經濟中心。在第三產業如金融、科技及高端商業等推動下，以及中央政府所引領之舉措如上海自由貿易區和滬港通，為上海帶來穩定增長的國內生產總值，並對高端辦公室產生可持續需求，從而推動租金水平上漲。

BUSINESS REVIEW (CONTINUED)

Property Investment and Project Management Business (Continued)

Our wholly-owned investment property — Central Park Pudong, a 12-storey (plus basement level) office building with a total gross floor area of about 33,191 square meters located in Pudong, Shanghai, China, its occupancy rate increased from approximately 76% at end of March 2018 to approximately 91% at end of September 2018. Based on a valuation report issued by an independent international property valuer, the carrying amount of this investment property was approximately HK\$1,301.9 million (equivalent to RMB1,145.0 million), resulted in a valuation gain of HK\$40.8 million and a deferred tax liability of HK\$10.2 million for the current period.

In June 2018, the Group successfully set up a JV with GIC, with an initial fund size of US\$350.0 million (approximately HK\$2.7 billion) for the purposes of acquiring under-utilized office buildings in prime locations in Shanghai with value-add potential, and implementing value enhancement with efficient capital expenditure and other asset management initiatives. As of 30th September 2018, the Group has an effective equity stake of 9.3% in the JV. The JV completed its first investment in Longyu International Plaza (“Longyu”) in September 2018. Longyu is a 58,601 sqm Grade A-office building conveniently located in Jing’an District, Shanghai with direct access to 3 metro lines. HSL plans to renovate the project to uplift the quality and recruit new tenants to enhance both rental and occupancy. The Group shared profit of approximately HK\$0.4 million from its investment in the JV in the current period.

During the current period, our Property Investment and Project Management Business recorded an unaudited net profit of approximately HK\$3.3 million on revenue of approximately HK\$56.3 million, versus a net profit of approximately HK\$43.5 million on revenue of approximately HK\$45.7 million of the same period last year. The year-on-year (“YOY”) increase in revenue was mainly due to the increase of occupancy rate in our wholly-owned Central Park Pudong in current period. The decrease of net profits was mainly due to professional fees of approximately HK\$37.4 million associated with the formation of the JV charged by several independent third parties (2017: Nil).

業務回顧(續)

房地產投資及項目管理業務(續)

我們全資擁有的投資物業中港匯浦東乃位於中國上海市浦東之一幢十二層高(連同一層地下層)之商務大廈，總建築面積約為33,191平方米。其出租率由二零一八年三月底約76%上升至二零一八年九月底約91%。根據獨立國際物業估價師出具的估值報告，該投資物業的賬面值約為1,301,900,000港元(相當於人民幣1,145,000,000元)，於本期間錄得估值收益40,800,000港元及遞延稅項負債10,200,000港元。

於二零一八年六月，本集團成功與GIC成立共同企業，初步資金規模為350,000,000美元(約2,700,000,000港元)，用於收購位於上海黃金地段而且低使用率但具增值潛力的商務大廈，並有效使用資本支出及其他資產管理舉措提升價值。截至二零一八年九月三十日，本集團持有共同企業9.3%的有效權益。共同企業於二零一八年九月完成了隆宇國際商務廣場(「隆宇」)的首項投資。隆宇是一幢58,601平方米的甲級商務大廈，位於上海靜安區，可直達3條地鐵線。滬港地產計劃對該項目進行翻新，以提升質量並招募新租戶，以提高租賃和出租率。於本期間，本集團於共同企業的投資之應佔溢利約為400,000港元。

於本期間，我們的房地產投資及項目管理業務錄得收入約56,300,000港元，未經審核溢利淨額約為3,300,000港元，相對去年同期收入約為45,700,000港元，溢利淨額約為43,500,000港元。收入按年同比(「按年同比」)增加，主要是由於我們全資擁有的中港匯浦東的出租率於本期間增加所致。溢利淨額減少主要由於若干獨立第三方收取成立共同企業所產生之專業費用約37,400,000港元(二零一七年：無)所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (CONTINUED)

Building and Design Solutions Business

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

The Building and Design Solutions Business recorded an unaudited net profit of approximately HK\$10.3 million on revenue of approximately HK\$194.0 million in the current period, versus a net profit of approximately HK\$12.6 million on revenue of approximately HK\$183.6 million of the same period last year. The increase in revenue was mainly due to increase in contributions from real estate and hotel projects in Hong Kong and Macau in current period. The decrease of net profit was mainly due to a bad debt provision of approximately HK\$3.9 million recorded in the current period.

Construction Materials Business

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

The Construction Materials Business recorded a total revenue of approximately HK\$1,057.9 million for the current period, down approximately 12.2% compared with the same period last year, primarily due to the decrease in tons sold by approximately 22.8% due to infrastructure projects delay in Hong Kong.

業務回顧(續)

建築產品及設計方案業務

我們的建築產品及設計方案業務提供具綜合價值的方案，包括為發展商、建築師、設計師及分銷夥伴提供浴室及廚房產品的設計、安裝、庫存管理、物流以及技術支援。作為市場上穩健的企業之一，我們提供涵蓋各種知名品牌之廣泛產品組合。

建築產品及設計方案業務於本期間錄得收入約194,000,000港元，未經審核溢利淨額約為10,300,000港元，相對去年同期收入約為183,600,000港元，溢利淨額約12,600,000港元。於本期間，收入增加主要是由於香港及澳門房地產及酒店工程項目收入增長所致。溢利淨額減少主要由於本期間錄得壞賬撥備約3,900,000港元。

建築材料業務

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

建築材料業務於本期間錄得收入總額約1,057,900,000港元，較去年同期下跌約12.2%，主因乃香港基建項目延誤導致已售噸數減少22.8%所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (CONTINUED)

Construction Materials Business (Continued)

Unaudited net profit of Construction Materials Business was approximately HK\$32.9 million for the current period, versus a net loss of approximately HK\$45.1 million of the same period last year, mainly due to the reversal of provision for onerous contracts of approximately HK\$40.7 million in the current period because of the recoup of profit margin for our outstanding sales contract orders as of 30th September 2018.

Engineering Plastics Business

The Engineering Plastics Business recorded a revenue of approximately HK\$174.8 million, down by approximately 10.5% YOY, with tons sold also decreased by approximately 28.4% YOY, as we moved away from customers where margins were too low or credit risk was high, and focused on high growth segments. This business recorded an unaudited net loss of approximately HK\$4.1 million in the current period, versus a net profit of approximately HK\$7.4 million of the same period last year, primarily due to a translation loss of HK\$6.0 million resulting from RMB depreciation against USD and HKD in the current period. Discounting this translation loss of HK\$6.0 million in the current period, the Engineering Plastics Business achieved an unaudited net profit of about HK\$2.0 million, down by HK\$3.2 million compared to an unaudited net profit of HK\$5.2 million in the same period last year. This drop in net profit was mainly due to lower sales and re-organisation expenses of approximately HK\$0.8 million for our Guangzhou and Xiamen offices closed down in current period.

業務回顧(續)

建築材料業務(續)

於本期間，建築材料業務之未經審核溢利淨額約為32,900,000港元，相比去年同期的虧損淨額約為45,100,000港元，主因乃截至二零一八年九月三十日止，我們未完成的鋼鐵銷售合同訂單的毛利率有所回升，使本期間撤銷有價契約撥備約40,700,000港元。

工程塑膠業務

工程塑膠業務錄得收入約174,800,000港元，按年同比下跌約10.5%，而已售噸數按年同比亦減少約28.4%，此乃由於我們遠離利潤率極低或信貸風險較高之客戶並專注於高增長領域所致。該業務於本期間錄得未經審核虧損淨額約4,100,000港元，而去年同期溢利淨額則約為7,400,000港元，主要由於本期間人民幣兌美元及港元貶值導致滙率虧損6,000,000港元。扣除本期間的兌換虧損6,000,000港元，工程塑膠業務的未經審核溢利淨額約為2,000,000港元，與去年同期未經審核溢利淨額5,200,000港元相比減少了3,200,000港元。溢利淨額下降主因乃銷售減少及於本期間結束廣州和廈門辦事處而產生約800,000港元的重組費用所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OUTLOOK

Property Investment and Project Management Business

As Shanghai continues its transformation of becoming a global hub, through upgrading its innovative manufacturing and becoming the host of various international events, it is expected that there will be a massive increase in demand for commercial buildings. Targeting to unleash such potentials, we will continue to focus on the Shanghai market for good property investment opportunities. The Group will also continue to provide one-stop solutions for revitalizing under-performing commercial buildings to valuable assets under the professional teams of HSL.

Building and Design Solutions Business

We will continue to roll out our segment based growth strategy for our Building and Design Solutions Business in Hong Kong and Macau. Our latest line of sanitary products will allow us to capture market opportunities arose from changing housing size and needs in Hong Kong and the booming real estate and hotel industry in Macau.

Our brand partners continue to have a strong market presence and our project strategy has allowed us to capture large and iconic projects in Hong Kong and Macau.

In the future, we will also explore opportunities outside of Hong Kong, particularly in the Greater Bay Area, where its GDP is expected to reach US\$4.62 trillion by 2030, as its infrastructure development would bring huge demand to our Building and Design Solutions businesses.

展望

房地產投資及項目管理業務

隨著上海繼續轉型成為全球樞紐，通過升級其創新製造業及舉辦各種國際盛事，我們預期商業樓宇的需求將大幅增長。為發掘市場潛力，我們將繼續專注於上海市場以尋找良好的房地產投資機會。透過滬港地產的專業團隊，本集團將繼續提供一站式解決方案，將表現欠佳的商業樓宇改造為具價值的資產。

建築產品及設計方案業務

我們將繼續於香港及澳門推廣建築產品及設計方案業務的分部增長策略。而我們最新的衛浴產品將讓我們抓緊香港房屋規模和需求的轉變，以及蓬勃發展的澳門房地產和酒店業市場帶來的機遇。

我們的品牌合夥人持續佔有強勁市場份額，且我們的項目策略促使我們於香港及澳門贏得大型知名項目。

今後，我們還將探索香港以外地區的商機，特別是國內生產總值預期在二零三零年將達4.62兆美元的大灣區，因為其基礎設施建設將給我們的建築產品及設計方案業務帶來龐大的需求。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OUTLOOK (CONTINUED)

Construction Materials Business

We expect the global steel market to continue its volatile evolution, as China's demand continues to slow down while production output is reduced due to environmental initiatives. China's steel production consolidation and its drive for cleaner air may lead us to continue to search for supply outside of China.

Despite the negativities in the steel market, the Group remains optimistic in the long-term development of the construction industry in Hong Kong, as favourable policies and government planning were recently announced. The setting up of HK\$1 billion "Construction Innovation and Technology Fund" together with the government's proactive promotion in adoption of technology and innovative construction methods to improve quality, productivity and cost-effectiveness should expedite the transformation of the construction industry, and specifically, encouraging the adoption of factory cut-and-bend production, and create opportunities for the Group to capture, as it continues its downward migration along the value chain by providing one-stop solutions covering the processing, logistics and new product needs.

Furthermore, to realise the vast potentials from the flourishing Hong Kong construction sector and the Greater Bay area, the Group has acquired the remaining stake of VSC Construction Steel Solutions Limited from NatSteel Holdings Pte. Ltd. in May 2018. This allows the Group to further integrate its process flow of combining steel trading, steel processing, and steel scrap into one, and to fully enjoy the upcoming infrastructure boom as well as the increasing emphasis of off-site, pre-fabricated construction materials in Hong Kong. The Group is able to streamline its sales, marketing and operational function and further reduce its overhead cost as to lay a solid foundation for its profit margin. In addition, the Group will continue to actively pursue other marketing and promotional activities to drive order volume and utilization. These combined moves would lay a solid foundation of rebound in the near future.

展望(續)

建築材料業務

我們預期全球鋼材市場將持續波動，原因是中國的需求持續放緩同時生產量因環境措施降低。中國的鋼材生產進行整合及其推動淨化空氣的倡議可能導致我們繼續尋求中國境外之供應商。

儘管鋼材市場存在種種不利因素，但考慮到近期公佈的有利政策及政府規劃，本集團對香港建築業的長期發展仍持樂觀態度。政府擬撥款10億港元設立「建造業創新及科技基金」，以及積極推廣科技及創新建造技術以提升質量、生產力和成本效益等舉措，應可促進建造業轉型，尤其可鼓勵企業採用於工廠切割及折彎鋼筋的生產模式。本集團將繼續向產業鏈下游延伸，通過提供涵蓋加工、物流及新產品需求的一站式解決方案，為本集團帶來更多機遇。

此外，為了體現蓬勃發展的香港建造業及大灣區的發展潛力，本集團已於二零一八年五月從NatSteel Holdings Pte. Ltd. 收購其持有VSC Construction Steel Solutions Limited 剩餘的股權。此舉將使本集團能進一步整合鋼材貿易、鋼材加工及廢鋼回收的工序流程，並充分受益於香港未來基礎建設及場外預製建築材料的蓬勃發展。本集團亦可精簡銷售、市場及營運架構，進一步減低間接成本，為其利潤水平提供一定保障。此外，本集團將繼續積極參與其他市場及推廣活動，以進一步提升訂單數量及使用率。以上因素將為本業務於不久將來的回升奠下穩固基礎。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OUTLOOK (CONTINUED)

Engineering Plastics Business

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

FINANCIAL REVIEW

Financial Positions

Compared with the financial year ended 31st March 2018, as at 30th September 2018, the Group's total assets decreased from approximately HK\$3,131.9 million to approximately HK\$3,025.3 million. The Group's inventories decreased from approximately HK\$289.6 million to approximately HK\$254.0 million. The average inventory days of supply decreased by 3 days to 35 days. The Group's trade and bill receivables increased from approximately HK\$528.2 million to approximately HK\$567.4 million. The average overall day of sales outstanding increased from 61 days to 65 days. Net assets value of the Group maintained at approximately HK\$1,087.4 million as at 31st March 2018 to approximately HK\$1,078.6 million, equivalent to HK\$1.68 per ordinary share as at 30th September 2018.

Compared with the financial position at 31st March 2018, the Group's cash and cash equivalents and pledged bank deposits, decreased by approximately HK\$123.0 million to approximately HK\$247.6 million while the Group's borrowings decreased by approximately HK\$20.1 million to approximately HK\$1,538.8 million as at 30th September 2018. Current ratio decreased from 1.13 to 0.95, while gearing ratio (net debt, which is total borrowings minus pledged bank deposits and cash and cash equivalents, divided by capital and reserves attributable to owners of the Company plus net debt) increased from 52.9% to 57.5%. The Group will continue to monitor its working capital closely and take various measures on cost reduction and improvement of operational efficiency.

展望(續)

工程塑膠業務

我們的工程塑膠業務於過去兩年內一直在進行重大重組，我們從分部如玩具轉移至分部如家用電器、消費電子及汽車領域，並改變業務方針以涵蓋有更高利潤率的产品及服務。我們將繼續密切關注我們的成本和營運資金。

財務回顧

財務狀況

與截至二零一八年三月三十一日止財政年度相比，本集團於二零一八年九月三十日之資產總額由約3,131,900,000港元減少至約3,025,300,000港元。本集團之存貨由約289,600,000港元減少至約254,000,000港元。平均存貨週轉日數減少3日至35日。本集團之應收賬款及票據由約528,200,000港元增加至約567,400,000港元。平均應收賬款週轉日數從61日增加至65日。本集團之資產淨值於二零一八年三月三十一日約為1,087,400,000港元，於二零一八年九月三十日維持於約1,078,600,000港元，相當於每股普通股1.68港元。

與二零一八年三月三十一日之財務狀況比較，於二零一八年九月三十日本集團之現金及現金等值及已抵押銀行存款，減少約123,000,000港元至約247,600,000港元，而本集團之借貸則減少約20,100,000港元至約1,538,800,000港元。流動比率則自1.13減少至0.95，其中資產負債比率(負債淨額，即借貸總額減已抵押銀行存款以及現金及現金等值，除以本公司擁有人應佔股本及儲備加負債淨額)由52.9%增加至57.5%。本集團將繼續密切監控營運資金，並採取各種措施降低成本及提升營運效率。

FINANCIAL REVIEW (CONTINUED)

Financial Resources

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

The Group's trade financing remained primarily supported by its bank trading and term loan facilities. As at 30th September 2018, about 50.5% of the Group's interest-bearing borrowings for trade financing purpose and financing of investment properties were denominated in HK dollar, about 38.0% in RMB and about 11.5% in US dollar. These facilities are either secured by the Group's inventory held under short-term trust receipts bank loan arrangement and/or pledged bank deposits and/or corporate guarantee provided by the Company. All of the above borrowings were on floating rate basis. Interest costs of import bank loans were levied on interbank offered rates plus very competitive margin. RMB loans of the Group have been obtained from domestic and foreign banks in the amount of RMB514.8 million. Interest costs of RMB banking facilities were based on standard loan rates set by the People's Bank of China adjusted with competitive margin.

Charges on Assets

As at 30th September 2018, the Group had certain charges on assets which included (i) bank deposits of approximately HK\$45.9 million which were pledged as collateral for the Group's bank borrowings and bill payables; and (ii) investment properties of approximately HK\$1,309.3 million which were pledged as collaterals for certain bank borrowings of the Group.

財務回顧(續)

財務資源

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

本集團之貿易融資主要由其銀行貿易及定期貸款融資支持。於二零一八年九月三十日，本集團以貿易融資及投資物業融資為目的之附息借貸總額中約50.5%均以港元為幣值、約38.0%以人民幣為幣值及約11.5%以美元為幣值。該等信貸融資主要通過本集團之短期信託收據銀行貸款安排下持有之本集團存貨及／或已抵押銀行存款及／或本公司提供之公司擔保作為抵押。所有以上之借貸均按浮動利率計息。進口銀行貸款之利息費用以銀行同業拆息率加非常具競爭力之息差計算。本集團已自國內及外資銀行獲得數額為人民幣514,800,000元之人民幣貸款。人民幣銀行融資之利息費用乃按中國人民銀行釐定之標準貸款利率以優惠息差再加以調整。

資產抵押

於二零一八年九月三十日，本集團以若干資產作抵押，包括(i)約45,900,000港元之銀行存款作為本集團向銀行借貸及應付票據之抵押品；及(ii)約1,309,300,000港元之投資物業作為本集團向若干銀行借貸之抵押品。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (CONTINUED)

Exposure to Fluctuations in Exchange Rates and Related Hedges

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

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

Contingent Liabilities

As at 30th September 2018, the Group's had no material contingent liability.

HUMAN CAPITAL

The Group is focusing on building talent development to help lead the Group to future success. Our growth strategy has always included a strong sense of commitment to people. We provide a competitive remuneration package to attract and motivate employees. We always provide a safe and pleasant working environment with constant learning and growth opportunities.

As at 30th September 2018, the Group employed 297 staff. Total staff costs including contribution to retirement benefits schemes incurred during the six months ended 30th September 2018 amounted to approximately HK\$63.0 million. During the current period, no options have been offered and/or granted to Directors and our employees under the share option scheme adopted on 11th August 2011.

財務回顧(續)

匯率風險波動及相關對沖

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

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

或然負債

於二零一八年九月三十日，本集團並無重大或然負債。

人力資源

本集團致力人才發展，藉此推動本集團業務發展更上一層樓。我們的增長策略包括加強員工的責任感。我們提供優越之薪酬待遇以吸引及推動員工。我們努力為員工提供安全舒適的工作環境，並提供各種機會，讓員工不斷學習和成長。

於二零一八年九月三十日，本集團聘用297名僱員。截至二零一八年九月三十日止六個月，總員工成本包括退休福利計劃供款約為63,000,000港元。於本期間，概無根據於二零一一年八月十一日採納之購股權計劃向董事及我們之僱員提供及/或授出購股權。

INTERIM DIVIDEND

The Board does not declare payment of interim dividend for the current period (2017: Nil).

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

As at 30th September 2018, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or (c) were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") to be notified to the Company and the Stock Exchange, were as follows:

Long positions in shares and share options of the Company

中期股息

董事會並不宣派本期間之中期股息(二零一七年: 無)。

董事於股份、相關股份及債權證之權益及淡倉

於二零一八年九月三十日，董事及本公司之高級行政人員於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債權證中擁有之權益及淡倉包括(a)根據證券及期貨條例第XV部第7及第8分部必須知會本公司及香港聯合交易所有限公司(「聯交所」)(包括根據證券及期貨條例之該等規定被認為或視作擁有之權益及淡倉);或(b)必須列入根據證券及期貨條例第352條予以存置之登記冊內;或(c)根據聯交所證券上市規則(「上市規則」)附錄十所載之上市發行人董事進行證券交易的標準守則(「標準守則」)必須知會本公司及聯交所之權益及淡倉載列如下:

本公司之股份及購股權之好倉

Name of Directors	Capacity	Attributable interests to the Directors	Number of shares	Approximate percentage	Number of share options (Note c) 購股權數目 (附註c)	Aggregate interests
董事姓名	身份	董事應佔權益	股份數目	概約百分比		合計權益
Mr. Yao Cho Fai Andrew 姚祖輝先生	Interest of controlled corporation, Perfect Capital International Corp. (Note a) 受控制公司Perfect Capital International Corp.之權益(附註a)	Deemed interests (indirectly) 被視作擁有之權益(間接)	89,337,806	13.95%	—	89,337,806
	Interest of controlled corporation, Huge Top Industrial Ltd. (Note b) 受控制公司Huge Top Industrial Ltd.之權益(附註b)	Deemed interests (indirectly) 被視作擁有之權益(間接)	190,424,000	29.73%	—	190,424,000
	Beneficial owner 實益擁有人	100% (directly) 100% (直接)	3,918,000	0.61%	—	3,918,000
			283,679,806	44.29%	—	283,679,806

OTHER INFORMATION 其他資料

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

董事於股份、相關股份及債權證之權益及淡倉(續)

Long positions in shares and share options of the Company (Continued)

本公司之股份及購股權之好倉(續)

Name of Directors 董事姓名	Capacity 身份	Attributable interests to the Directors 董事應佔權益	Number of shares 股份數目	Approximate percentage 概約百分比	Number of share options (Note c) 購股權數目 (附註c)	Aggregate interests 合計權益
Ms. Luk Pui Yin Grace 陸佩然女士	Beneficial owner 實益擁有人	100% (directly) 100% (直接)	—	—	4,493,244	4,493,244
Mr. Lau Chi Chiu 劉子超先生	Beneficial owner 實益擁有人	100% (directly) 100% (直接)	—	—	2,246,622	2,246,622
Mr. Xu Lin Bao 徐林寶先生	Beneficial owner 實益擁有人	100% (directly) 100% (直接)	5,246,622	0.82%	—	5,246,622

Notes:

附註：

- a. Mr. Yao Cho Fai Andrew (“**Mr. Yao**”) was beneficially interested in these shares through his wholly-owned company, Perfect Capital International Corp. (“**Perfect Capital**”). Mr. Yao is the sole director of Perfect Capital.
- a. 姚祖輝先生(「**姚先生**」)透過其全資擁有之公司Perfect Capital International Corp.(「**Perfect Capital**」)實益持有該等股份之權益。姚先生乃Perfect Capital之唯一董事。
- b. Mr. Yao was deemed to be interested in these shares through his controlling company, Huge Top Industrial Ltd. (“**Huge Top**”). Mr. Yao directly held approximately 48.81%, and indirectly through Perfect Capital owned approximately 42.86%, of the issued shares of Huge Top. Mr. Yao is the sole director of Huge Top.
- b. 姚先生透過其控制之公司Huge Top Industrial Ltd.(「**Huge Top**」)被視作持有該等股份之權益。姚先生直接持有Huge Top已發行股份約48.81%及透過Perfect Capital間接持有Huge Top已發行股份約42.86%。姚先生乃Huge Top之唯一董事。
- c. Details of the interests of the Directors in the share options of the Company are separately disclosed in the section headed “SHARE OPTION SCHEME” below.
- c. 董事於本公司購股權之權益詳情分別在下文「購股權計劃」一節中披露。

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

Long positions in shares and share options of the Company (Continued)

Save as disclosed above, as at 30th September 2018, none of the Directors, chief executives of the Company and their associates had any personal, family, corporate or other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (include interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or (c) were required pursuant to the Model Code to be notified to the Company and the Stock Exchange.

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

董事於股份、相關股份及債權證之權益及淡倉(續)

本公司之股份及購股權之好倉(續)

除上文所披露者外，於二零一八年九月三十日，董事、本公司之高級行政人員及彼等之聯繫人概無於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債權證中擁有(a)根據證券及期貨條例第XV部第7及第8分部必須知會本公司及聯交所(包括根據證券及期貨條例之該等規定彼等被當作或視作擁有之權益及淡倉)；或(b)必須列入根據證券及期貨條例第352條予以存置之登記冊內；或(c)根據標準守則必須知會本公司及聯交所之任何個人、家族、公司或其他權益或淡倉。

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

OTHER INFORMATION

其他資料

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

Other than interests disclosed in the section headed “DIRECTORS’ INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES” above, as at 30th September 2018, according to the register of interests kept by the Company under Section 336 of the SFO, the following entities had interests or short positions in the shares and underlying shares which fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO:

根據證券及期貨條例第XV部第2及第3分部擁有須披露權益或淡倉之人士

除上文「董事於股份、相關股份及債權證之權益及淡倉」一節所披露之權益外，於二零一八年九月三十日，按本公司根據證券及期貨條例第336條存置於登記冊之記錄，下列實體於股份及相關股份中擁有根據證券及期貨條例第XV部第2及第3分部須向本公司披露之權益或淡倉：

Name 名稱	Capacity 身份	Note 附註	Number of shares 股份數目	Approximate percentage 概約百分比
Perfect Capital	Beneficial owner 實益擁有人		89,337,806	13.95%
	Interests of controlled corporation 受控制公司之權益	a	190,424,000	29.73%
			279,761,806	43.68%
Huge Top	Beneficial owner 實益擁有人		190,424,000	29.73%
Mr. Wong Koo Chi 王冠之先生	Beneficial owner 實益擁有人		38,224,000	5.97%

Note:

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

附註：

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

Save as disclosed above, as at 30th September 2018, the Directors were not aware of any other persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed to the Company under Divisions 2 and 3 Part XV of the SFO.

除上文所披露者外，於二零一八年九月三十日，董事並不知悉有任何其他人士（董事或本公司高級行政人員除外）於本公司或任何相關法團（定義見證券及期貨條例第XV部）之股份、相關股份或債權證中擁有根據證券及期貨條例第XV部第2及第3分部須向本公司披露之權益或淡倉。

SHARE OPTION SCHEME

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

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

2001 Share Option Scheme

購股權計劃

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

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

二零零一年購股權計劃

Name or category of participant	Date of grant	Validity period	Exercise price per share	Note	Number of share options					End of the period
					Beginning of the period	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	
參與者姓名或類別	授予日期	有效期	每股行使權	附註	期初	期內授予	期內行使	期內失效	期內註銷	期末
Director:										
董事:										
Mr. Tam King Ching Kenny	19th June 2008	19th June 2008 to 18th June 2018	HK\$0.626	1	1,246,622	-	-	(1,246,622)	-	-
譚競正先生	二零零八年六月十九日	二零零八年六月十九日至二零一八年六月十八日	0.626 港元							

OTHER INFORMATION

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SHARE OPTION SCHEME (CONTINUED)

2001 Share Option Scheme (Continued)

購股權計劃(續)

二零零一年購股權計劃(續)

Name or category of participant	Date of grant	Validity period	Exercise price per share	Note	Number of share options					End of the period
					Beginning of the period	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	
參與者姓名或類別	授予日期	有效期	每股行使權	附註	期初	期內授予	期內行使	期內失效	期內註銷	期末
Employees:										
僱員:										
In aggregate	18th September 2009	18th September 2009 to 17th September 2019	HK\$0.470	1	937,458	-	-	-	-	937,458
共計	二零零九年九月十八日	二零零九年九月十八日至二零一九年九月十七日	0.470 港元							
In aggregate	13th October 2009	13th October 2009 to 12th October 2019	HK\$0.404	1	9,089,528	-	-	-	-	9,089,528
共計	二零零九年十月十三日	二零零九年十月十三日至二零一九年十月十二日	0.404 港元							
Sub-total					10,026,986	-	-	-	-	10,026,986
小計										
Other:										
其他:										
In aggregate	13th October 2009	13th October 2009 to 12th October 2019	HK\$0.404	1	3,116,553	-	-	-	-	3,116,553
共計	二零零九年十月十三日	二零零九年十月十三日至二零一九年十月十二日	0.404 港元							
Total of 2001 Share Option Scheme					14,390,161	-	-	(1,246,622)	-	13,143,539
二零零一年購股權計劃總計										

SHARE OPTION SCHEME (CONTINUED)

2011 Share Option Scheme

購股權計劃(續)

二零一一年購股權計劃

Number of share options

購股權數目

Name or category of participant	Date of grant	Validity period	Exercise price per share	Note	Beginning of the period	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	End of the period
參與者姓名或類別	授予日期	有效期	每股行使權	附註	期初	期內授予	期內行使	期內失效	期內註銷	期末
Directors:										
董事:										
Ms. Luk Pui Yin Grace 陸佩然女士	27th November 2013 二零一三年十一月二十七日	27th November 2013 to 26th November 2023 二零一三年十一月二十七日至二零二三年十一月二十六日	HK\$1.043 1.043 港元	1, 2	2,493,244	—	—	—	—	2,493,244
	20th January 2015 二零一五年一月二十日	20th January 2015 to 19th January 2025 二零一五年一月二十日至二零二五年一月十九日	HK\$0.928 0.928 港元	3	2,000,000	—	—	—	—	2,000,000
Mr. Lau Chi Chiu 劉子超先生	16th November 2012 二零一二年十一月十六日	16th November 2012 to 15th November 2022 二零一二年十一月十六日至二零二二年十一月十五日	HK\$0.537 0.537 港元	1, 4	1,246,622	—	—	—	—	1,246,622
	20th January 2015 二零一五年一月二十日	20th January 2015 to 19th January 2025 二零一五年一月二十日至二零二五年一月十九日	HK\$0.928 0.928 港元	3	1,000,000	—	—	—	—	1,000,000
Sub-total 小計					6,739,866	—	—	—	—	6,739,866

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SHARE OPTION SCHEME (CONTINUED)

2011 Share Option Scheme (Continued)

購股權計劃(續)

二零一一年購股權計劃(續)

Name or category of participant	Date of grant	Validity period	Exercise price per share	Note	Number of share options					
					Beginning of the period	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	End of the period
參與者姓名或類別	授予日期	有效期	每股行使權	附註	期初	期內授予	期內行使	期內失效	期內註銷	期末
Employees:										
僱員:										
In aggregate	16th November 2012	16th November 2012 to 15th November 2022	HK\$0.537	1, 5	6,831,486	—	—	(4,986,487)	—	1,844,999
共計	二零一二年十一月十六日	二零一二年十一月十六日至二零二二年十一月十五日	0.537 港元							
In aggregate	27th November 2013	27th November 2013 to 26th November 2023	HK\$1.043	1, 2	5,734,459	—	—	(4,986,487)	—	747,972
共計	二零一三年十一月二十七日	二零一三年十一月二十七日 至二零二三年十一月二十六日	1.043 港元							
In aggregate	20th January 2015	20th January 2015 to 19th January 2025	HK\$0.928	3	6,800,000	—	—	(4,000,000)	—	2,800,000
共計	二零一五年一月二十日	二零一五年一月二十日至二零二五年一月十九日	0.928 港元							
In aggregate	20th January 2015	20th January 2015 to 19th January 2025	HK\$0.928	6	1,000,000	—	—	—	—	1,000,000
共計	二零一五年一月二十日	二零一五年一月二十日至二零二五年一月十九日	0.928 港元							
Sub-total					20,365,945	—	—	(13,972,974)	—	6,392,971
小計										

SHARE OPTION SCHEME (CONTINUED)

購股權計劃(續)

2011 Share Option Scheme (Continued)

二零一一年購股權計劃(續)

Name or category of participant	Date of grant	Validity period	Exercise price per share	Note	Number of share options					End of the period
					Beginning of the period	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	
參與者姓名或類別	授予日期	有效期	每股行使權	附註	期初	期內授予	期內行使	期內失效	期內註銷	期末
Other:										
其他:										
In aggregate	27th November 2013	27th November 2013 to 26th November 2023	HK\$1.043	1	1,246,622	-	-	-	-	1,246,622
共計	二零一三年十一月二十七日	二零一三年十一月二十七日至二零二三年十一月二十六日	1.043 港元							
Total of 2011 Share Option Scheme					28,352,433	-	-	(13,972,974)	-	14,379,459
二零一一年購股權計劃總計										

Notes:

附註:

- The exercise prices and number of share options granted prior to 17th December 2014 under the share option schemes were adjusted for the open offer completed in December 2014.
 - The share options were be vested in four tranches, with each tranche covering one-fourth of the relevant options, i.e. exercisable to the extent of one-fourth of the relevant options and with the 1st, 2nd, 3rd and 4th tranche becoming exercisable from 27th of November in the years 2014, 2015, 2016 and 2017 respectively and the years onwards till 26th November 2023.
 - The share options were/will be vested in four tranches, with each tranche covering one-fourth of the relevant options, i.e. exercisable to the extent of one-fourth of the relevant options and with the 1st, 2nd, 3rd and 4th tranche becoming exercisable from 20th of January in the years 2016, 2017, 2018 and 2019 respectively and the years onwards till 19th January 2025.
- 根據購股權計劃於二零一四年十二月十七日前行使價及授出之股份數目已就於二零一四年十二月完成之公開發售作出調整。
 - 購股權分四期歸屬，每一期分別涵蓋相關購股權的四分之一(即最多可行使相關購股權的四分之一)，第一、第二、第三及第四期分別於二零一四年、二零一五年、二零一六年及二零一七年的十一月二十七日起可予行使，直至二零二三年十一月二十六日止。
 - 購股權分四期歸屬，每一期分別涵蓋相關購股權的四分之一(即最多可行使相關購股權的四分之一)，第一、第二、第三及第四期分別於二零一六年、二零一七年、二零一八年及二零一九年的一月二十日起可予行使，直至二零二五年一月十九日止。

OTHER INFORMATION

其他資料

SHARE OPTION SCHEME (CONTINUED)

4. The share options were vested in five tranches, with each tranche covering one-fifth of the relevant options, i.e. exercisable to the extent of one-fifth of the relevant options and with the 1st, 2nd, 3rd, 4th and 5th tranche becoming exercisable from 16th of November in the years 2012, 2013, 2014, 2015 and 2016 respectively and the years onwards till 15th November 2022.
5. 4,986,487 share options were vested in four tranches, with each tranche covering one-fourth of the relevant options, i.e. exercisable to the extent of one-fourth of the relevant options and with the 1st, 2nd, 3rd and 4th tranche becoming exercisable from 16th of November in the years 2013, 2014, 2015 and 2016 respectively and the years onwards till 15th November 2022. 1,844,999 share options were vested in five tranches, with each tranche covering one-fifth of the relevant options, i.e. exercisable to the extent of one-fifth of the relevant options and with the 1st, 2nd, 3rd, 4th and 5th tranche becoming exercisable from 16th of November in the years 2012, 2013, 2014, 2015 and 2016 respectively and the years onwards till 15th November 2022.
6. The share options were vested in three tranches, with each tranche covering one-third of the relevant options, i.e. exercisable to the extent of one-third of the relevant options and with the 1st, 2nd and 3rd tranche becoming exercisable from 20th of January in the years 2016, 2017 and 2018 respectively and the years onwards till 19th January 2025.

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

During the six months ended 30th September 2018, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

購股權計劃(續)

4. 購股權分五期歸屬，每一期分別涵蓋相關購股權的五分之一(即最多可行使相關購股權的五分之一)，第一、第二、第三、第四及第五期分別於二零一二年、二零一三年、二零一四年、二零一五年及二零一六年的十一月十六日起可予行使，直至二零二二年十一月十五日止。
5. 4,986,487股購股權分四期歸屬，每一期分別涵蓋相關購股權的四分之一(即最多可行使相關購股權的四分之一)，第一、第二、第三及第四期分別於二零一三年、二零一四年、二零一五年及二零一六年的十一月十六日起可予行使，直至二零二二年十一月十五日止。1,844,999股購股權分五期歸屬，每一期分別涵蓋相關購股權的五分之一(即最多可行使相關購股權的五分之一)，第一、第二、第三、第四及第五期分別於二零一二年、二零一三年、二零一四年、二零一五年及二零一六年的十一月十六日起可予行使，直至二零二二年十一月十五日止。
6. 購股權分三期歸屬，每一期分別涵蓋相關購股權的三分之一(即最多可行使相關購股權的三分之一)，第一、第二及第三期分別於二零一六年、二零一七年及二零一八年的一月二十日起可予行使，直至二零二五年一月十九日止。

購回、出售或贖回本公司上市證券

於截至二零一八年九月三十日止六個月，本公司或其任何附屬公司均無購回、出售或贖回任何本公司之上市證券。

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has applied the principles and complied with all the applicable code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 of the Listing Rules except for CG Code provision A.2.1 for the six months ended 30th September 2018.

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

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

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

遵守企業管治守則

於截至二零一八年九月三十日止六個月內，本公司已應用上市規則附錄十四所載之企業管治守則(「**企業管治守則**」)之原則，並遵守一切適用守則條文，惟企業管治守則條文第A.2.1條除外。

企業管治守則條文A.2.1條規定，主席與行政總裁的角色應有區分，並不應由一人同時兼任。姚祖輝先生同時出任主席及首席執行官兩個職位。董事會相信賦予姚先生主席及首席執行官之職務會使其繼續為本集團帶來強勁之領導能力、提高資源運用效率並推展計劃、組織及實施本公司之業務策略，令本集團能夠有效地拓展其業務。於姚先生之領導及執行委員會之監督下，管理團隊會繼續負責本集團之日常管理及營運。

董事及相關僱員進行證券交易之守則

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

OTHER INFORMATION

其他資料

AUDIT COMMITTEE

The Audit Committee comprises four independent non-executive Directors and is chaired by Mr. Tam King Ching Kenny who has appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10 of the Listing Rules. Scope of the work of the Audit Committee is defined and approved by the Board in relation to various internal control, risk management and audit issues with a view to further improve the Company's corporate governance. The terms of reference of the Audit Committee are aligned with the provisions set out in the CG Code. The Audit Committee has discussed auditing, internal controls, risk management and financial reporting matters including review of the results for the six months ended 30th September 2018. They are also of opinion that such statements comply with applicable accounting standards and legal requirements, and that adequate disclosures have been made.

On behalf of the Board

Yao Cho Fai Andrew

Chairman

Hong Kong, 28th November 2018

審核委員會

審核委員會由四名獨立非執行董事組成，主席為譚競正先生，彼具有上市規則第3.10條規定具備適當的專業資格，或具備適當的會計或相關的財務管理專長。董事會已制定及核准審核委員會之職權範圍，職權涉及若干內部監控、風險管理及審核事宜，目標為進一步改善本公司之企業管治。審核委員會之職權範圍與企業管治守則之條文一致。審核委員會已討論審核、內部監控、風險管理及財務匯報等事宜，包括審閱截至二零一八年九月三十日止六個月之業績。其亦認為該等報表符合適用之會計準則及法例規定，且作出足夠之披露。

代表董事會

主席

姚祖輝

香港，二零一八年十一月二十八日





商界展關懷
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