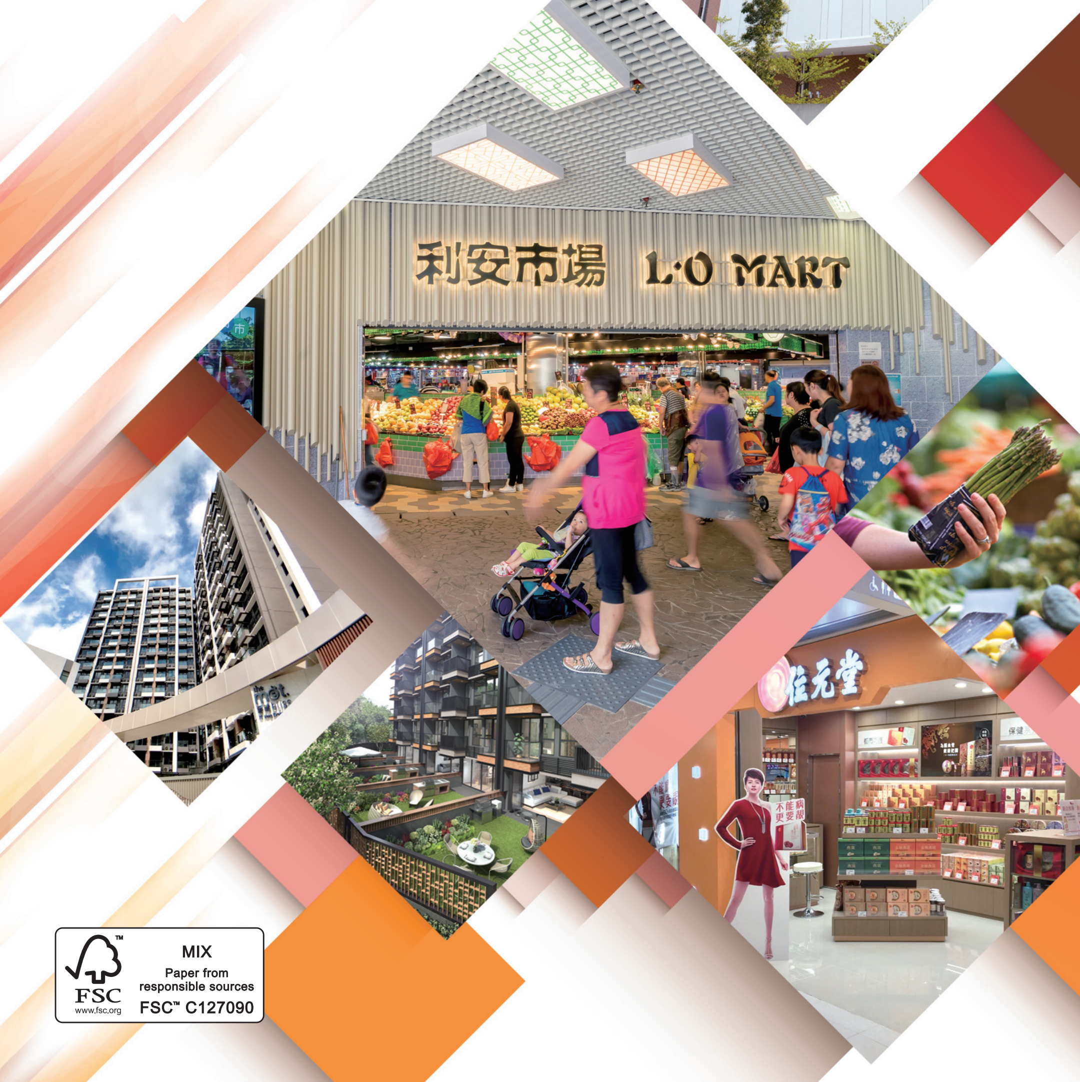
WANG ON GROUP LIMITED
宏 安 集 團 有 限 公 司

Incorporated in Bermuda with limited liability
Stock Code: 1222

Interim Report
2018



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Tang Ching Ho, *SBS, JP, Chairman*
Ms. Yau Yuk Yin, *Deputy Chairman*
Mr. Chan Chun Hong, Thomas, *Managing Director*

Independent Non-executive Directors

Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*
Mr. Wong Chun, Justein, *BBS, MBE, JP*
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Siu Kam Chau

AUDIT COMMITTEE

Mr. Siu Yim Kwan, Sidney, *S.B.St.J., Chairman*
Mr. Wong Chun, Justein, *BBS, MBE, JP*
Mr. Siu Kam Chau

REMUNERATION COMMITTEE

Mr. Wong Chun, Justein, *BBS, MBE, JP, Chairman*
Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Siu Kam Chau
Mr. Tang Ching Ho, *SBS, JP*
Ms. Yau Yuk Yin
Mr. Chan Chun Hong, Thomas

NOMINATION COMMITTEE

Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP, Chairman*
Mr. Wong Chun, Justein, *BBS, MBE, JP*
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Siu Kam Chau
Mr. Tang Ching Ho, *SBS, JP*
Ms. Yau Yuk Yin
Mr. Chan Chun Hong, Thomas

EXECUTIVE COMMITTEE

Mr. Tang Ching Ho, *SBS, JP, Chairman*
Ms. Yau Yuk Yin
Mr. Chan Chun Hong, Thomas

INVESTMENT COMMITTEE

Mr. Tang Ching Ho, *SBS, JP, Chairman*
Mr. Chan Chun Hong, Thomas
Mr. Siu Kam Chau

AUTHORISED REPRESENTATIVES

Mr. Tang Ching Ho, *SBS, JP*
Mr. Chan Chun Hong, Thomas

COMPANY SECRETARY

Ms. Mak Yuen Ming, Anita

AUDITOR

Ernst & Young

LEGAL ADVISERS

DLA Piper Hong Kong
Gallant

PRINCIPAL BANKERS

The Bank of East Asia, Limited
China Construction Bank (Asia) Corporation Limited
China Everbright Bank Co., Ltd.
DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 3202, 32/F., Skyline Tower
39 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN BERMUDA

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

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

BOARD LOT

20,000 shares

INVESTOR RELATIONS

email: pr@wangon.com

HOMEPAGE

www.wangon.com

STOCK CODE

1222

INTERIM DIVIDEND

The board of directors (the "**Board**" or the "**Directors**") of Wang On Group Limited (the "**Company**", together with its subsidiaries, collectively referred to as the "**Group**") has resolved to declare an interim dividend of HK0.1 cent (six months ended 30 September 2017: HK0.1 cent) per ordinary share for the six months ended 30 September 2018. The interim dividend will be payable on or around Wednesday, 9 January 2019 to those shareholders whose names appear on the register of members of the Company on Friday, 28 December 2018.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 20 December 2018 to Friday, 28 December 2018, both days inclusive, during which period, no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers of share(s), accompanied by the relevant share certificate(s) with properly completed transfer form(s) either overleaf or separately, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 19 December 2018.

BUSINESS REVIEW

The Group's revenue for the six months ended 30 September 2018 increased by 443.8% to HK$3,279.2 million (six months ended 30 September 2017: HK$603.0 million). This growth mainly reflected an increase in sales revenue from property development segment driven by sales recognition from completion of a residential project in Ma On Shan, The Met. Blossom. Profit attributable to owners of the parent was HK$462.2 million (six months ended 30 September 2017: HK$688.3 million), representing a decrease of 32.8% over the period, due to the impact of one-time gain of HK$924.2 million from the disposal of 50% equity interest in maya by NOUVELLE project in June 2017.

Property Development

During the first half of the financial year, the property development segment recorded revenue of HK$2,726.1 million (six months ended 30 September 2017: HK$2.1 million). This was derived from the recognition of sales of completed residential project of The Met. Blossom.

The Met. Acappella

The Met. Acappella, situated at Tai Wai, Shatin, is a twin tower development with two wings of 12-and-13 storey residential blocks offering a total of 336 units. It comprises diversified unit layouts including studios, one-bedroom units, one-bedroom (with storeroom or study room) units, that account for over 80% of all units. The project also offers garden duplex units and penthouse units with rooftop terrace. The Met. Acappella is designed to incorporate the natural scenery of the neighbouring areas, enabling residents to enjoy fresh air and breathtaking green views in this bustling city. With the excellent and convenient transport network, The Met. Acappella also allows its residents to indulge in all-round shopping, dining, entertainment and leisure activities, satisfying the needs for quality lifestyle. Pre-sales of the project, which launched in November 2017, had received positive response and marked strong performance. As of 20 November 2018, 305 units had been pre-sold with a total pre-sale amount of HK$2.1 billion. The project is scheduled to be completed in the first quarter of 2019.

BUSINESS REVIEW (Continued)

Property Development (Continued)

maya by NOUVELLE

"NOUVELLE" is a new luxury residential brand series. The brand's first premium luxury residential project, "maya", is located at No. 8 Shung Shan Street and No. 15 Sze Shan Street, Yau Tong. This residential project, co-developed by Wang On Properties Limited ("**WOP**, together with its subsidiaries, collectively the "**WOP Group**") and CIFI Holdings (Group) Co. Ltd., will have a total gross floor area ("**GFA**") of 272,000 square feet. WOP holds a 50% stake in the project. It comprises two residential towers on a podium with a shopping arcade. It will offer a total of 326 units of different layout designs, including standard two-to-three bedroom units and special units. Presenting a modern and clean outlook, exceptional green landscape and a large clubhouse, the project offers residents a luxurious and cozy living environment. The superstructure is currently under construction.

Altissimo

The residential project, Altissimo, located at Sha Tin Town Lot No. 601, is co-developed by WOP, Country Garden Holdings Company Limited and China State Construction International Holdings Limited. The project carries integrated advantages as it is located in front of Starfish Bay, an ecological treasure in the natural reserve area, and with Ma On Shan Country Park at its back. It also enjoys the unparalleled natural advantage with the picturesque view of Pat Sin Leng and within walking distance of the Whitehead Club. The project has a GFA of 388,000 square feet and will provide 547 units. WOP holds a 40% stake in this project. Adding top-class construction materials and delicate designs to its strength, the project will set a new model of new premium residential projects in that area. Pre-sale has been launched in mid of November 2018.

BUSINESS REVIEW (Continued)

Property Development (Continued)

Pokfulam residential project

In April 2018, the WOP Group completed the acquisition of all of the 16 properties located at 86A–86D Pokfulam Road, Hong Kong. This project is capable of being redeveloped into a low-density luxurious residential property. On 19 April 2018, the WOP Group disposed of 30% interest in a subsidiary holding these properties at a consideration of HK$103.8 million.

Tsing Yi residential project

On 12 April 2018, the WOP Group acquired a site located at the junction of Liu To Road and Hang Mei Street, Tsing Yi at a total consideration of HK$867.3 million through public tender. The site, occupying an area of 14,400 square feet, will be developed into a premium residential project under the exquisite series "The Met.", with a residential and commercial GFA of 90,000 square feet. We are confident in the potential of this exclusive project, which is situated in a prestigious locale with stunning sea view.

As at 31 October 2018, the Group had a development land portfolio as follows:

Location	**Approximate site area** *(square feet)*	**Approximate GFA** *(square feet)*	**Intended usage**	**Anticipated year of completion**
The Met. Acappella	71,000	148,000	Residential	2019
maya by NOUVELLE	41,000	272,000	Residential and Commercial	2020
Altissimo	253,000	388,000	Residential	2020
Pokfulam residential project	28,500	28,500	Residential	2021
Tsing Yi residential project	14,400	90,000	Residential and Commercial	2022

BUSINESS REVIEW (Continued)

Property Investment

During the reporting period, the Group received gross rental income of HK$11.8 million (six months ended 30 September 2017: HK$15.8 million), representing a decrease of HK$4.0 million or 25.1% compared to the corresponding period last year. The decrease in gross rental income was primarily attributable to the disposal of a number of investment properties during the reporting period.

As at 30 September 2018, the Group's portfolio of investment properties comprised commercial, industrial and residential units located in Hong Kong with a total carrying value of HK$1,412.6 million (31 March 2018: HK$1,951.8 million).

During the reporting period, we continued to dispose second-hand residential properties and realised HK$10.2 million. As at 30 September 2018, we still held 20 units of second-hand residential properties carrying a valuation of HK$115.8 million. As at the date of this report, three out of the aforesaid 20 units had been sold. During the period from July 2018 to August 2018, WOP completed the disposal of three investment properties to independent third parties at a total consideration of HK$440.3 million.

BUSINESS REVIEW (Continued)

Fresh Markets

In the first half of this financial year, the fresh market business segment continued to be an important stream of profit and cash. For the six months ended 30 September 2018, revenue recorded for this segment amounted to HK$93.3 million (six months ended 30 September 2017: HK$110.1 million), representing an decrease of HK$16.8 million or 15.3% over the corresponding period last year. The revenue decline was mainly due to the lease expiry of fresh markets, namely Kai Tin Estate in Lam Tin, Hang On Estate in Ma On Shan and Po Lam Estate in Tseung Kwan O; however, the revenue decrease was offset by a new fresh market located in Ying Tung Estate in Tung Chung which has commenced operation since September 2018.

The Group's fresh market business, which has been built over the past two decades, is a high profit margin and cash flow generating business. During the reporting period, the Group managed a substantial portfolio of 700 stalls under the "Allmart" brand of fresh markets in Hong Kong with a total GFA of over 162,000 square feet. In order to meet rising customer expectation, the Group strives to offer a more comfortable and spacious shopping environment through well-designed layouts, enhancement works and high quality management services. We will continue to strengthen the partnership with its tenants and local communities by launching effective marketing and promotion events, and thereby reinforcing shopper relationships.

In mainland China, the Group operates fresh market business through its joint venture (the "**JV**") under the "Huimin" brand in various districts of Shenzhen, Guangdong Province. The JV currently manages a portfolio of 1,000 stalls with a GFA of over 283,000 square feet, in which 152,000 square feet are owned by the JV. Following the issuance of urban redevelopment policy by Shenzhen Government, some of the fresh markets may be affected. The Group will continue to closely monitor the latest development, particularly the impact on the land-use rights of its fresh market properties.

BUSINESS REVIEW (Continued)

Pharmaceutical and Health Food Products Business

During the reporting period, the pharmaceutical segment recorded a decrease in revenue of HK$333.8 million (six months ended 30 September 2017: HK$370.3 million), representing a decrease of 9.9%.

Chinese pharmaceutical and health food products

In the first half of this financial year, retail sales in Hong Kong and Macau increased by 2.1% to HK$195.8 million (six months ended 30 September 2017: HK$191.8 million) as a result of continued implementation of effective pricing and marketing strategies, supported by a professional team of highly motivated and well-trained sales representatives backed by well designed incentives programmes. However, sales from channel operation recorded a decline of 32.4% to HK$28.5 million (six months ended 30 September 2017: HK$42.5 million) due to tightening of credit terms to trade customers for better working capital management. It will continue to review and expand its trade customers portfolio based on key selection criteria of financial condition and sales abilities.

In view of rising cost pressure, it will also step up efforts in managing production cost and optimising product formula with an aim to improve profit margins.

The "Wai Yuen Tong" brand is a household name established over a century. It will continue to promote its brand value to maintain a leading market position in Chinese pharmaceutical and health food product markets.

Western pharmaceutical and health care products

As previously reported, the western pharmaceutical business has been navigating a complex transition in both business and manufacturing strategy. As a result, revenue fell by 14.0% to HK$55.1 million (six months ended 30 September 2017: HK$64.0 million). The "Pearls" brand, a series of mosquito repellents products and over-the-counter medicines, remains popular in Hong Kong and its distribution stores channels are well established. The business in mainland China, however, is suffering from a decline and finding more difficult to develop new channels. It is necessary that we have to take a transformation to adapt the challenging market environment. We are exploring the possibility to shift from gross sales business model to a fee-for-licensing business model in mainland China. Under this business model, the sales revenue from western pharmaceutical business will be reduced but there is no adverse impact on profit given the license fees to be received.

BUSINESS REVIEW (Continued)

Pharmaceutical and Health Food Products Business (Continued)

Western pharmaceutical and health care products (Continued)

With core strategic focus on sales channel expansion and gaining market share in Hong Kong and potential new business model in mainland China, we believe that the contribution from the "Pearls" brand products should turnaround and resume growth.

Treasury Management

During the reporting period, the Group maintained a robust financial position. Liquid investment as at 30 September 2018 amounted to HK$1,570.6 million, representing a decrease of 4.0% from the balance of HK$1,635.9 million as at 31 March 2018, mainly due to the partial redemption of five-year 10.0% coupon interest bonds (the "**CAP Bonds**") issued by China Agri-Products Exchange Limited ("**CAP**"). The liquid investments represented 88.2% of the total debt securities, 8.7% of which were listed equity securities and 3.1% were fund investment.

This business segment contributed HK$114.2 million (six months ended 30 September 2017: HK$104.7 million) to the revenue. Among other things, interest income from CAP amounted to HK$54.9 million. In October 2014, the Group agreed to subscribe the CAP Bonds. As at 30 September 2018, the fair value and principal amount of the CAP Bonds held by the Group amounted to HK$884.0 million and HK$900.0 million (31 March 2018: HK$1,038.0 million and HK$1,050.0 million), respectively.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2018, the Group's total assets less current liabilities were HK$11,480.9 million (31 March 2018: HK$11,435.0 million) and the current ratio decreased from 2.1 times as at 31 March 2018 to 1.6 times as at 30 September 2018.

As at 30 September 2018, the Group had cash resources and short-term investments of HK$2,495.6 million (31 March 2018: HK$2,990.5 million). Aggregate borrowings as at 30 September 2018 amounted to HK$5,565.7 million (31 March 2018: HK$4,675.1 million) and bore floating interest rates. The gearing ratio was 40.1% (31 March 2018: 25.1%), calculated by reference to the Group's total bank and other borrowings net of cash and cash equivalents and the net assets of the Group.

LIQUIDITY AND FINANCIAL RESOURCES (Continued)

As at 30 September 2018, the Group's land and buildings, investment properties (including the investment properties included in assets held for sale), properties under development, properties held for sale, available-for-sales investments, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss with carrying value of HK$289.1 million, HK$1,275.8 million, HK$3,329.7 million, HK$665.3 million, nil, HK$508.8 million and HK$19.6 million (31 March 2018: HK$483.2 million, HK$1,868.8 million, HK$1,168.3 million, HK$576.5 million, HK$239.6 million, nil and HK$96.6 million) were pledged to secure the Group's general banking facilities.

The Group's capital commitment as at 30 September 2018 amounted to HK$447.2 million (31 March 2018: HK$1,567.0 million), which was mainly for property development business. The Group has given guarantee to a bank in connection with a facility granted to the joint ventures of the Group up to HK$2,158.8 million and HK$1,165.5 million of the banking facility guaranteed by the Group has been utilised as at the end of the reporting period. Save as disclosed herein, the Group had no significant contingent liabilities as at the end of the reporting period.

The Group strengthens and improves its financial risk control on a continual basis and has consistently adopted a prudent approach in financial management. Financial resources have been closely monitored to ensure the Group's efficient and effective operation, as well as flexibility to respond to opportunities and uncertainties. The management of the Group is of the opinion that the Group's existing financial structure is healthy and related resources are sufficient to meet the Group's operation needs in the foreseeable future.

DEBT PROFILE AND FINANCIAL PLANNING

As at 30 September 2018, interest-bearing debt profile of the Group was analysed as follows:

	30 September 2018 HK$'000	31 March 2018 HK$'000
Bank loans repayable:		
Within one year	**2,798,448**	1,470,021
In the second year	**483,426**	1,332,427
In the third to fifth years, inclusive	**1,657,302**	1,392,024
Beyond five years	**440,674**	467,228
	5,379,850	4,661,700
Other loans repayable:		
Within one year	**4,400**	13,397
In the third to fifth years, inclusive	**181,420**	–
	185,820	13,397
	5,565,670	4,675,097

In order to meet the interest-bearing debts, business capital expenditure and funding needs for, *inter alia*, replenishment of the Group's land bank, enhancing the Group's portfolio of properties for investment and/or payment of construction costs for the development of the property development projects, the Group had been from time to time considering various financing alternatives including but not limited to equity fund raising, financial institution borrowings, non-financial institution borrowings, bonds issuance, issuance of convertible notes or other debt financial instruments, and disposal of properties.

SIGNIFICANT INVESTMENTS HELD

As at 30 September 2018, the Group had financial assets at fair value of HK$1,570.6 million:

	As at 30 September 2018		For the period ended 30 September 2018			Fair value/carrying amount		
Nature of investments	Amount held HK$'000	Percentage to the Group's net assets %	Fair value gain/(loss) HK$'000	Bond interest income HK$'000	Dividends received HK$'000	As at 30 September 2018 HK$'000	As at 31 March 2018 HK$'000	Investment cost HK$'000
Financial assets at fair value through other comprehensive income:								
A. Listed investments	116,598	1.4	(70,894)	–	1,342	116,598	187,493	120,488
B. Funds	39,966	0.5	–	–	–	39,966	–	39,966
C. Bonds								
CAP – 10% 5-year Bonds	883,955	10.4	(7,540)	54,854	–	883,955	1,038,087	900,000
Logan Property	92,634	1.1	(477)	2,507	–	92,634	23,482	93,000
Others	408,555	4.8	(8,139)	11,435	–	408,555	294,185	408,095
Sub-total	1,541,708	18.2	(87,050)	68,796	1,342	1,541,708	1,543,247	1,561,549
Financial assets at fair value through profit or loss:								
A. Listed investments	19,600	0.2	(3,660)	–	904	19,600	81,304	20,452
B. Funds	2,820	0.0	(1,066)	–	–	2,820	3,662	13,573
C. Others	6,464	0.1	(1,197)	–	–	6,464	7,661	9,941
Sub-total	28,884	0.3	(5,923)	–	904	28,884	92,627	43,966
Total	1,570,592	18.5	(92,973)	68,796	2,246	1,570,592	1,635,874	1,605,515

The principal activities of the securities are as follows:

1. CAP is principally engaged in the business of management and sales of properties in agricultural produce exchange markets in the People's Republic of China ("**PRC**").

2. Logan Property Holding Company Limited ("**Logan Property**") is principally engaged in property development, property investment and construction in the PRC.

3. Save as disclosed above, the Group also invested in other listed shares in Hong Kong. The fair value of each of these shares represented less than 1.00% of the net assets of the Group as at 30 September 2018.

4. Save as disclosed above, the Group also invested in other bonds and funds, the fair value of each of these bonds and funds represented less than 1.00% of the net assets of the Group as at 30 September 2018.

FOREIGN EXCHANGE

The management of the Group is of the opinion that the Group has no material foreign exchange exposure and therefore, the Group does not engage in any hedging activities. As at 30 September 2018, the Group held limited amount of foreign currency deposits, while all bank borrowings were denominated in Hong Kong dollars. The revenue of the Group, also being mostly denominated in Renminbi and Hong Kong dollar, matches the currency requirements of the Group's operating expenses during the reporting period.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed above, during the period under review, the Group did not have any other significant investments held, material acquisitions and disposals of subsidiaries and future plans for material investments or capital assets.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2018, the Group had 944 (31 March 2018: 943) employees, of whom 82% (31 March 2018: 81%) were located in Hong Kong and the rest were located in mainland China. The Group remunerates its employees mainly based on industry practices and individual performance and experience. On top of the regular remuneration, discretionary bonus and share options may be granted to selected staff by reference to the Group's as well as the individual's performances. The Group also provides a defined contribution to the Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all eligible employees in Hong Kong and had launched a defined scheme of remuneration and promotion review to accommodate the above purpose and review is normally carried out annually. Other forms of benefits such as medical and retirement benefits and structured training programmes are also provided.

PROSPECTS

Global financial market volatility and economy uncertainty are expected to continue throughout the remainder of this financial year of the Group. Such market volatility has been arisen from factors including international trade tensions, especially that between mainland China and the United States. However, the continuous deepening of the financial and economic initiatives in the mainland China, as well as the implementation of the national initiatives of "One Belt, One Road" and the "Greater Bay Area" will help facilitate Hong Kong's overall growth in the foreseeable future.

While the Group is conscious of its exposure to these market uncertainties, it will continue to reinforce its management efficiency, risk management and cost control, in order to achieve stronger financials, and continue to improve its earnings and cash flow. Under the backdrop of the recent adjustments in Hong Kong capital market and the investment opportunities opened to the Group, the Group will continue to maintain a prudent approach to ensure appropriate and advantageous investment decisions.

Over the years, the Group has established a solid foundation for its diversified business portfolio. Looking forward, the Group will closely monitor international and domestic market situations, and leverage on the business opportunities enabled by the above national initiatives, to deliver sustainable growth across its fresh market, property development as well as the Chinese and Western pharmaceutical and health food products businesses, and maximising the return to its shareholders.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2018, the interests and short positions of the Directors and chief executive of the Company and/or any of their respective associates in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") under the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), were as follows:

Long positions in the ordinary shares of the Company:

Name of Directors	Number of ordinary shares held, capacity and nature of interest: Personal interest	Family interest	Corporate interest	Other interest	Total	Approximate percentage of the Company's total issued share capital *(Note f)* %
Mr. Tang Ching Ho ("**Mr. Tang**")	28,026,339	28,026,300 *(Note a)*	4,938,375,306 *(Note b)*	4,989,928,827 *(Note c)*	9,984,356,772	52.75
Ms. Yau Yuk Yin ("**Ms. Yau**")	28,026,300	4,966,401,645 *(Note d)*	–	4,989,928,827 *(Note e)*	9,984,356,772	52.75

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (Continued)

Long positions in the ordinary shares of the Company: (Continued)

Notes:

(a) Mr. Tang was taken to be interested in those shares in which his spouse, Ms. Yau, was interested.

(b) Mr. Tang was taken to be interested in those shares in which Caister Limited ("**Caister**"), a company which is wholly and beneficially owned by him, was interested.

(c) Mr. Tang was taken to be interested in those shares by virtue of being the founder of a discretionary trust, namely Tang's Family Trust.

(d) Ms. Yau was taken to be interested in those shares in which her spouse, Mr. Tang, was interested.

(e) Ms. Yau was taken to be interested in those shares by virtue of being a beneficiary of Tang's Family Trust.

(f) The percentage represented the number of shares over the total issued share capital of the Company as at 30 September 2018 of 18,928,520,047 shares.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (Continued)

Long positions in the underlying shares of share options of Easy One Financial Group Limited ("Easy One"), an associate corporation of the Company:

Name of Director	Date of grant	Exercise price per share *HK$*	Number of share options outstanding	Exercisable period	Number of underlying shares	Approximate percentage of Easy One's total issued share capital *(Note)* %
Mr. Chan Chun Hong, Thomas	23.2.2018	0.48	4,600,000	23.2.2018 – 22.2.2025	4,600,000	0.83

Note: The percentage represented the number of shares over the total issued share capital of Easy One as at 30 September 2018 was 556,432,500 shares.

Save as disclosed above, as at 30 September 2018, none of the Directors and chief executive of the Company and/or any of their respective associates had registered an interest or short position 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), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "Directors' and chief executive's interests and short positions in shares, underlying shares or debentures of the Company and its associated corporations" above, at no time during the period were rights to acquire benefits by means of the acquisition of shares, or underlying shares in, or debentures of the Company granted to any Director, chief executive of the Company or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or chief executive of the Company to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2018, to the best knowledge of the Directors, the following persons had, or were deemed or taken to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Long positions in the ordinary shares of the Company:

Name of shareholders	*Notes*	**Capacity**	**Number of shares**	**Approximate percentage of the Company's total issued share capital** *(Note 5)* %
Caister	*(1)*	Beneficial owner	4,938,375,306	26.09
Accord Power Limited ("**Accord Power**")	*(2)*	Beneficial owner – Tang's Family Trust	4,989,928,827	26.36
Fiducia Suisse SA	*(3)*	Interest of controlled corporation – Trustee	4,989,928,827	26.36
Mr. David Henry Christopher Hill	*(3)*	Interest of controlled corporation	4,989,928,827	26.36
Ms. Rebecca Ann Hill	*(4)*	Family interest	4,989,928,827	26.36

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (Continued)

Long positions in the ordinary shares of the Company: (Continued)

Notes:

(1) Caister, a company wholly owned by Mr. Tang Ching Ho, beneficially owned 4,938,375,306 shares.

(2) Accord Power is wholly owned by Fiducia Suisse SA in its capacity as the trustee of Tang's Family Trust. Accordingly, Fiducia Suisse SA was taken to be interested in those shares held by Accord Power.

(3) Fiducia Suisse SA is the trustee of the Tang's Family Trust. Fiducia Suisse SA is wholly owned by Mr. David Henry Christopher Hill, and accordingly, Mr. David Henry Christopher Hill was taken to be interested in those shares in which Fiducia Suisse SA was interested.

(4) Ms. Rebecca Ann Hill is the spouse of Mr. David Henry Christopher Hill and was therefore taken to be interested in the shares in which Mr. David Henry Christopher Hill was interested.

(5) The percentage represented the number of shares over the total issued share capital of the Company as at 30 September 2018 of 18,928,520,047 shares.

Save as disclosed above, as at 30 September 2018, there were no other persons who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME OF THE COMPANY

The Company adopted a new share option scheme (the "**2012 Scheme**") at the annual general meeting of the Company held on 21 August 2012 for the primary purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The 2012 Scheme became effective on 21 August 2012 and, unless otherwise terminated earlier by shareholders at a general meeting, will remain in force for a period of 10 years from that date.

Under the 2012 Scheme, share options may be granted to any Director or proposed Director (whether executive or non-executive, including independent non-executive Director), employee or proposed employee (whether full-time or part-time) or any secondee works for any member of the Group or any of its substantial shareholder or any company controlled by its substantial shareholder, or any holder of any securities issued by any member of the Group, any person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to any member of the Group and any company controlled by one or more persons belonging to any of the above classes of participants.

During the period under review and as at 30 September 2018, no share option was granted, lapsed, cancelled or outstanding under the 2012 Scheme.

SHARE OPTION SCHEME OF WOP

WOP adopted a share option scheme (the "**WOP Share Option Scheme**") with the approval of the shareholders of WOP and the Company at the respective annual general meetings held on 9 August 2016. The WOP Share Option Scheme became effective on 9 August 2016 and, unless otherwise terminated earlier by its shareholders at a general meeting, will remain in force for a period of 10 years from that date.

Under the WOP Share Option Scheme, share options may be granted to any WOP's director or proposed director (whether executive or non-executive, including independent non-executive director), employee or proposed employee (whether full-time or part-time) or any secondee works for any member of the WOP Group or any of its substantial shareholder or any company controlled by its substantial shareholder, or any holder of any securities issued by any member of the WOP Group, any person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to any member of the WOP Group and any company controlled by one or more persons belonging to any of the above classes of participants.

During the period under review and as at 30 September 2018, no share option was granted, lapsed, cancelled or outstanding under the WOP Share Option Scheme.

SHARE OPTION SCHEME OF WYTH

On 22 August 2013, Wai Yuen Tong Medicine Holdings Limited ("**WYTH**", together with its subsidiaries, collectively the "**WYTH Group**") adopted a new share option scheme (the "**WYTH 2013 Scheme**") and terminated the share option scheme previously adopted at its annual general meeting held on 18 September 2003 (the "**WYTH 2003 Scheme**"). Upon termination of the WYTH 2003 Scheme, no share options was granted thereunder but the subsisting share options granted prior to the termination will continue to be valid and exercisable during the prescribed exercisable period in accordance with the terms of the WYTH 2003 Scheme.

Under the WYTH 2013 Scheme, share options may be granted to any WYTH's director or proposed director (whether executive or non-executive, including independent non-executive director), employee or proposed employee (whether full-time or part-time) or any secondee works for any member of the WYTH Group or any of its substantial shareholder or any company controlled by its substantial shareholder, or any holder of any securities issued by any member of the WYTH Group, any person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to any member of the WYTH Group and any company controlled by one or more persons belonging to any of the above classes of participants.

The WYTH 2013 Scheme became effective on 22 August 2013 and, unless otherwise terminated earlier by its shareholders at a general meeting, will remain in force for a period of 10 years from that date.

SHARE OPTION SCHEME OF WYTH (Continued)

The movement in the share options under the WYTH 2003 Scheme during the period under review was as follows:

	Number of share options							
Name or category of participant	Outstanding as at 1 April 2018	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30 September 2018	Date of grant	Exercise price per share *(Note 1)* HK$	Exercisable period *(Note 2)*
WYTH director								
Ms. Tang Mui Fun	4,554	–	–	–	4,554	8.1.2009	20.6927	8.1.2010 – 7.1.2019
	4,554	–	–	–	4,554			
Other employees								
In aggregate	15,276	–	–	(1,401)	13,875	8.1.2009	20.6927	8.1.2010 – 7.1.2019
	19,340	–	–	(2,102)	17,238	12.5.2010	7.4197	12.5.2011 – 11.5.2020
	34,616	–	–	(3,503)	31,113			
	39,170	**–**	**–**	**(3,503)**	**35,667**			

Notes:

1. The numbers and exercise prices of the share options were adjusted immediately upon issue of bonus shares.

2. The share options granted under the WYTH 2003 Scheme were vested as follows:

On the 1st anniversary of the date of grant:	30% vested
On the 2nd anniversary of the date of grant:	Further 30% vested
On the 3rd anniversary of the date of grant:	Remaining 40% vested

Save as disclosed above, during the period under review, no share option was granted, exercised or cancelled under the WYTH 2003 Scheme and the WYTH 2013 Scheme and an aggregate of 3,503 share options lapsed under the WYTH 2003 Scheme. As at 30 September 2018, there were 35,667 share options outstanding under the WYTH 2003 Scheme. Upon expiry of the vesting periods, the exercise in full of the share options under the WYTH 2003 Scheme, WYTH would, under its present capital structure, result in the issue of 35,667 additional WYTH's ordinary shares and additional share capital of approximately HK$356.7 and share premium of approximately HK$508,889.9 (before expenses) in WYTH.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

In the opinion of the Board, the Company has complied with the applicable code provisions of the Corporate Governance Code set out in Appendix 14 to the Listing Rules throughout the period for the six months ended 30 September 2018.

The Group is committed to maintaining a high standard of corporate governance with a strong emphasis on transparency, accountability, integrity and independence and enhancing the Company's competitiveness and operating efficiency, to ensure its sustainable development and to generate greater returns for the shareholders of the Company.

UPDATE ON DIRECTORS' INFORMATION

During the period under review, there is no change in information of the Directors since the publication of the 2018 annual report which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DISCLOSURES PURSUANT TO RULES 13.12 AND 13.20 OF THE LISTING RULES

The Group, through its subsidiaries, had advanced the following financial assistance to CAP, particulars of which are set out below:

(a) pursuant to the subscription agreement dated 4 October 2014 (as supplemented on 28 November 2014) (the "**Subscription Agreement**") entered into, among others, CAP, Winning Rich Investments Limited ("**Winning Rich**"), an indirect wholly-owned subsidiary of WYTH, and Double Leads Investments Limited ("**Double Leads**"), an indirect wholly-owned subsidiary of the Company, pursuant to which Double Leads subscribed for up to an aggregate principal amount of HK$330.0 million of the CAP Bonds issued by CAP, HK$200.0 million of which were sold to Winning Rich, pursuant to the bond transfer agreement dated 5 July 2016 (as supplemented on 8 July 2016) (the "**Bond Transfer Agreement**") entered into between Winning Rich, Double Leads and the Company. During the period and subsequent to the end of the period under review, aggregate principal amounts of HK$18.0 million and HK$6.0 million, respectively, of the CAP Bonds were early repaid by CAP to Double Leads; and

DISCLOSURES PURSUANT TO RULES 13.12 AND 13.20 OF THE LISTING RULES (Continued)

(b) Winning Rich subscribed for an aggregate principal amount of HK$720.0 million of the CAP Bonds pursuant to the Subscription Agreement and further acquired HK$200.0 million of the CAP Bonds from Double Leads pursuant to the Bond Transfer Agreement. During the period and subsequent to the end of the period under review, aggregate principal amounts of HK$132.0 million and HK$44.0 million, respectively, of the CAP Bonds were early repaid by CAP to Winning Rich.

At the end of the reporting period and up to the date of this report, the Group, through Double Leads and Winning Rich, had advanced aggregate of outstanding principal amounts HK$900.0 million and HK$850.0 million, respectively, of the CAP Bonds to CAP.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 September 2018.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its code of conduct regarding the securities transactions by the Directors no less exacting terms than the required standards set forth in the Model Code set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, the Company confirmed that all Directors had complied with the required standards set out in the Model Code throughout the period under review and up the date of this report and no incident of non-compliance by the Directors was noted by the Company.

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") with specific written terms of reference in compliance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over, among other things, the Group's financial reporting process, internal controls, risk management and other corporate governance issues. The Audit Committee has reviewed with the management the unaudited condensed consolidated financial statements for the six months ended 30 September 2018 of the Group. The Audit Committee comprises three independent non-executive Directors, namely Messrs. Siu Yim Kwan, Sidney, Wong Chun, Justein and Siu Kam Chau. Mr. Siu Yim Kwan, Sidney was elected as the chairman of the Audit Committee.

APPRECIATIONS

I would like to take this opportunity to thank our customers, business partners, shareholders and institutional investors for the continued support given to the Group during the period. I would also like to thank our fellow members of the Board and all staff for their contribution to the Group.

By Order of the Board
Tang Ching Ho
Chairman

Hong Kong, 20 November 2018

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Six months ended 30 September 2018

	Notes	Six months ended 30 September 2018 (Unaudited) HK$'000	2017 (Unaudited) HK$'000
REVENUE	*4*	**3,279,220**	603,049
Cost of sales		**(1,925,862)**	(340,755)
Gross profit		**1,353,358**	262,294
Other income and gains, net	*4*	**37,443**	945,139
Selling and distribution expenses		**(245,158)**	(127,891)
Administrative expenses		**(185,810)**	(181,776)
Other expenses		**(6,214)**	(2,749)
Finance costs	*5*	**(68,625)**	(45,520)
Fair value gains/(losses) of financial assets at fair value through profit or loss, net		**(5,923)**	4,755
Fair value gains on investment properties, net		**58,220**	63,028
Reversal of write-down of properties under development		**88,856**	–
Share of profits and losses of:			
Joint ventures		**(1,555)**	2,736
Associates		**64,935**	(28,997)
PROFIT BEFORE TAX	*6*	**1,089,527**	891,019
Income tax expense	*7*	**(162,078)**	(6,506)
PROFIT FOR THE PERIOD		**927,449**	884,513

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

Six months ended 30 September 2018

	Notes	Six months ended 30 September 2018 (Unaudited) HK$'000	2017 (Unaudited) HK$'000
OTHER COMPREHENSIVE INCOME/ (LOSS)			
Items to be reclassified to profit or loss in subsequent periods:			
Available-for-sale investments/debt investments at fair value through other comprehensive income:			
Net movement in fair value		**(16,156)**	(3,999)
Reclassification adjustments for losses included in profit or loss			
– Loss on disposal		**576**	1,307
– Impairment loss		**5,476**	–
		(10,104)	(2,692)
Exchange differences on translation of foreign operations		**(34,704)**	5,469
Other reserves:			
Share of other comprehensive income/(loss) of joint ventures		**(8,010)**	3,680
Share of other comprehensive income/(loss) of associates		**(7,831)**	5,973
		(15,841)	9,653
Items that will not be reclassified to profit or loss:			
Equity investments at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)		**(70,894)**	–

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

Six months ended 30 September 2018

	Note	Six months ended 30 September 2018 (Unaudited) HK$'000	2017 (Unaudited) HK$'000
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		**(131,543)**	12,430
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**795,906**	896,943
Profit attributable to:			
Owners of the parent		**462,244**	688,300
Non-controlling interests		**465,205**	196,213
		927,449	884,513
Total comprehensive income attributable to:			
Owners of the parent		**364,360**	697,279
Non-controlling interests		**431,546**	199,664
		795,906	896,943
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*8*		
Basic and diluted		**HK2.50 cents**	HK3.65 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2018

	Notes	30 September 2018 (Unaudited) HK$'000	31 March 2018 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	1,444,731	1,325,728
Investment properties		1,296,800	1,422,000
Properties under development	10	1,538,131	152,997
Trademarks		61,356	61,356
Interest in joint ventures		1,406,527	1,510,843
Interest in associates		126,550	77,315
Available-for-sale investments		–	1,302,052
Financial assets at fair value through other comprehensive income		1,236,502	–
Financial assets at fair value through profit and loss		6,464	7,661
Loans and interest receivables	11	895,963	738,657
Deposits and other receivables		381,521	63,049
Deferred tax assets		28,836	32,460
Total non-current assets		8,423,381	6,694,118
CURRENT ASSETS			
Properties under development	10	2,335,825	2,599,460
Properties held for sale		720,501	719,080
Contract assets		40,384	–
Available-for-sale investments		–	53,702
Inventories		200,211	183,175
Trade and bills receivables	12	95,333	123,179
Loans and interest receivables	11	455,108	533,444
Prepayments, deposits and other receivables		1,510,696	1,539,258
Financial assets at fair value through other comprehensive income		305,206	–
Financial assets at fair value through profit or loss		22,420	272,459
Tax recoverable		894	1,616
Cash and cash equivalents		2,167,980	2,664,364
		7,854,558	8,689,737
Assets classified as held for sale	13	115,800	532,673
Total current assets		7,970,358	9,222,410

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

30 September 2018

	Notes	30 September 2018 (Unaudited) HK$'000	31 March 2018 (Audited) HK$'000
CURRENT LIABILITIES			
Contract liabilities		1,413,557	–
Trade payables	14	242,341	252,656
Other payables and accruals		157,846	215,680
Deposits received and receipts in advance		41,750	2,285,795
Bank and other loans		2,802,848	1,483,418
Provisions for onerous contracts		9,663	9,663
Tax payable		244,882	86,541
		4,912,887	4,333,753
Liabilities directly associated with the assets classified as held for sale	13	–	147,775
Total current liabilities		4,912,887	4,481,528
NET CURRENT ASSETS		3,057,471	4,740,882
TOTAL ASSETS LESS CURRENT LIABILITIES		11,480,852	11,435,000
NON-CURRENT LIABILITIES			
Bank and other loans		2,762,822	3,191,679
Deferred tax liabilities		46,950	50,152
Other payables		164,959	164,958
Deposits received		29,696	28,766
Total non-current liabilities		3,004,427	3,435,555
Net assets		8,476,425	7,999,445
EQUITY			
Equity attributable to owners of the parent			
Issued capital		189,285	189,285
Reserves		5,899,917	5,610,237
		6,089,202	5,799,522
Non-controlling interests		2,387,223	2,199,923
Total equity		8,476,425	7,999,445

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 September 2018

	Attributable to owners of the parent											
	Issued capital (Unaudited) HK$'000	Share premium account (Unaudited) HK$'000	Contributed surplus (Unaudited) HK$'000	Available-for-sale investment revaluation reserve (Unaudited) HK$'000	Treasury shares (Unaudited) HK$'000	Exchange fluctuation reserve (Unaudited) HK$'000	Other reserves (Unaudited) HK$'000	Capital reserve (Unaudited) HK$'000	Retained profits (Unaudited) HK$'000	Total (Unaudited) HK$'000	Non-controlling interests (Unaudited) HK$'000	Total equity (Unaudited) HK$'000
At 1 April 2017	192,885	1,435,381	306,353	(1,005)	(27,918)	1,829	7,612	(259,048)	2,956,891	4,612,980	1,813,278	6,426,258
Profit for the period	–	–	–	–	–	–	–	–	688,300	688,300	196,213	884,513
Other comprehensive income/(loss) for the period:												
Available-for-sale investments:												
Changes in fair value of available-for-sale investments	–	–	–	(1,911)	–	–	–	–	–	(1,911)	(2,088)	(3,999)
Release to profit or loss upon disposal of available-for-sale investments	–	–	–	1,307	–	–	–	–	–	1,307	–	1,307
Exchange differences on translation of foreign operations	–	–	–	–	–	2,623	–	–	–	2,623	2,846	5,469
Share of other comprehensive income of joint ventures	–	–	–	–	–	–	3,680	–	–	3,680	–	3,680
Share of other comprehensive income of associates	–	–	–	–	–	–	3,280	–	–	3,280	2,693	5,973
Total comprehensive income for the period	–	–	–	(604)	–	2,623	6,960	–	688,300	697,279	199,664	896,943
Acquisition of non-controlling interests	–	–	–	–	–	–	–	100,457	–	100,457	(127,708)	(27,251)
Final 2017 dividend	–	–	–	–	–	–	–	–	(95,248)	(95,248)	919	(94,329)
At 30 September 2017	192,885	1,435,381	306,353	(1,609)	(27,918)	4,452	14,572	(158,591)	3,549,943	5,315,468	1,886,153	7,201,621

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Six months ended 30 September 2018

	Attributable to owners of the parent													
	Issued capital (Unaudited) HK$'000	Share premium account (Unaudited) HK$'000	Contributed surplus (Unaudited) HK$'000	Available-for-sale investment revaluation reserve (Unaudited) HK$'000	Fair value Reserve (recycling) (Unaudited) HK$'000	Fair value Reserve (non-recycling) (Unaudited) HK$'000	Treasury shares (Unaudited) HK$'000	Exchange fluctuation reserve (Unaudited) HK$'000	Other reserve (Unaudited) HK$'000	Capital Reserve (Unaudited) HK$'000	Retained Profits (Unaudited) HK$'000	Total (Unaudited) HK$'000	Non-controlling interests (Unaudited) HK$'000	Total equity (Unaudited) HK$'000
At 31 March 2018	189,285	1,394,125	306,353	(2,155)	–	–	(27,918)	4,129	26,923	(158,591)	4,067,371	5,799,522	2,199,923	7,999,445
Impact on initial application of HKFRS 9	–	–	–	2,155	(32,155)	67,005	–	–	(3,348)	–	(34,452)	(795)	–	(795)
Adjusted at 1 April 2018	189,285	1,394,125	306,353	–	(32,155)	67,005	(27,918)	4,129	23,575	(158,591)	4,032,919	5,798,727	2,199,923	7,998,650
Profit for the period	–	–	–	–	–	–	–	–	–	–	462,244	462,244	465,205	927,449
Other comprehensive income/(loss) for the period														
Debt investments at fair value through other comprehensive income														
Net movements	–	–	–	–	(13,085)	–	–	–	–	–	–	(13,085)	(3,071)	(16,156)
Reclassification adjustments for losses included in profit or loss														
Loss on disposal	–	–	–	–	–	–	–	576	–	–	–	576	–	576
Impairment loss	–	–	–	–	5,476	–	–	–	–	–	–	5,476	–	5,476
Equity investments at fair value through other comprehensive income (non-recycling)	–	–	–	–	–	(57,588)	–	–	–	–	–	(57,588)	(13,306)	(70,894)
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	(19,243)	–	–	–	(19,243)	(15,461)	(34,704)
Share of other comprehensive income of joint ventures	–	–	–	–	–	–	–	–	(8,010)	–	–	(8,010)	–	(8,010)
Share of other comprehensive income of associates	–	–	–	–	–	–	–	–	(6,010)	–	–	(6,010)	(1,821)	(7,831)
Total comprehensive income for the period	–	–	–	–	(7,609)	(57,588)	–	(18,667)	(14,020)	–	462,244	364,360	431,546	795,906
Disposal of partial interest in a subsidiary	–	–	–	–	–	–	–	–	–	121	–	121	(22)	99
Acquisition of non-controlling interests	–	–	–	–	–	–	–	–	–	18,523	–	18,523	(25,523)	(7,000)
Final 2018 dividend	–	–	–	–	–	–	–	–	–	–	(92,529)	(92,529)	–	(92,529)
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	(218,701)	(218,701)
At 30 September 2018	189,285	1,394,125*	306,353*	–	(39,764)*	9,417*	(27,918)*	(14,538)*	9,555*	(139,947)*	4,402,634*	6,089,202	2,387,223	8,476,425

* These reserve accounts comprise the consolidated reserves of HK$5,899,917,000 (31 March 2018: HK$5,610,237,000) in the condensed consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 September 2018

	Notes	Six months ended 30 September 2018 (Unaudited) HK$'000	2017 (Unaudited) HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Other cash used in other operating activities		**(1,337,545)**	(419,476)
Profits tax paid		**(2,450)**	(204)
Net cash flows used in operating activities		**(1,339,995)**	(419,680)
CASH FLOWS FROM INVESTING ACTIVITIES			
Bank interest received	4	**8,496**	6,043
Dividend income from listed securities	4	**2,246**	2,090
Additions of investment properties		**–**	(12,857)
Purchases of financial assets at fair value through other comprehensive income		**(321,131)**	–
Purchases of available-for-sale investments		**–**	(94,884)
Purchases of investment properties and properties under development through acquisition of subsidiaries that are not business	15	**–**	(847,725)
Proceeds from disposal of investment properties		**10,191**	13,924
Proceeds from disposal of financial assets at fair value through profit or loss		**58,044**	35,870
Proceeds from disposal of financial assets at fair value through other comprehensive income		**234,689**	–
Proceeds from disposal of subsidiaries, net	16	**435,254**	736,524
Advanced to/(repayment from) a joint venture		**90,274**	(1,912)
Other cash flows from/(used in) investing activities		**(22,435)**	11,090
Net cash flows from/(used in) investing activities		**495,628**	(151,837)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Six months ended 30 September 2018

	Notes	Six months ended 30 September 2018 (Unaudited) HK$'000	2017 (Unaudited) HK$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		**(76,206)**	(75,916)
Dividends paid		**(92,529)**	(94,329)
Dividends paid to non-controlling interests		**(218,701)**	–
Repayment of bank and other loans		**(677,938)**	(1,562,688)
New bank and other loans		**1,315,468**	1,969,079
Acquisition of non-controlling interests		**(7,000)**	(27,251)
Proceeds from disposal of partial interests in a subsidiary	*17*	**103,800**	–
Net cash flows from financing activities		**346,894**	208,895
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(497,473)**	(362,622)
Cash and cash equivalents at beginning of period		**2,664,364**	2,369,308
Effect of foreign exchange rate changes, net		**1,089**	4,528
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**2,167,980**	2,011,214
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances as stated in the condensed consolidated statement of financial position		**2,167,980**	2,007,595
Amount included in assets of a disposal group classified as held for sale		**–**	3,619
Cash and bank balances as stated in the condensed consolidated statement of cash flow		**2,167,980**	2,011,214

1. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements of the Group have been prepared in accordance with Hong Kong Accounting Standard ("**HKASs**") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

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

The accounting policies and the basis of preparation adopted in the preparation of these unaudited interim condensed consolidated financial statements are consistent with those adopted in the Group's audited financial statements for the year ended 31 March 2018, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance, except for the adoption of the revised HKFRSs as disclosed in note 2 below.

These unaudited interim condensed consolidated financial statements have been prepared under the historical cost convention, except for investment properties, available-for-sale investments, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, which have been measured at fair value. These unaudited interim condensed consolidated financial statements are presented in Hong Kong dollar ("**HK$**") and all values are rounded to the nearest thousand except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following amendments to HKFRSs for the first time for the current period's unaudited interim condensed consolidated financial statements:

Amendments to HKFRS 2	*Classification and Measurement of Share-based Payment Transactions*
Amendments to HKFRS 4	*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*
HKFRS 9	*Financial Instruments*
HKFRS 15	*Revenue from Contracts with Customers*
Amendments to HKFRS 15	*Clarifications to IFRS 15 Revenue from Contracts with Customers*
Amendments to HKAS 40	*Transfers of Investment Property*
HK(IFRIC)-Int 22	*Foreign Currency Transactions and Advance Consideration*
Annual Improvements 2014-2016 Cycle	Amendments to HKFRS 1 and HKAS 28

Other than as explained below regarding the impact of HKFRS 9, HKFRS 15 and Amendments to HKFRS 15, the adoption of the above new and revised standards has had no significant financial effect on the unaudited interim condensed consolidated financial statements.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

The following table gives a summary of the opening balance adjustments recognised for each line item in the condensed consolidated statement of financial position that has been impacted by HKFRS 9 and/or HKFRS 15:

	As at 31 March 2018 HK$'000	Impact on initial application of HKFRS 9 HK$'000	Impact on initial application of HKFRS 15 HK$'000	As at 1 April 2018 HK$'000
Available-for-sale investments	1,355,754	(1,355,754)	–	–
Financial assets at fair value through other comprehensive income	–	1,543,247	–	1,543,247
Financial assets at fair value through profit and loss	280,120	(187,493)	–	92,627
Interest in associates	77,315	(795)	–	76,520
Properties under development	2,752,457	–	54,262	2,806,719
Contract assets	–	–	67,256	67,256
Prepayments, deposits and other receivables	1,602,307	–	(67,256)	1,535,051
Contract liabilities	–	–	2,203,027	2,203,027
Deposits received and receipts in advance	2,314,561	–	(2,148,765)	165,796
Available-for-sale investment revaluation reserve	(2,155)	2,155	–	–
Fair value reserve (recycling)	–	(32,155)	–	(32,155)
Fair value reserve (non-recycling)	–	67,005	–	67,005
Retained profits	4,067,371	(34,452)	–	4,032,919

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

HKFRS 9 Financial Instruments

HKFRS 9 replaces HKAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting. The Group has applied HKFRS 9 retrospectively to items that existed at 1 April 2018 in accordance with the transition requirements. The Group did not restate comparative information and has recognised the cumulative effect of initial application as an adjustment to the opening equity at 1 April 2018. Therefore, comparative information continues to be reported under HKAS 39.

	HK$'000
Retained earnings	
Transferred to fair value reserve (non-recycling) relating to equity securities now measured at FVOCI (non-recycling)	(67,005)
Transfer to other reserve relating to interest in associates	2,553
Reclassify the impairment loss provided in prior years to fair value reserve (recycling) in respect of financial assets at FVOCI	30,000
	(34,452)
Fair value reserve (recycling)	
Transferred from available-for-sale investment revaluation reserve relating to debt securities now measured at FVOCI	(2,155)
Reclassify the impairment loss provided in prior years from retained earnings in respect of financial assets at FVOCI	(30,000)
	(32,155)
Fair value reserve (non-recycling)	
Transferred from retained earnings relating to equity securities now measured at FVOCI	67,005
Available-for-sale investment revaluation reserve	
Transferred to fair value reserve related to debt securities now measured at FVOCI	2,155

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

HKFRS 9 Financial Instruments (Continued)

(i) Classification and measurement

HKFRS 9 categories financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income ("**FVOCI**") and at fair value through profit or loss ("**FVPL**"). These supersede HKAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

Non-equity investments held by the Group are classified into one of the following measurement categories:

– amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method;

– FVOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss; or

– FVPL, if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

HKFRS 9 Financial Instruments (Continued)

(i) Classification and measurement (Continued)

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI (non-recycling), are recognised in profit or loss as other income.

Under HKFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not separated from the host. Instead, the hybrid instrument as a whole is assessed for classification.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

HKFRS 9 Financial Instruments (Continued)

(i) Classification and measurement (Continued)

	HKAS 39 carrying amount at 31 March 2018 HK$'000	Reclassification HK$'000	HKFRS 9 carrying amount at 1 April 2018 HK$'000
Financial assets carried as amortised cost			
Loan and interest receivables	1,272,101	–	1,272,101
Trade and bills receivables	123,179	–	123,179
Prepayments, deposits and other receivables (*Note (i)*)	1,602,307	(67,256)	1,535,051
Cash and cash equivalents	2,664,364	–	2,664,364
	5,661,951	(67,256)	5,594,695
Financial assets measured at FVOCI			
Debt securities (*Note (iii)*)	–	1,355,754	1,355,754
Financial assets measured at FVOCI (non-recyclable)			
Equity securities (*Note (ii)*)	–	187,493	187,493
Financial assets carried at FVPL			
Equity securities (*Note (ii)*)	268,797	(187,493)	81,304
Fund investment (*Note (ii)*)	3,662	–	3,662
Other derivative assets (*Note (iv)*)	7,661	–	7,661
	280,120	(187,493)	92,627
Financial assets classified as available-for-sale under HKAS 39			
Debt securities (*Note (iii)*)	1,355,754	(1,355,754)	–

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

HKFRS 9 Financial Instruments (Continued)

(i) Classification and measurement (Continued)

Notes:

(i) Prepayments, deposits and other receivables of HK$67,256,000 were reclassified to contract assets at 1 April 2018 as a result of the initial application of HKFRS 15.

(ii) Under HKAS 39, equity securities and fund investment were classified as financial assets carried at FVPL. These equity securities are classified as at FVPL under HKFRS 9, unless they are eligible for and designated at FVOCI by the Group. At 1 April 2018, the Group designated certain equity securities at FVOCI (non-recycling), as the investment is held for strategic purposes.

(iii) Under HKAS 39, debt securities were classified as available-for-sale financial assets. They are classified as at FVOCI under HKFRS 9.

(iv) Trading securities and derivative financial assets (except for those designated as hedging instruments in cash flow hedges) were classified as financial assets at FVPL under HKAS 39. These assets continue to be measured at FVPL under HKFRS 9.

The accounting for the Group's financial liabilities remains largely the same as it was under HKAS 39. Similar to the requirements of HKAS 39, HKFRS 9 requires contingent consideration liabilities to be treated as financial instruments measured at fair value, with the changes in fair value recognised in profit or loss.

Under HKFRS 9, embedded derivatives are no longer separated from a host financial asset. Instead, financial assets are classified based on their contractual terms and the Group's business model. The accounting for derivatives embedded in financial liabilities and in non-financial host contracts has not changed from that required by HKAS 39.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

HKFRS 9 Financial Instruments (Continued)

(ii) Impairment

HKFRS 9 requires an impairment on trades receivables, contract assets, deposits, other receivables and loans and interest receivables that are not accounted for at fair value through profit or loss under HKFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group applied the simplified approach and recorded lifetime expected losses on its trade receivables, contract assets, deposits and loans and interest receivables. The Group applied general approach and recorded twelve-month expected losses on its other receivables and amounts due from joint venture and associates. The adoption of HKFRS 9 has had no significant impact on the impairment of the financial assets of the Group.

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 supersedes HKAS 11 Construction Contracts, HKAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted HKFRS 15 using the modified retrospective method which allows the Group to recognise the cumulative effects of initially applying HKFRS 15 as an adjustment to the opening balance of retained profits at 1 April 2018. The Group elected to apply the practical expedient for completed contracts and did not restate the contracts completed before 1 April 2018, thus the comparative figures have not been restated.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

HKFRS 15 Revenue from Contracts with Customers (Continued)

Revenue recognition

Revenue is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may be transferred over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

HKFRS 15 Revenue from Contracts with Customers (Continued)

Sale of properties

The Group sells completed properties in Hong Kong. The impacts arising from the adoption of HKFRS 15 on the Group are summarised as follows:

(a) *Timing of revenue recognition*

Currently, sale of completed properties is recognised when the significant risks and rewards of ownership of the properties are transferred to the buyers, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the properties, that is when the construction of the relevant properties has been completed and the properties have been delivered to the buyers pursuant to the sale agreements, and the collectability of related receivables is reasonably assured.

Upon the adoption of HKFRS 15, revenue from the sale of completed properties will be recognised when control over the properties is transferred to the buyers. Judgement will be required to assess whether control transfers over time or at a point of time. Properties that have no alternative use to the Group due to contractual restriction and which the Group has an enforceable right to payment from the customers for performance completed to date, the Group will recognise revenue as the performance obligations are satisfied over time by applying an input method for measuring progress.

The Group has assessed that the sale agreements used by the Group are standardised in a large extent and in the case of pre-completion sales using standard agreements for sale and purchase, the Group does not have an enforceable right to payment for performance completed to date in accordance with HKFRS 15, and accordingly, the criteria for recognising revenue over time are not met. The Group recognised the sale of completed properties until the point in time at which the Group delivers the properties to the buyers.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

HKFRS 15 Revenue from Contracts with Customers (Continued)

Sale of properties (Continued)

(a) *Timing of revenue recognition (Continued)*

Prior to the adoption of HKFRS 15, the Group presented sales proceeds received from customers in connection with the Group's pre-sales of properties as receipts in advance in the consolidated statement of financial position. Upon adoption of HKFRS 15, the Group recognised contract liabilities for the interest on the sales proceeds received from customers with a significant financing component. The Group elected to apply the practical expedient and did not recognise the effects of a significant financing component with a customer if the time period is one year or less. In addition, reclassifications have been made from trade and other payables to contract liabilities for the outstanding balance of sales proceeds from customers. The adoption of HKFRS 15 has had no significant impact on the opening retained profits as at 1 April 2018. Receipts in advance of HK$2,203,027,000 that were previously classified under deposit received and receipt in advance has been reclassified to contract liabilities as at 1 April 2018.

(b) *Sales commission*

The Group pays commission to the sales agents when agreement for sale and purchase is signed with a property buyer. Following the adoption of HKFRS 15, incremental costs of obtaining a contract, including sales commission, if recoverable, are capitalised as an asset and shall be amortised on a systematic basis that is consistent with the transfer of the related property to the customer. Currently, the Group capitalised the sales commission as an asset until it is recognised in profit or loss at the same time when revenue from the related completed property is recognised. Accordingly, the adoption of HKFRS 15 has had no material impact on the recognition of sale commission in the respective periods. The adoption of HKFRS 15 has had no significant impact on the opening retained profits as at 1 April 2018. Prepaid sales commission of HK$67,256,000 that was previously classified as prepayments, deposits and other receivables has been reclassified to contract assets as at 1 April 2018.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

HKFRS 15 Revenue from Contracts with Customers (Continued)

Sale of properties (Continued)

(c) *Financing component for sale of completed properties*

HKFRS 15 requires property developers to account for the financing component in a contract separately from revenue if the financing effects are significant, subject to a practical expedient where the period between the payment and delivery of properties will be less than one year. Currently, (i) the Group offers property buyers a discount if they opt to pay the purchase price in full within 120–180 days of signing the provisional agreement of sale and purchase; and (ii) it is expected that the length of time between the payment and delivery of properties of the Group's projects will exceed one year. Accordingly, the financing component is considered to be significant. The amount of the financing component is estimated at the contract inception and the payment plan is confirmed by the property buyer by using a discount rate that would be reflected in a separate financing transaction between the Group and the customer reflecting the credit characteristics of the Group as well as any collateral or security provided. Interest expense is recognised only to the extent that a contract liability (receipts in advance) is recognised in accounting for the contract with the customer.

Upon adoption of HKFRS15, properties under development increased by HK$54,262,000, with a correspondence increase in receipt in advance as at 1 April 2018. In addition, reclassifications have been made from receipts in advance to contract liabilities for the outstanding balance of sales proceeds from customers. Receipts in advance of HK$2,203,027,000 that were previously classified as deposit received receipts in advance have been reclassified to contract liabilities as at 1 April 2018.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

HKFRS 15 Revenue from Contracts with Customers (Continued)

Sale of goods

The Group sells Chinese and Western pharmaceutical and health food products in Hong Kong and mainland China. The impacts arising from the adoption of HKFRS 15 on the Group are summarised as follows:

(a) *Variable consideration*

The Group provides trade discounts and/or volume rebates for some of its key customers. Previously, the Group recognised revenue from the sale of goods measured at fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. If revenue could not be reliably measured, revenue recognition was deferred until the uncertainty was resolved. Under HKFRS 15, a transaction price is considered variable if a customer is provided with a right of return, trade discounts or volume rebates. The Group is required to estimate the amount of consideration to which it will be entitled in the sales of its pharmaceutical and health food products and the estimated amount of variable consideration will be included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable considerations subsequently resolved. The Group uses the expected value method to estimate the amount of returns, trade discounts and volume rebates as this method better predicts the amount of variable consideration to which the Group will be entitled.

(b) *Rights of return*

Previously when the customers were allowed to return the Group's products, the Group estimated the level of expected returns and made an adjustment against revenue and cost of sales. The Group has assessed that the adoption of HKFRS 15 will not materially affect how the Group recognises revenue and cost of sales when the customers have a right of return.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

HKFRS 15 Revenue from Contracts with Customers (Continued)

Sale of goods (Continued)

(c) *Loyalty points programme*

Under HK(IFRIC)-Int 13 Customer Loyalty Programmes ("**HK(IFRIC)-Int 13**"), the loyalty programme offered by the Group results in the allocation of a portion of the transaction price to the loyalty programme using the fair value of points issued and recognition of the deferred revenue in relation to points issued but not yet redeemed or expired. The Group concluded that under HKFRS 15 the loyalty programme gives rise to a separate performance obligation because it generally provides a material right to the customer. Under HKFRS 15, the Group allocates a portion of the transaction price to the loyalty programme based on the relative stand-alone selling price instead of the allocation using the fair value of points issued, i.e. residual approach, as it did under HK(IFRIC)-Int 13.

The Group has assessed that the above adoption of HKFRS 15 did not have material impact on the timing and measurement of revenue recognised for the period.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective in the current period.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments as follows:

(a) the property development segment engages in the development of properties;

(b) the property investment segment engages in investment in car parking spaces, industrial and commercial premises and residential units for rental or for sale;

(c) the fresh markets segment engages in the management and sub-licensing of fresh markets;

(d) the pharmaceutical segment engages in production and sale of pharmaceutical and health food products; and

(e) the treasury management segment engages in provision of finance and investments in debt and other securities which earn interest income.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, fair value gains/losses arising from financial assets at fair value through profit or loss, head office and corporate income and expenses and share of profits and losses of joint ventures and associates are excluded from such measurement.

3. OPERATING SEGMENT INFORMATION (Continued)

Information regarding these reportable segments, together with their related revised comparative information is presented below.

Reportable segment information

Six months ended 30 September

	Property development		Property investment		Fresh markets		Pharmaceutical		Treasury management		Elimination		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Segment revenue:														
Sales to external customers	2,726,074	2,133	11,838	15,811	93,331	110,137	333,776	370,285	114,201	104,683	–	–	3,279,220	603,049
Intersegment sales	–	–	8,806	8,766	–	–	2,270	5,806	–	–	(11,076)	(14,572)	–	–
Other revenue	10,186	927,071	55,632	61,104	3,578	10,434	–	38	–	569	–	–	69,396	999,216
Total	2,736,260	929,204	76,276	85,681	96,909	120,571	336,046	376,129	114,201	105,252	(11,076)	(14,572)	3,348,616	1,602,265
Segment results	1,055,573	896,207	70,049	54,557	16,303	21,222	(60,899)	(55,162)	96,202	99,236			1,177,228	1,016,060
Reconciliation:														
Bank interest income													8,496	6,043
Finance costs													(68,625)	(45,520)
Fair value losses of financial assets at fair value through profit or loss, net													(5,923)	4,755
Corporate and unallocated income/ (expenses), net													(85,029)	(64,058)
Share of profits and losses of:														
Joint ventures													(1,555)	2,736
Associates													64,935	(28,997)
Profit before tax													1,089,527	891,019
Income tax expense													(162,078)	(6,506)
Profit for the period													927,449	884,513

4. REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER INCOME AND GAINS, NET

Revenue represents sub-licensing fee income received and receivable; the aggregate of the net invoiced value of goods sold, after allowances for returns and trade discounts; gross rental income received and receivable from investment properties; proceeds from the sale of properties; and interest income received and receivable from bonds investment and loans receivable during the period.

An analysis of the Group's disaggregation of revenue from contracts with customers, other income and gains, net is as follows:

	Notes	Six months ended 30 September 2018 (Unaudited) HK$'000	2017 (Unaudited) HK$'000
Revenue, net (Disaggregated by major products or service lines)			
Sub-licensing fee income		**93,331**	110,137
Gross rental income		**14,328**	17,944
Sale of properties		**2,723,584**	–
Sale of goods		**333,776**	370,285
Interest income from treasury operation		**114,201**	104,683
		3,279,220	603,049
Other income, net			
Bank interest income		**8,496**	6,043
Dividend income from listed securities		**2,246**	2,090
Forfeiture of deposits from customers		**3,891**	536
Management fee income		**3,954**	2,132
Others		**10,341**	11,390
		28,928	22,191
Gains, net			
Gain on disposal of subsidiaries, net	*16*	**7,574**	455,435
Gain on remeasurement of the retained 50% equity interest as a joint venture	*16*	**–**	467,039
Gain on disposal of investment properties		**941**	474
		8,515	922,948
Other income and gains, net		**37,443**	945,139

5. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 September 2018 (Unaudited) HK$'000	2017 (Unaudited) HK$'000
Interest on bank and other loans	**87,825**	67,437
Less: interest capitalised	**(19,200)**	(21,917)
	68,625	45,520

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 September 2018 (Unaudited) HK$'000	2017 (Unaudited) HK$'000
Cost of services provided	**73,746**	84,872
Cost of properties sold	**1,645,030**	–
Cost of inventories sold	**207,086**	252,973
Depreciation	**40,469**	39,564
Gain on disposals of investment properties, net	**(941)**	(474)
Loss on disposals of available-for-sale investments*	**–**	629
Loss on disposal of financial asset through other comprehensive income*	**2,097**	–
Impairment of trade receivables, net*	**3,847**	2,120
Foreign exchange difference, net	**270***	(391)
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	**2,028**	2,910

* These expenses are included in "Other expenses" in the condensed consolidated statement of profit or loss and other comprehensive income.

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2017: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

	Six months ended 30 September	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Current – Hong Kong	**158,921**	8,398
Deferred	**3,157**	(1,892)
Total tax charge for the period	**162,078**	6,506

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount for the period is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue less treasury shares held by the Group during the period.

The Company had no potentially dilutive ordinary shares in issue during the periods and the share options of the Company's subsidiary outstanding during the period also had no dilutive effect on the basic earnings per share amount presented for the periods.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (Continued)

The calculations of the basic and diluted earnings per share are based on:

	Six months ended 30 September	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	**462,244**	688,300

	Number of shares	
	2018	2017
	(Unaudited)	(Unaudited)
	'000	'000
Shares		
Weighted average number of ordinary shares in issue	**18,928,520**	19,288,520
Less: Weighted average number of treasury shares	**(423,000)**	(423,000)
Weighted average number of ordinary shares used in the basic and diluted earnings per share calculation	**18,505,520**	18,865,520

9. INTERIM DIVIDEND

	Six months ended 30 September	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interim dividend – HK0.1 cent (2017: HK0.1 cent) per ordinary share	**18,929**	19,289

10. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT AND PROPERTIES UNDER DEVELOPMENT

During the six months ended 30 September 2018, the Group incurred HK$8,366,000 (six months ended 30 September 2017: HK$41,437,000) on the additions of items of property, plant and equipment.

During the six months ended 30 September 2018, the Group incurred HK$2,619,813,000 (six months ended 30 September 2017: HK$693,918,000) on the additions of properties under development.

11. LOANS AND INTEREST RECEIVABLES

		30 September 2018 (Unaudited) HK$'000	31 March 2018 (Audited) HK$'000
Loans and interest receivables, secured	*(i)*	**1,024,521**	1,062,675
Loans and interest receivables, unsecured	*(ii)*	**341,120**	224,155
		1,365,641	1,286,830
Less: Impairment		**(14,570)**	(14,729)
		1,351,071	1,272,101
Less: Loans and interest receivables classified as non-current assets		**(895,963)**	(738,657)
Current portion		**455,108**	533,444

Notes:

(i) These loans receivable are stated at amortised cost at effective interest rates ranging from 8% to 34.8% (31 March 2018: 8% to 34.8%). The credit terms of these loans receivable range from 3 months to 20 years (31 March 2018: 3 months to 20 years). The carrying amounts of these loans receivable approximate to their fair values.

Included in the above loans and interest receivables are vendor loan to the purchaser of joint venture of HK$600,000,000 (31 March 2018: HK$600,000,000), which bear interest at 0.7% per annum over 12-month HIBOR and is due for repayment on 27 November 2019.

(ii) These loans receivable are stated at amortised cost at effective interest rates ranging from 5% to 13.5% (31 March 2018: 3% to 13.5%). The credit terms of these loans receivable range from 6 months to 3 year (31 March 2018: 6 months to 6 years). The carrying amounts of these loans receivable approximate to their fair values.

Included in the above loans and interest receivables are loans and interest receivables from Easy One Financial Group Limited, an associate of the Group, of HK$217,405,000 (31 March 2018: HK$102,849,000), which bears interest ranging from 6.5% to 7% per annum and repayable within 3 years.

12. TRADE AND BILLS RECEIVABLES

	30 September 2018 (Unaudited) HK$'000	31 March 2018 (Audited) HK$'000
Trade receivables	**101,764**	125,122
Bills receivables	**–**	640
Less: impairment	**(6,431)**	(2,583)
	95,333	123,179

The Group's trading terms with its customers are mainly on credit. The credit period generally ranges from 15 to 120 days. Each customer has a maximum credit limit and the credit limit is reviewed regularly. The Group seeks to maintain strict control over its outstanding receivables and to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	30 September 2018 (Unaudited) HK$'000	31 March 2018 (Audited) HK$'000
Within 1 month	**41,777**	59,902
1 to 3 months	**27,712**	35,176
3 to 6 months	**17,233**	21,307
Over 6 months	**8,611**	6,154
	95,333	122,539

13. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH THE ASSETS CLASSIFIED AS HELD FOR SALE

	Notes	**30 September 2018 (Unaudited) HK$'000**	31 March 2018 (Audited) HK$'000
Assets classified as held for sale			
Assets of a disposal group classified as held for sale – Antic Investment Limited ("**Antic Investment**") and PT Harvest Holdings Limited ("**PT Harvest**")	*(i)*	–	411,123
		–	411,123
Non-current assets classified as held for sale – Investment properties	*(ii)*	**115,800**	121,550
		115,800	532,673
Liabilities directly associated with assets held for sale			
Liabilities of a disposal group classified as held for sale – Antic Investment and PT Harvest	*(i)*	–	147,775
		–	147,775

Notes:

(i) The disposal subsidiaries listed above are disposed of during the current period, further details of the transactions are disclosed in note 16 to the condensed consolidated financial statements.

(ii) As at 30 September 2018, the Group has committed to a plan to sell certain investment properties with an aggregate carrying value of HK$115,800,000 (31 March 2018: HK$121,550,000). The directors of the Company expected the sale of these investment properties will be completed by the end of 30 September 2019.

14. TRADE PAYABLES

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

	30 September 2018 (Unaudited) HK$'000	31 March 2018 (Audited) HK$'000
Within 1 month	215,857	245,140
1 to 3 months	24,785	5,254
3 to 6 months	535	1,704
Over 6 months	1,164	558
	242,341	252,656

The trade payables are non-interest-bearing and have an average terms of 30 to 60 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

15. ACQUISITION OF SUBSIDIARIES THAT ARE NOT BUSINESS

For the six months ended 30 September 2017

The net assets acquired by the Group during the prior period are as follow:

	PT Harvest HK$'000 *(note a)*	Loyal Pioneer HK$'000 *(note b)*	Total HK$'000
Net assets acquired:			
Investment properties	274,549	–	274,549
Deferred tax assets	455	–	455
Prepayment, deposits and other receivables	847	–	847
Properties under development	–	2,575,195	2,575,195
Bank balances	–	5	5
Interest-bearing bank loan	–	(1,105,300)	(1,105,300)
	275,851	1,469,900	1,745,751
Satisfied by:			
Cash	275,851	1,469,900	1,745,751

15. ACQUISITION OF SUBSIDIARIES THAT ARE NOT BUSINESS (Continued)

For the six months ended 30 September 2017 (continued)

An analysis of the cash flows in respect of the acquisitions of PT Harvest Holdings Limited ("**PT Harvest**") and Loyal Pioneer Limited ("**Loyal Pioneer**") are as follows:

	PT Harvest HK$'000 *(Note (a))*	Loyal Pioneer HK$'000 *(Note(b))*	Total HK$'000
Cash consideration	(275,851)	(1,469,900)	(1,745,751)
Deposits paid as at 31 March 2017	27,455	864,430	891,885
Bank balances acquired	–	5	5
Refund of partial consideration	–	6,136	6,136
Net outflow of cash and cash equivalents included in cash flows from investing activities for the period	(248,396)	(599,329)	(847,725)
Transaction costs of the acquisition included in cash flows from operating activities	(675)	(2,170)	(2,845)
	(249,071)	(601,499)	(850,570)

Notes:

(a) On 20 February 2017, the Group entered into a provisional sale and purchase agreement with two independent third parties to acquire the entire equity interest in PT Harvest and its shareholders' loan, which is engaged in property investment in Hong Kong, for a total cash consideration of HK$274,549,000. The acquisition was completed on 25 April 2017.

Pursuant to the relevant sale and purchase agreements, the cash consideration was adjusted to HK$275,851,000 based on the net assets value of PT Harvest as at 25 April 2017 (the date of completion).

(b) On 31 March 2017, the Group entered into a sale and purchase agreement with another two independent third parties to acquire the entire equity interest in Loyal Pioneer and its shareholders' loan, which is engaged in property development in Hong Kong, for a total cash consideration of HK$1,469,900,000. The acquisition was completed on 19 May 2017.

16. DISPOSAL OF SUBSIDIARIES

For the six months ended 30 September 2018

Details of the net assets of the subsidiaries disposed of and the financial impacts are summarised as follows:

	Antic Investment HK$'000 *(note (a))*	PT Harvest HK$'000 *(note (b))*	New Earth Investments Limited HK$'000 *Note (c)*	Total HK$'000
Net assets disposed of:				
Investment properties	83,800	324,466	20,000	428,266
Prepayments, deposits and other receivables	81	827	–	908
Tax recoverable/(tax payables)	(6)	–	14	8
Other payables and accruals	(6)	–	–	(6)
Deposits received and receipts in advance	–	–	(241)	(241)
Deferred tax liabilities	(898)	(201)	(157)	(1,256)
	82,971	325,092	19,616	427,679
Professional fees and expenses	1,085	4,027	570	5,682
Gains/(losses) on disposal of subsidiaries	(187)	(3,826)	11,587	7,574
	83,869	325,293	31,773	440,935
Satisfied by:				
Cash	83,869	325,293	31,773	440,935

An analysis of the net inflow of cash and cash equivalents for the period in respect of the disposal of subsidiaries is as follows:

	Antic Investment HK$'000	PT Harvest HK$'000	New Earth Investments Limited HK$'000	Total HK$'000
Cash consideration	83,869	325,293	31,773	440,935
Professional fees and expenses	(1,084)	(4,027)	(570)	(5,681)
Net inflow of cash and cash equivalents in respect of the disposal subsidiaries	82,785	321,266	31,203	435,254

16. DISPOSAL OF SUBSIDIARIES (Continued)

For the six months ended 30 September 2018 (Continued)

Notes:

(a) On 29 March 2018, the Group entered into a provisional sale and purchase agreement with an independent third party, pursuant to which the Group would dispose of the entire issued capital in and assigned the benefit of the shareholder's loan owed by Antic, an indirectly wholly-owned subsidiary of the Company, at a consideration of HK$83,800,000. The transaction was completed on 31 July 2018.

Pursuant to the relevant sale and purchase agreement, the cash consideration was adjusted to HK$83,869,000 based on the net current asset value of Antic as at 31 July 2018 (the date of completion).

(b) In March 2018, the Group put the property held by PT Harvest for tender and on 12 April 2018, the Group has entered into a provisional sale and purchase agreement with another independent third party, pursuant to which the Group would dispose of its entire issued capital in PT Harvest for a consideration HK$324,466,000. The transaction was completed on 23 August 2018.

Pursuant to the relevant sale and purchase agreement, the cash consideration was adjusted to HK$325,293,000 based on the net current asset value of PT Harvest as at 23 August 2018 (the date of completion).

(c) On 10 May 2018, the Group entered into a provisional sale and purchase agreement with an independent third party, pursuant to which the Group would dispose of the entire issued capital in and assigned the benefit of the shareholder's loan owed by New Earth Investments Limited ("**New Earth**"), an indirectly wholly-owned subsidiary of the Company, at a consideration of HK$32,000,000. The transaction was completed on 10 August 2018.

Pursuant to the relevant sale and purchase agreement, the cash consideration was adjusted to HK$31,773,000 based on the net current asset value of New Earth as at 10 August 2018 (the date of completion).

16. DISPOSAL OF SUBSIDIARIES (Continued)

For the six months ended 30 September 2017

Details of the net assets of the subsidiaries disposed of and the financial impacts are summarised as follows:

	Easytex HK$'000 *(note (d))*	Allied Wide HK$'000 *(note (e))*	WS Group HK$'000 *(note (f))*	Total HK$'000
Net assets disposed of:				
Investment properties	17,500	17,500	–	35,000
Property under development	–	–	394,891	394,891
Prepayments, deposits and other receivables	42	36	98,340	98,418
Tax recoverable	94	32	–	126
Cash and cash equivalents	226	250	12	488
Other payables and accruals	(30)	(36)	–	(66)
Deposits received and receipts in advance	(153)	(192)	–	(345)
Deferred tax liabilities	(185)	(129)	–	(314)
	17,494	17,461	493,243	528,198
Professional fees and expenses	886	867	9,895	11,648
Gains/(losses) on disposal of subsidiaries	(880)	(828)	457,143	455,435
Gain on remeasurement of previously held equity interest	–	–	467,039	467,039
	17,500	17,500	1,427,320	1,462,320
Satisfied by:				
Cash	17,500	17,500	713,660	748,660
Fair value of 50% equity interest in WS Group *(note)*	–	–	713,660	713,660
	17,500	17,500	1,427,320	1,462,320

16. DISPOSAL OF SUBSIDIARIES (Continued)

For the six months ended 30 September 2017 (Continued)

Note: The fair value was determined by the management with reference to the actual transaction price of the disposal. The WS Group is principally engaged in property development in Hong Kong. The remaining interest held by the Group is re-measured at fair value at the date of the Group lost control over the WS Group.

An analysis of the net inflow of cash and cash equivalents for the period in respect of the disposal of subsidiaries is as follows:

	Easytex HK$'000 *(Note (d))*	Allied Wide HK$'000 *(Note (e))*	WS Group HK$'000 *(Note (f))*	Total HK$'000
Cash consideration	17,500	17,500	713,660	748,660
Cash and cash equivalents disposed of	(226)	(250)	(12)	(488)
Professional fees and expenses	(886)	(867)	(9,895)	(11,648)
Net inflow of cash and cash equivalents in respect of disposal of subsidiaries	16,388	16,383	703,753	736,524

Notes:

(d) On 6 April 2017, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire equity interest in Easytex for a consideration of HK$17,500,000. The transaction was completed on 14 April 2017.

(e) On 6 April 2017, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire equity interest in Allied Wide for a consideration of HK$17,500,000. The transaction was completed on 14 April 2017.

16. DISPOSAL OF SUBSIDIARIES (Continued)

For the six months ended 30 September 2017 (Continued)

Notes: (Continued)

(f) On 7 June 2017, the Group entered into a sale and purchase agreement with an independent third party to dispose of 50% equity interest in Wonder Sign Limited ("**Wonder Sign**", together with its sole subsidiary, Double Bright Limited, collectively, the "**WS Group**") and assign the benefit of a shareholder's loan owed by WS Group to the immediate holding company of Wonder Sign, which amounted to HK$255,579,000 as at 7 June 2017, to the independent third party for a total consideration of HK$664,485,000. The WS Group was principally engaged in property development in Hong Kong. The disposal was completed on 7 June 2017. Upon completion of the disposal, WS Group ceased to be subsidiaries of the Group and was owned as to 50% by the Group and 50% by the purchaser and the WS Group was accounted for as a joint venture of the Group.

Pursuant to the relevant sale and purchase agreement, the cash consideration was adjusted to HK$713,660,000 based on the net assets value of WS Group as at 7 June 2017 (the date of completion).

17. DISPOSAL OF PARTIAL INTERESTS IN A SUBSIDIARY

On 19 April 2018, the Group completed the disposal of 30% equity interest in Golden Noble Investments Limited ("**Golden Noble**", together with its subsidiaries, Rich United Limited and Sky Treasure Investments Limited, collectively, the "**GN Group**") to a connected person for a consideration of HK$103,800,000. As at the end of the reporting period, the GN Group is engaged in property development in Hong Kong.

Immediately following the completion of the transaction, the Group's equity interest in the GN Group decreased from 75% to 52.5%. Since the disposal of partial interests in the GN Group did not result in any loss of control, such transaction was accounted for as an equity transaction and the difference between the proceed from the disposal and the 30% carrying value of the GN Group amounted to HK$121,000 is recognised in the capital reserve of the Group.

18. OPERATING LEASE ARRANGEMENTS

(a) As Lessor

The Group leases its investment properties and sub-leases fresh markets under operating lease arrangements, with leases negotiated for terms ranging from one month to five years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rental adjustments according to the then prevailing market conditions.

At the end of the reporting period, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	30 September 2018 (Unaudited) HK$'000	31 March 2018 (Audited) HK$'000
Within one year	**193,511**	183,833
In the second to fifth years, inclusive	**198,594**	200,710
	392,105	384,543

18. OPERATING LEASE ARRANGEMENTS (Continued)

(b) As Lessee

The Group leases certain of its office properties, fresh markets and retail shops under operating lease arrangements. Leases are negotiated for terms ranging from two to six years.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 September 2018 (Unaudited) HK$'000	31 March 2018 (Audited) HK$'000
Within one year	**178,693**	155,809
In the second to fifth years, inclusive	**410,456**	398,058
After five years	**34,329**	5,100
	623,478	558,967

19. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	30 September 2018 (Unaudited) HK$'000	31 March 2018 (Audited) HK$'000
Contracted, but not provided for:		
Properties under development	**162,773**	1,179,475
Property, plant and equipment	**16,025**	2,575
Investments in joint ventures	**268,431**	384,951
	447,229	1,567,001

19. COMMITMENTS (Continued)

In addition, the Group's share of the joint ventures' own capital commitments, which are not included in the above, is as follows:

	30 September 2018 (Unaudited) HK$'000	31 March 2018 (Audited) HK$'000
Contracted, but not provided for	**977,262**	1,118,163

20. CONTINGENT LIABILITIES

At the end of the reporting period, the Group has given guarantee to a bank in connection with a facility granted to WS Group and Ease Mind Investments Limited and together with its subsidiary (the "**EM Group**") up to HK$2,158,800,000 as at 30 September 2018 (31 March 2018: HK$2,158,800,000) and the banking facility guaranteed by the Group to the WS Group and EM Group was utilised to the extent of HK$1,165,505,000 as at 30 September 2018 (31 March 2018: HK$1,033,300,000).

21. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these condensed consolidated financial statements, the Group had the following material transactions with related parties during the period:

(a) Transactions with Related Parties

		Six months ended 30 September	
	Notes	**2018 (Unaudited) HK$'000**	2017 (Unaudited) HK$'000
Rental income received from a director*	*(i)*	**600**	600
Rental expenses paid to a company in which a director of the Company is a controlling shareholder	*(ii)*	**93**	93
Associates			
– Sales of pharmaceutical products by the Group	*(ii)*	**12,228**	12,360
– Rental Income earned by the Group	*(ii)*	**1,072**	956
– Interest Income	*(ii)*	**5,433**	8,638
– Management and promotion fees income	*(ii)*	**458**	478
– Sub-licensing fee income	*(ii)*	**5,360**	5,094
Management fee income from WS Group	*(iii)*	**3,000**	1,900

* The related party transactions also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

21. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with Related Parties (Continued)

(i) A property of the Group was leased to a director at a monthly rental of HK$100,000 (six months ended 30 September 2017: HK$100,000). The rental was determined with reference to the prevailing market rates.

(ii) The transactions were based on terms mutually agreed between the Group and the related party.

(iii) Management fee income was received from WS Group in respect of management services on property development.

(b) Compensation of key management personnel of the Group

	Six months ended 30 September	
	2018	2017
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Short term employment benefits	**15,624**	17,964
Post-employment benefits	**45**	94
	15,669	18,058

(c) The Group has given guarantee to a bank in connection with a facility granted to WS Group, further details of the guarantee is disclosed in note 20 to the condensed consolidated financial statements.

22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade payables, financial assets included in loan and interest receivables, prepayments, deposits and other receivables, financial liabilities included in trade payables, other payables and accruals, deposits received and receipts in advance and interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the non-current portion of loans and interest receivable and interest-bearing bank and other loans have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank and other loans as at 30 September 2018 was assessed to be insignificant.

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 September 2018

	Level 1 (Unaudited) HK$'000	Level 2 (Unaudited) HK$'000	Level 3 (Unaudited) HK$'000	Total (Unaudited) HK$'000
Financial assets at fair value through other comprehensive income:				
Debt investments	501,189	–	883,955	1,385,144
Equity investments	79,468	–	37,130	116,598
Fund	–	39,966	–	39,966
	580,657	39,966	921,085	1,541,708
Financial assets at fair value through profit or loss:				
Equity investments	19,600	–	–	19,600
Fund	–	2,820	–	2,820
Derivative financial instruments	–	–	6,464	6,464
	19,600	2,820	6,464	28,884

22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

As at 31 March 2018

	Level 1 (Audited) HK$'000	Level 2 (Audited) HK$'000	Level 3 (Audited) HK$'000	Total (Audited) HK$'000
Available-for-sale investments:				
Debt investments	261,360	56,307	1,038,087	1,355,754
Equity investment at fair value through profit or loss	220,637	3,662	48,160	272,459
Derivative financial instruments	–	–	7,661	7,661
	481,997	59,969	1,093,908	1,635,874

The Group did not have any financial liabilities measured at fair value as at 30 September 2018 and 31 March 2018.

During the six months ended 30 September 2018, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (six months ended 30 September 2017: Nil).

23. APPROVAL OF THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements were approved and authorised for issue by the Board on 20 November 2018.