



沪港联合

Hong Kong Shanghai Alliance Holdings Limited

滬港聯合控股有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股票代號：1001

2019/20

ANNUAL REPORT 年報



A tall building under construction with a worker in the foreground. The building is covered in scaffolding and has a modern, glass-and-steel facade. The worker is wearing a white hard hat and a white protective suit, standing on a construction site. The background is a clear blue sky.

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BOARD OF DIRECTORS

Executive Directors

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

Independent Non-executive Directors

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

EXECUTIVE COMMITTEE

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

AUTHORISED REPRESENTATIVES

Mr. Yao Cho Fai Andrew
Ms. Wong Yuen Sze

COMPANY SECRETARY

Ms. Wong Yuen Sze

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and
Registered Public Interest Entity Auditor

董事會

執行董事

姚祖輝先生
(主席兼首席執行官)
劉子超先生

獨立非執行董事

譚競正先生
徐林寶先生
楊榮燊先生
李引泉先生

執行委員會

姚祖輝先生(主席)
劉子超先生

審核委員會

譚競正先生(主席)
徐林寶先生
楊榮燊先生
李引泉先生

薪酬委員會

徐林寶先生(主席)
姚祖輝先生
譚競正先生
李引泉先生

提名委員會

姚祖輝先生(主席)
譚競正先生
徐林寶先生
楊榮燊先生

授權代表

姚祖輝先生
黃婉詩女士

公司秘書

黃婉詩女士

核數師

羅兵咸永道會計師事務所
香港執業會計師及
註冊公眾利益實體核數師

PRINCIPAL BANKERS

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

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

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

SHARE REGISTRARS AND TRANSFER OFFICES

Principal Registrar

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

Hong Kong Branch Registrar

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

STOCK CODE

1001

主要往來銀行

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

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

香港主要營業地點

香港灣仔
駱克道41號
東城大廈
11樓1103-05室

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

股份過戶及登記處

主要過戶處

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

香港過戶分處

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

股票代號

1001

HIGHLIGHTS

摘要

FINANCIAL HIGHLIGHTS

For the year ended 31st March

財務摘要

截至三月三十一日止年度

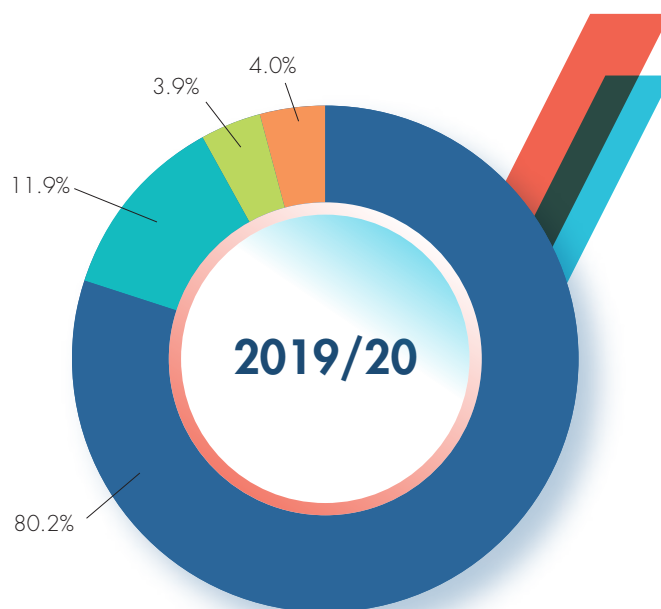
		2020 二零二零年 HK\$ million 百萬港元	2019 二零一九年 HK\$ million 百萬港元	Change 變化
Revenue	收入	2,325.0	2,882.6	-19.3%
Gross profit	毛利	241.6	275.1	-12.2%
Operating profit	經營溢利	4.8	74.3	-93.5%
(Loss)/profit for the year	年度(虧損)/溢利	(88.2)	4.4	N/A 不適用
(Loss)/profit attributable to owners of the Company	本公司擁有人應佔(虧損)/溢利	(90.3)	13.9	N/A 不適用
Basic (loss)/earnings per ordinary share (HK cents)	每股普通股基本(虧損)/盈利(港仙)	(14.08)	2.17	N/A 不適用
Proposed final dividend per ordinary share (HK cents)	建議每股普通股末期股息(港仙)	—	2.00	N/A 不適用
Gross profit margin	毛利率	10.4%	9.5%	+0.9 p.p. 百分點
Operating Profit margin	經營溢利率	0.2%	2.6%	-2.4 p.p. 百分點
Net (loss)/profit margin	淨(虧損)/溢利率	(3.8)%	0.2%	N/A 不適用

REVENUE BY LINES OF BUSINESS

- Construction Materials
- Building and Design Solutions
- Engineering Plastics
- Property Investment and Project Management

各項業務之收入

- 建築材料
- 建築產品及設計方案
- 工程塑膠
- 房地產投資及項目管理



FIVE-YEAR FINANCIAL SUMMARY

五年財務摘要

The following is a summary of the audited consolidated financial statements of Hong Kong Shanghai Alliance Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) for the respective years as hereunder stated.

以下為滬港聯合控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)於下列各年度之經審核綜合財務報表概要。

CONSOLIDATED INCOME STATEMENT

綜合損益表

		Year ended 31st March 2020 截至 二零二零年 三月三十一日 止年度 HK\$'000 千港元	Year ended 31st March 2019 截至 二零一九年 三月三十一日 止年度 HK\$'000 千港元	Year ended 31st March 2018 截至 二零一八年 三月三十一日 止年度 HK\$'000 千港元	Year ended 31st March 2017 截至 二零一七年 三月三十一日 止年度 HK\$'000 千港元	Year ended 31st March 2016 截至 二零一六年 三月三十一日 止年度 HK\$'000 千港元
Revenue	收入	2,325,031	2,882,605	3,032,852	3,022,923	3,380,161
Operating profit/(loss)	經營溢利/(虧損)	4,812	74,268	(90,680)	400,749	212,535
Net finance costs	淨財務費用	(78,400)	(75,718)	(65,698)	(117,121)	(63,339)
Share of results of investments accounted for using equity method – net	應佔按權益法入賬之 投資之業績 —淨額	(12,947)	19,276	14,366	(36,511)	(2,927)
(Loss)/profit before income tax	除所得稅前 (虧損)/溢利	(86,535)	17,826	(142,012)	247,117	146,269
Income tax (expense)/credit	所得稅(支出)/抵免	(1,616)	(13,447)	1,772	(147,981)	(75,005)
(Loss)/profit for the year	年度(虧損)/溢利	(88,151)	4,379	(140,240)	99,136	71,264
Attributable to:	應佔：					
– Owners of the Company	– 本公司擁有人	(90,309)	13,888	(147,712)	101,776	70,105
– Non-controlling interests	– 非控制性權益	2,158	(9,509)	7,472	(2,640)	1,159
		(88,151)	4,379	(140,240)	99,136	71,264
Dividends	股息	—	12,825	10,057	30,490	17,950

FIVE-YEAR FINANCIAL SUMMARY

五年財務摘要

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

		As at 31st March 2020 於二零二零年 三月三十一日 HK\$'000 千港元	As at 31st March 2019 於二零一九年 三月三十一日 HK\$'000 千港元	As at 31st March 2018 於二零一八年 三月三十一日 HK\$'000 千港元	As at 31st March 2017 於二零一七年 三月三十一日 HK\$'000 千港元	As at 31st March 2016 於二零一六年 三月三十一日 HK\$'000 千港元
Non-current assets	非流動資產	1,792,413	1,907,672	1,604,281	1,581,056	2,110,217
Current assets	流動資產	940,636	1,088,949	1,527,607	1,802,843	1,421,542
Current liabilities	流動負債	(857,014)	(1,070,938)	(1,350,186)	(1,666,950)	(1,118,640)
Non-current liabilities	非流動負債	(959,267)	(812,247)	(694,261)	(586,051)	(1,351,616)
Net assets	資產淨額	916,768	1,113,436	1,087,441	1,130,898	1,061,503
Equity:	權益：					
Share capital	股本	64,123	64,123	64,055	64,188	64,064
Reserves	儲備	741,722	926,223	993,648	1,045,323	995,360
Capital and reserves attributable to owners of the Company	本公司擁有人應佔股本及儲備	805,845	990,346	1,057,703	1,109,511	1,059,424
Non-controlling interests	非控制性權益	110,923	123,090	29,738	21,387	2,079
Total equity	權益總額	916,768	1,113,436	1,087,441	1,130,898	1,061,503

Streamline business structure to
effectively maneuver the volatile
market environment
精簡自身業務架構
務求在波動不穩的
市場中逆流而上



Yao Cho Fai Andrew
Chairman
姚祖輝
主席



Dear Shareholders,

On behalf of the board of directors (the “Board”) of Hong Kong Shanghai Alliance Holdings Limited and its subsidiaries (collectively, the “Group”), I hereby present the audited consolidated results of the Group for the year ended 31st March 2020 (the “Year”).

各位股東：

本人謹代表滬港聯合控股有限公司及其附屬公司（統稱「本集團」）董事會（「董事會」），提呈本集團截至二零二零年三月三十一日止年度（「本年度」）之經審核綜合業績。

It has been an extremely challenging twelve months for the Group, as major macro events totally disrupted the status quo, threatening businesses with fast-changing consumption and investment patterns. For example, as the Sino-U.S. trade tension fluctuated between constructive discussion and occasional retaliation last year, the clash between the two super economic powers have led to a general reservation in investment in the global market and particularly in China. There was hope of a reviving operating environment when the two reached a phase one agreement in December, yet the positivity was soon fizzled out due to onset of the COVID-19 pandemic. Under the pandemic, business operations were suspended and investment plans were shelved, which has led to a lower take-up rate of commercial property space in major financial hubs such as Shanghai. As take-up rate remains the key determinant of a property's value, and that fair value gain has been a key financial contributor to the Group's Property Investment and Project Management Business, we were unavoidably being affected.

In Hong Kong, the rising number of socio-political activities, together with the COVID-19 pandemic, have essentially suspended the bill-passing process in the Legislative Council and the Finance Committee. Originally looking forward to the approval of off-site prefabrication projects as a key growth driver of our Construction Materials Business, the latest development has hit us hard. And despite our dedicated effort in securing projects from the private sector as compensation, it was also slowed by the prevailing COVID-19, where numerous construction sites have suspended their operations. Our Building and Design Solutions Business was also severely impacted, as reducing foot traffic has also led to shrinking sales.

From the last twelve months, we believe the key lesson is that the macroeconomic environment could be wild and unpredictable, and the only way to ease market pressure is to streamline our operations to ensure maximum flexibility. During the Year, we tried to minimise our operational gearing by removing our headquarter in Shanghai, scaling down the loss-making Engineering Plastics Business and renegotiating bank loans' interest rates, such that we can maneuver this volatile market to the best of our abilities.

本集團於過去十二個月的經營之路可謂荊棘滿途，多項重大宏觀事件徹底改變了現狀，變幻莫測的消費及投資模式亦令業務營運者舉步維艱。例如，去年的中美貿易糾紛一直徘徊在理性討論及反制措施之間，兩大經濟強國之間的衝突導致投資者對全球市場(尤其是中國)的投資意向轉為謹慎。儘管雙方於十二月達成首階段協議時曾有望刺激經營環境，但隨著2019冠狀病毒病爆發，相關的樂觀情緒及利好因素亦迅速消失。在疫情下，許多業務及投資計劃均須暫停運作或擱置，上海等主要金融中心之商廈出租率普遍錄得跌幅。鑒於出租率是房地產決定其價值之主要因素，而公允價值收益一直是本集團房地產投資及項目管理業務之重要收入來源，因此我們難免受到影響。

於香港，社會政治活動漸趨頻繁，加上2019冠狀病毒病肆虐，立法會及財務委員會批核法案的程序變得停滯不前。過往我們曾期待政府場外預製項目有望成為建築材料業務之主要增長動力，惟最新發展卻令我們飽受衝擊。縱使我們已致力爭取私營項目以彌補不足，但2019冠狀病毒病卻拖慢了進度，多個私營建築地盤亦暫停運作。此外，由於街上人流減少，我們的建築產品及設計方案業務亦受到嚴重影響，銷售進一步受壓。

總結過去十二個月，我們深感宏觀經濟環境異常難料，唯一可緩解市場不可抗力之策略就是精簡業務架構並保持業務靈活性。於本年度，我們透過遷移上海辦公室、縮減持續虧損的工程塑膠業務以及與銀行重新協商貸款利率等舉措，積極提升營運效率，務求在這動盪不穩之市場環境中逆流而上。

Looking forward, business visibility remains low, and there are still many uncertainties that we need to navigate. On the one hand, we may be back to square one on the trade deal as Sino-U.S. tension grows; on the other hand, we may have yet experienced the full financial impact of COVID-19 as microeconomic issues slowly surface. Nevertheless, the Group will continue to maintain its focus on business operation, while keeping an eye on suitable market opportunities that favour a light-asset operation with lower capital commitment and risk.

Difficult times calls for unity, dedication and commitment. I would like to take this opportunity to express my gratitude to my fellow Board members for their contributions, to all staff for their dedication and hard work, and to our shareholders for their support under the challenging environment. The Group will continue to pursue excellence and strive to deliver sustainable and greater returns to its shareholders and stakeholders.

Yao Cho Fai Andrew
Chairman

Hong Kong, 26th June 2020

展望未來，業務前景仍未明朗，我們可能仍需克服重重險阻。一方面，中美局勢升溫或使過往的貿易協議推倒重來；另一方面，隨著微觀經濟問題逐步浮現，我們亦可能逐步感受到2019冠狀病毒病所帶來之全面影響。儘管如此，本集團將繼續專注於其業務營運，同時密切關注市場良機，以輕資產、低資本要求及低風險的方式拓展業務。

身處艱難時期，我們更需要團結一致、熱誠奉獻及盡心投入。本人希望藉此機會向董事會各成員及全體員工所作出之貢獻及努力表示衷心謝意，亦感謝股東在極具挑戰之環境下仍給予我們支持。本集團將繼續追求卓越，致力為股東及持份者持續帶來更豐厚的回報。

主席
姚祖輝

香港，二零二零年六月二十六日



pullman
SHERATON
斯柏威仕尔大酒店





For the year ended 31st March 2020 (the “Year”), the Group recorded a net loss of approximately HK\$88.2 million, and a net loss attributable to owners of the Company of approximately HK\$90.3 million on revenue of approximately HK\$2,325.0 million, versus a net profit of approximately HK\$4.4 million, and a profit attributable to owners of the Company of approximately HK\$13.9 million, on revenue of approximately HK\$2,882.6 million last year. The change from profit to loss for the Year is mainly attributable to a one-off impairment charge of approximately HK\$20.0 million against the property, plant and equipment; and we recognised a fair value gain, net of tax of the Group’s investment properties of approximately HK\$81.6 million in last year. Gross profit for the Year was approximately HK\$241.6 million, as compared to approximately HK\$275.1 million last year, while gross profit margin increased to approximately 10.4% from approximately 9.5% last year.

The basic loss per ordinary share was HK14.08 cents for the Year, versus the basic earnings per ordinary share of HK2.17 cents last year.

The Board does not recommend the payment of final dividend in respect of the Year (2019: HK2.00 cents per ordinary share).

截至二零二零年三月三十一日止年度(「本年度」)，本集團按收益約2,325,000,000港元錄得虧損淨額約88,200,000港元以及本公司擁有人應佔虧損淨額約90,300,000港元，而去年則按收益約2,882,600,000港元，錄得淨溢利約4,400,000港元及本公司擁有人應佔溢利約13,900,000港元。本年度由溢利轉為虧損，主要由於就物業、廠房及設備作出一次性減值支出約20,000,000港元；而我們於去年則確認一項本集團投資物業之經抵扣稅項之公允價值收益約81,600,000港元。本年度之毛利約241,600,000港元，相較去年約為275,100,000港元，毛利率則由去年約9.5%增加至約10.4%。

相對去年每股普通股基本盈利為2.17港仙，本年度之每股普通股基本虧損為14.08港仙。

董事會並不建議就本年度派付末期股息(二零一九年：每股普通股2.00港仙)。

Dual-drivers in property and construction materials business to capture HK-Shanghai synergies 雙軌並行的房地產及建築材料業務 體現滬港業務價值

BUSINESS REVIEW

Overview

Year 2019/20 came with significant challenges in the form of macro unpredictability. That the social incidents in Hong Kong, trade conflicts between major nations and the recent outbreak of coronavirus disease (“COVID-19”) have put tremendous pressure on the Group’s performance. To cope with these acute challenges, management has implemented various measures which includes tightening control on operating costs, streamlining operation process and organisational structure, improving management efficiency on inventories procurement and turnover, developing an effective leasing strategy and increasing liquidity. In the midst of this erratic economic environment, the Group strived to maintain its long-term competitive advantages, with a particular focus on the Property Investment and Project Management Business.

Following the formation of a co-investment venture (the “HSO Venture”) with Reco Wisteria Private Limited (an indirect wholly-owned subsidiary of GIC (Realty) Private Limited (“GIC”) which is wholly-owned by the Minister for Finance of the Government of Singapore) and the completion of its first acquisition of Longyu International Plaza last year, the Group has successfully formed a co-investment venture (the “Skyline Venture”) with Apollo Skyline Holding Limited (an indirect wholly-owned subsidiary of one or more private equity funds managed and/or advised by affiliates of Apollo Global Management, Inc. (NYSE: APO) (“Apollo”)) in the Year for the purpose of acquiring the majority of the gross floor area of Great Wall Financial Building, which is located in the central business district of Huangpu, Shanghai.

In the Year, the HSO Venture has successfully rebranded and renovated the commercial building and renamed it as Central Park•Jing’an. The renovation has not only added value to the quality of the commercial premises, but has also diversified its tenant mix and improved the rental yields and occupancy rates.

業務回顧

概覽

二零一九／二零年度是宏觀經濟難料且充滿挑戰的一年，香港的社會事件、大國之間的貿易衝突以及最近肆虐的冠狀病毒病（「2019冠狀病毒病」）均對本集團的業績造成沉重壓力。為應對該等挑戰，管理層已採取各種措施，其中包括經營成本緊縮控制、精簡經營流程及組織結構、改善存貨採購及周轉管理的效率、制定有效的租賃策略並提升流動資金。面對經濟環境不穩，本集團仍專注於房地產投資及項目管理業務中，致力保持其長期發展的競爭優勢。

隨著與Reco Wisteria Private Limited（其為Minister for Finance of the Government of Singapore全資擁有的GIC (Realty) Private Limited（「GIC」）旗下的間接全資附屬公司）成立共同投資企業（「HSO合營公司」）及於去年完成隆宇國際商務廣場之首項收購後，本集團於本年度已與Apollo Skyline Holding Limited（為Apollo Global Management, Inc.（紐約證券交易所：APO）（「Apollo」）之聯屬公司管理及／或提供諮詢之一項或多項私募基金之間接全資附屬公司）成功成立一間共同投資企業（「Skyline合營公司」），用於收購位於上海黃浦區核心商務區內之長城金融大廈之大部份建築面積。

於本年度，HSO合營公司成功為該商廈重新定位及翻新，並更名為中港匯•靜安。翻新工程不僅提升該商業樓宇之質量，替其增值，同時令租戶組合更多元化，並提高租賃回報率和出租率。

Despite the short-term uncertainties arising from the outbreak of COVID-19, which have suppressed both occupancy and rent rates of commercial buildings, the Group remains cautiously optimistic in the medium to long-term growth in demand for premium-grade offices in Shanghai. The Group will maintain its long-term strategy in trawling suitable investments projects in the Shanghai commercial property market to capture stable and recurring income.

For the Group's Construction Materials Business, while the combined negative effects of the weak demand of automotive sectors in Mainland China, the social incidents in Hong Kong and the outbreak of COVID-19 have caused a decrease in overall segment revenue of approximately 13.9%, it is gradually picking up the momentum in profit growth. Excluding the one-off reversal of provision for onerous contracts of approximately HK\$40.7 million last year, the percentage of gross profit margin of Construction Materials Business increased from approximately 2.3% last year to approximately 4.0% in the Year.

Moreover, the Group's Building and Design Solutions Business also continued to thrive through the challenging market environment. Through cultivating close business relationships with our brand partners and improving the quality of our customer services, its profit before income tax increased for approximately 19.4% as compared to last year.

Property Investment and Project Management Business

Our Property Investment and Project Management Business is adept at identifying undervalued or under-utilised commercial properties for unlocking and creating values through alterations and additions works, together with the provision of quality property management services.

Being a niche market player, our Property Investment and Project Management Business consists of (i) direct acquisitions of properties for investment such as our wholly-owned Central Park•Pudong; and (ii) investments in properties via partnerships or investment funds where the Group takes equity stake and acts as a general partner and/or an investment manager to earn fee income. As of 31st March 2020, the Group has partnerships with two leading private equity funds, GIC and Apollo, on two revitalisation projects, Central Park•Jing'an and Great Wall Financial Building, respectively.

儘管2019冠狀病毒病肆虐帶來短期不明朗性，令商廈出租率及租金率受壓，但本集團對上海甲級商廈中長期的需求增長仍感到樂觀。本集團將維持其長遠發展策略，於上海商廈市場物色項目投資良機，從而賺取穩定及經常性收入。

就本集團的建築材料業務而言，在中國內地汽車業需求疲弱、香港的社會事件加上2019冠狀病毒病肆虐的負面效應下，整體分部收入下跌約13.9%，但該業務已逐漸重拾其盈利增長動力。撇除去年有償契約之一次性撥備回撥約40,700,000港元，建築材料業務的毛利率由去年約2.3%增至本年度約4.0%。

此外，儘管市場環境充滿挑戰，本集團的建築產品及設計方案業務仍繼續取得蓬勃發展。憑藉與我們的品牌夥伴建立緊密關係及改善客戶優質服務，該業務的除稅前溢利相較去年增加約19.4%。

房地產投資及項目管理業務

我們的房地產投資及項目管理業務擅於物色價值被低估或使用率偏低的商業樓宇，再透過改動及加建工程以及提供優質的房地產管理服務，為物業釋放及創造價值。

作為利基市場上的專家，我們的房地產投資及項目管理業務包括(i)直接收購物業作投資，如我們全資擁有的中港匯•浦東；及(ii)透過合夥企業或投資基金投資物業，本集團於該等合夥企業或投資基金中持有權益，同時作為一般合夥人及/或投資經理人以賺取費用收入。於二零二零年三月三十一日，本集團與兩大領先私募股權基金(GIC及Apollo)就中港匯•靜安及長城金融大廈兩項優化項目訂立合作夥伴關係。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

During the Year, supported by the collaborated efforts from our revitalisation team and partners, the HSO Venture with GIC has completed the renovation of its first investment property in May 2019 and successfully rebranded it as Central Park•Jing'an which is a Grade A-office premises situated in the prime location in Shanghai with 3 metro lines connections. Despite strong competition in the Shanghai leasing market, the occupancy rate and average daily rent rate of Central Park•Jing'an has outperformed by showing steady increment since the completion of renovation. During the Year, the Group shared a loss of approximately HK\$12.9 million for its investment in HSO Venture, as compared to the share of profit of approximately HK\$20.7 million. The change from profit to loss of the HSO Venture in the Year as there was fair value gain recognised for the investment property held by the HSO Venture last year.

In November 2019, the Property Investment and Project Management Business has reached another milestone as it successfully formed a co-investment venture with Apollo. Following the formation of the Skyline Venture, its wholly-owned subsidiary entered into sales and purchase agreements to acquire the majority of the gross floor area of an under-utilised commercial building in Shanghai, commonly known as Great Wall Financial Building in December 2019. As of 31st March 2020, the Group owned an effective equity stake of 5% in the Skyline Venture.

Great Wall Financial Building is a high-rise landmark located in the heart of the central business district of Huangpu, near the intersection of Dapu Road and Xujiahui Road with a 5-minute-walk from metro station. As a regional landmark commercial complex, Great Wall Financial Building is host to Pullman Shanghai Skyway Hotel (a 5-star hotel managed by Accor Hotel Group), office buildings, conference halls, catering facilities and retail outlets.

於本年度，在我們的活化團隊與合作夥伴的共同努力下，與GIC成立的HSO合營公司於二零一九年五月完成首項投資物業的翻新工程，並成功將其重新命名為中港匯•靜安，其為一幢位於上海黃金地段，鄰近三條地鐵線的甲級商廈。儘管上海租賃市場競爭激烈，中港匯•靜安表現突出，完成翻新後出租率及平均每日租金率亦穩定增長。於本年度，本集團於HSO合營公司投資的應佔虧損約為12,900,000港元，而去年則為應佔溢利約20,700,000港元。HSO合營公司由盈轉虧乃由於去年其持有之投資物業確認公允價值收益。

於二零一九年十一月，房地產投資及項目管理業務達到另一個里程碑，其與Apollo成功成立一個共同投資企業。隨著Skyline合營公司成立後，其全資附屬公司於二零一九年十二月訂立買賣協議，以收購一幢使用率偏低的商業樓宇（統稱為長城金融大廈）之大部份建築面積。於二零二零年三月三十一日，本集團持有Skyline合營公司5%的有效權益。

長城金融大廈是一幢位於黃浦區核心商業區心臟地帶的摩天地標，臨近打浦路與徐家匯路交界，步行至地鐵站僅需五分鐘。作為該區的地標式商業綜合建築，長城金融大廈包含上海斯格威鉑爾曼大酒店（一間由雅高酒店集團管理的五星級酒店）、商務大廈、會議廳、餐飲設施及零售商店。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

During the Year, our Property Investment and Project Management Business recorded a profit before income tax of approximately HK\$6.3 million on revenue of approximately HK\$93.5 million, versus a profit before income tax of approximately HK\$82.5 million on revenue of approximately HK\$100.0 million last year. The reduction in profit before income tax is due to the fair value gain of approximately HK\$108.9 million from Central Park•Pudong last year, as compared to a minimal fair value loss of approximately HK\$0.8 million in the Year.

於本年度，我們的房地產投資及項目管理業務按收入約93,500,000港元錄得之除稅前溢利約6,300,000港元，相對去年收入約100,000,000港元，其稅前溢利約82,500,000港元。稅前溢利減少，是由於去年錄得來自中港匯•浦東的公允價值收益約108,900,000港元，而本年度則錄得輕微公允價值虧損約800,000港元。

Our track record in Shanghai 我們於上海的彪炳往績



1	2	3	4	5	6
辦公樓 Office Building	辦公樓 Office Building	服務式公寓 Serviced Apartment	辦公樓 Office Building	辦公樓 Office Building	辦公樓及酒店綜合體 Office & Hotel Complex
中港滙•靜安 Central Park • Jing'an	中港滙•普陀 Central Park • Putuo	尚泰里 Park Lane	中港滙•浦東 Central Park • Pudong	靜安門 The Point Jing'an	長城金融大廈 Great Wall Financial Building
靜安區 Jing'an District	普陀區 Putuo District	長寧區 Changning District	浦東新區 Pudong New District	靜安區 Jing'an District	黃浦區 Huangpu District
	於二零一七年三月出售 Disposed in March 2017	於二零一七年九月出售 Disposed in September 2017		於二零一四年三月出售 Disposed in March 2014	

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Building and Design Solutions Business

Our Building and Design Solutions Business is dedicated to provide comprehensive value proposition with design, installation, inventory management, logistics, as well as technical support services provided for sanitary wares and fittings and kitchen products. We offer an extensive branded product portfolio, which gives us a strong base to respond to the rising consumer demand for high-quality lifestyle products and enhanced hygiene awareness amidst the COVID-19 pandemic.

During the Year, the Building and Design Solutions Business recorded a profit before income tax of approximately HK\$26.1 million on revenue of approximately HK\$275.9 million, versus a profit before income tax of approximately HK\$21.9 million on revenue of approximately HK\$346.8 million last year. The drop in revenue was due to the completion of several major real estate and hotel projects in Hong Kong and Macau last year, together with the postponement of new hotel upgrade projects due to the social incidents in Hong Kong as well as the recent outbreak of COVID-19. Meanwhile, the improvement in profit before income tax was mainly attributable to the improvement in gross profit margin and cost containment measures in the Year.

Construction Materials Business

The Construction Materials Business comprises (i) Hong Kong construction products processing and distribution; (ii) reinforcing bar processing and assembly business conducted through our wholly-owned subsidiary, VSC Construction Steel Solutions Limited; and (iii) PRC surface critical coil processing and distribution.

The Group has completed the sale of its steel recycling business operated through a wholly-owned subsidiary, He Tai Steel Co., Limited, and the steel processing business in Mainland China operated through its associate, Changshu Baoshunchang Steel Processing Co., Ltd., with an aggregated loss on disposal of HK\$41,000 recognised during the Year.

建築產品及設計方案業務

我們的建築產品及設計方案業務致力提供具全面價值的方案，包括衛生潔具及配件以及廚房產品設計、安裝、庫存管理、物流以及技術支援服務。我們提供廣泛的品牌產品組合，為我們提供強大後盾，以配合客戶對優質生活產品的殷切需求以及在2019冠狀病毒病肆虐中提高的衛生意識。

於本年度，建築產品及設計方案業務按收入約275,900,000港元錄得之稅前溢利約26,100,000港元，相對去年收入約346,800,000港元，稅前溢利約21,900,000港元。收入減少乃由於去年香港及澳門多項主要房地產及酒店項目竣工，連同香港的社會事件及近期2019冠狀病毒病肆虐導致新酒店改善項目施工延緩所致。同時，稅前溢利有所改善主要由於本年度的毛利率改善以及實施成本監控措施所致。

建築材料業務

建築材料業務包括(i)香港建築產品加工與分銷；(ii)透過我們的全資附屬公司VSC Construction Steel Solutions Limited經營之鋼筋加工及裝配業務；以及(iii)於中國的卷鋼加工與分銷。

本集團已於本年度完成出售由一間全資附屬公司一和泰鋼鐵有限公司所經營的鋼材回收業務，以及於中國內地透過聯營公司一常熟寶順昌鋼材加工有限公司經營的鋼材加工業務，並於本年度確認出售虧損合共為41,000港元。

Facing a volatile market environment throughout the Year, including the continuous fluctuation in steel price, the adverse impact arising from the trade conflicts between major trade nations, the slow down in construction projects in Hong Kong as a result of social incidents and the recent outbreak of COVID-19, our Construction Materials Business is unavoidably affected. During the Year, Construction Materials Business recorded a total revenue of approximately HK\$1,864.8 million, down by approximately 13.9% compared to last year. Excluding the revenue contributed by the steel recycling business which was disposed by the Group in April 2019, revenue dropped by approximately 8.2% year-to-year, as the revenue growth from our Hong Kong construction product distribution and reinforcing bar processing business was offset by the decline in revenue from our PRC's surface critical coil processing and distribution business, primarily caused by the slack in demand from the automotive sector.

Profit before income tax of the Construction Materials Business was approximately HK\$8.2 million for the Year, versus a profit before income tax of approximately HK\$20.6 million in last year as there was the reversal of provision for onerous contracts of approximately HK\$40.7 million last year. Excluding the aforementioned one-off impact, the gross profit margin increased from approximately 2.3% last year to approximately 4.0% this year with profit before income tax also increased by HK\$28.3 million in the Year.

Engineering Plastics Business

Adhering to the Group's strategy on scaling-down the Engineering Plastic Business in order to focus on the Group's core competencies, Engineering Plastics Business recorded a revenue of approximately HK\$90.8 million in the Year, as compared to approximately HK\$268.7 million in last year under the unstable economic environment. Benefited from our concerted efforts on cost containment directives and measures to screening out customers with too low margin and/or too high credit risks, the business has recorded a profit before income tax of approximately HK\$1.9 million, which represents a turnaround from a loss before income tax of approximately HK\$7.4 million in last year.

本年度面對動盪市場環境，包括鋼材價格持續波動、主要貿易國之間的貿易衝突產生的不利影響、社會事件及近期2019冠狀病毒病肆虐導致香港建設項目放緩，我們的建築材料業務難免被受影響。於本年度，建築材料業務錄得收入總額約1,864,800,000港元，較去年減少約13.9%。若剔除來自鋼材回收業務（本集團已於二零一九年四月出售該業務）收入的情況下，收入按年同比下跌約8.2%，主要由於汽車業需求疲弱引致我們中國卷鋼加工與分銷收入減少，抵銷我們香港建築產品分銷與鋼筋加工業務的收入增長。

於本年度，建築材料業務的除稅前溢利約8,200,000港元，而去年則為除稅前溢利約20,600,000港元，原因為去年有償契約撥備回收收入約40,700,000港元。若剔除上述一次性影響，毛利率由去年約2.3%增加至本年度約4.0%，而稅前溢利亦於本年度增加28,300,000港元。

工程塑膠業務

隨著本集團縮減工程塑膠業務規模以專注於核心業務之戰略，在經濟環境不穩定的情況下，工程塑膠業務於本年度錄得收入約90,800,000港元，而去年則約為268,700,000港元。受惠於成本監控指引及對極低利潤率及／或風險較高的客戶甄選的措施雙管齊下之效果，該業務由去年的稅前虧損約7,400,000港元轉虧為盈至本年度的稅前溢利約1,900,000港元。

Impairment of property, plant and equipment

Given the combined effect of social incidents and the outbreak of COVID-19 in Hong Kong, existing construction projects as well as the launch of new government and private construction projects have been delayed. Management has since undertaken an assessment on the impairment of property, plant and equipment at the end of the Year and has decided to reset the base of the growth in utilisation of the Group's Tsing Yi plant in the near term, in order to reflect the latest challenging market conditions. As a result, a non-cash impairment charges of approximately HK\$20.0 million was recognised during the Year.

OUTLOOK

Property Investment and Project Management Business

While COVID-19 has driven up the vacancy rates of commercial properties and put pressure on rent, the Group is still cautiously optimistic on the medium to long-term growth in demand of premium-grade offices in Shanghai, a city which has a strategic locational advantage and is regarded as the key financial and economic hub of Mainland China.

The Group will maintain its focus on the Shanghai market as a niche market specialist in property revitalisation and value optimisation and aims to continue to excel in the industry with a growing and proven track records.

Building and Design Solutions Business

The Group will continue to offer one-stop, high-quality and well-designed product solutions to our value customers. Our latest line of sanitary products and fittings will allow us to capture market opportunities arising from the change in housing size and the increasing hygiene awareness in Hong Kong. Leveraging the strong market presence of our brand partners and our close cooperation with suppliers, along with our project strategy, we will continue to target sizable and iconic projects in Hong Kong and Macau.

物業、廠房及設備減值

香港的社會事件以及2019冠狀病毒病肆虐的綜合影響下，現有建築項目以及政府和私人建築項目開展亦已推延。管理層於本年度末已就物業、廠房及設備的減值進行評估，並決定重設本集團於青衣廠房近期的使用增長，以反映最新的嚴峻市況。因此，本年度已確認非現金減值支出約20,000,000港元。

展望

房地產投資及項目管理業務

儘管2019冠狀病毒病引致商廈的空置率上升並對租金構成壓力，但本集團對上海黃金地段的甲級商廈中長期的需求增長仍感到樂觀，原因為上海具有戰略性區位優勢，並被視為中國內地主要的金融及經濟中心。

本集團將繼續專注於上海市場，成為利基市場上的物業活化及價值提升專家，並且憑藉我們卓越及有目共睹的往績繼續在業界大放異彩。

建築產品及設計方案業務

本集團將繼續為我們的優越客戶提供一站式、優質及設計完善的產品解決方案。我們最新的衛生潔具及配件系列將讓我們抓緊香港住房面積的轉變以及日益提高的衛生意識所帶來的機遇。憑藉品牌合夥人領先市場地位以及與供應商緊密合作，配合我們的項目發展策略，我們將繼續放眼香港及澳門具規模的知名項目。

Construction Materials Business

We expect the global steel market to remain volatile due to the uncertainties arisen from trade tension and geopolitical issues. Also, China's automotive steel demand is likely remain weak, as its production output continues to be impacted by environmental initiatives and industry consolidation. The Group will continue to search for the most cost-efficient steel supply around the globe and improve margin for its steel distribution business.

Despite the unpredictable global steel market and the decline in building and construction expenditure in Hong Kong in previous years, primarily caused by the completion of various key construction projects and the staggering of upcoming government projects pending for funding approval, the Group remains cautiously optimistic on the medium to long-term development of the industry in Hong Kong.

The Hong Kong Government is expected to raise the annual capital works investment to over HK\$100 billion in the next few years, encompassing public housing projects, hospital redevelopment and expansion and new towns development. In addition, favourable policies were also introduced to support industry upgrade, including the introduction of the HK\$1 billion "Construction Innovation and Technology Fund" and the promotion in adopting technologies and innovative methods in the construction industry.

The Group will continue the integration of its steel processing and distribution businesses, and will raise its efforts in streamlining the process flow, seizing opportunities for cross-selling, and providing one-stop solutions to its customers in order to further reduce overhead cost and diversify income sources. The Group believes that these combined policies, together with the rebound in market demand upon the launch of major construction projects in Kai Tak and Chek Lap Kok area, will present a solid foundation for future profit growth.

Engineering Plastics Business

Our Engineering Plastics Business has been undergoing a major re-organisation over the past few years. Going forward, the Group will continue to scale down its operation in an attempt to divert our resources and capital to the core business.

建築材料業務

貿易關係緊張及地緣問題導致一系列的不明朗性，我們預期全球鋼材市場將持續波動。而且，中國汽車行業所用的鋼材需求將持續疲弱，而生產量亦繼續受環境保護措施及行業整合影響。本集團將繼續在全球各地尋找最具成本效益的鋼材供應，從而提升我們鋼材分銷業務的利潤水平。

縱使全球鋼材市場的走勢難以預測，加上多項主要建築項目已告完成而全新政府公共建築項目的撥款積壓待批，令去年香港的樓宇及建築開支出現下跌，但本集團對香港建築業的中長期發展仍感到樂觀。

香港政府期望未來數年，按年度基本工程投資增至超過1,000億港元，範圍涵蓋公營住宅項目、醫院重建及擴建以及新市鎮發展。此外，香港政府亦推出優惠政策以支持行業的升級改造，當中包括撥款10億港元推出「建造業創新及科技基金」，以及推動建築業採納科技及創新技術。

本集團將繼續整合其鋼材加工及分銷業務，提升其在精簡工序流程效能、抓緊交叉銷售機遇以及為客戶提供一站式解決方案的能力，藉此進一步降低間接成本及多元化收入來源。本集團認為該等政策互相結合，連同在啟德及赤臘角地區大型建築項目的開展所帶領的市場需求復甦，將可進一步為未來溢利增長奠下堅實基礎。

工程塑膠業務

我們的工程塑膠業務於過去數年內一直在進行重大重組。展望未來，本集團將繼續縮減其業務規模，以將我們的資源及資本轉投至核心業務。

FINANCIAL REVIEW

Financial Position

Compared with the financial year ended 31st March 2019, as at 31st March 2020, the Group's total assets decreased from approximately HK\$2,996.6 million to approximately HK\$2,733.0 million. The Group's inventories increased from approximately HK\$290.7 million to approximately HK\$354.9 million, with the average inventory days of supply increased to 62 days. The trade and bill receivables decreased from approximately HK\$480.5 million to approximately HK\$358.9 million, with average overall day of sales outstanding decreased to 48 days. Net assets value of the Group decreased from approximately HK\$1,113.4 million to approximately HK\$916.8 million, mainly attributable to the loss for the Year and the translation loss arisen from the depreciation of RMB for the Group's investments in Mainland China. Net assets value per ordinary share was equivalent to approximately HK\$1.26 as at 31st March 2020.

Compared with the financial position at 31st March 2019, the Group's cash and cash equivalents and pledged bank deposits, decreased by approximately HK\$36.5 million to approximately HK\$129.2 million, while borrowings decreased by approximately HK\$76.9 million to approximately HK\$1,415.6 million as at 31st March 2020. Current ratio increased from 1.02 to 1.10, with gearing ratio (net debt, which is total bank borrowings minus pledged bank deposits and cash and cash equivalents, divided by capital and reserves attributable to owners of the Company plus net debt) slightly increased from 57% to 61%. The Group will continue to monitor its working capital closely and take various measures on cost containment and operational efficiency improvement.

Financial Resources

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

財務回顧

財務狀況

與截至二零一九年三月三十一日止財政年度相比，本集團於二零二零年三月三十一日之資產總額由約2,996,600,000港元減少至約2,733,000,000港元。本集團之存貨由約290,700,000港元增加至約354,900,000港元，平均存貨週轉日數增加至62日。應收賬款及票據由約480,500,000港元減少至約358,900,000港元，平均應收賬款週轉日數減少至48日。本集團之資產淨值由約1,113,400,000港元減少至約916,800,000港元，主要由於本年度虧損及本集團於中國內地之投資因人民幣貶值而產生匯兌虧損所致。於二零二零年三月三十一日，每股普通股資產淨值相當約1.26港元。

與二零一九年三月三十一日之財務狀況比較，本集團於二零二零年三月三十一日之現金及現金等值及已抵押銀行存款，減少約36,500,000港元至約129,200,000港元，而借貸則減少約76,900,000港元至約1,415,600,000港元。流動比率則由1.02增加至1.10，其中資產負債比率（負債淨額，即銀行借貸總額減已抵押銀行存款以及現金及現金等值，除以本公司擁有人應佔股本及儲備加負債淨額）由57%輕微增加至61%。本集團將繼續密切監控營運資金，並採取各種措施控制成本及提升營運效率。

財務資源

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

The Group's trade financing remained primarily supported by its bank trading and term loan facilities. As at 31st March 2020, about 50.2% of the Group's interest-bearing borrowings were denominated in HK dollar, about 32.5% in RMB and about 17.3% in US dollar. These facilities are either secured by the Group's inventories held under short-term trust receipts bank loan arrangement and/or pledged bank deposits and/or corporate guarantee provided by the Company. All of the above borrowings were on floating rate basis. Interest costs of import bank loans were levied on interbank offered rates plus very competitive margin. RMB loans of the Group have been obtained from domestic and foreign banks in the amount of RMB421.5 million. Interest costs of RMB banking facilities were based on standard loan rates set by the People's Bank of China adjusted with competitive margin.

Charges on Assets

As at 31st March 2020, the Group had certain charges on assets which included (i) bank deposits of approximately HK\$9.1 million (2019: HK\$38.9 million) which were pledged as collateral for the Group's bill payables; and (ii) investment properties of approximately HK\$1,324.3 million (2019: HK\$1,404.9 million) which were pledged as collaterals for certain bank borrowings and bill payables (2019: bank borrowings) of the Group.

Exposure to Fluctuations in Exchange Rates and Related Hedges

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

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

本集團之貿易融資主要由其銀行貿易及定期貸款融資支持。於二零二零年三月三十一日，本集團之附息借貸約50.2%以港元為幣值、約32.5%以人民幣為幣值及約17.3%以美元為幣值。該等融資通過本集團之短期信託收據銀行貸款安排下持有之存貨及／或已抵押銀行存款及／或本公司提供之公司擔保作為抵押。以上所有借貸均按浮動利率計息。進口銀行貸款之利息費用以銀行同業拆息率加非常具競爭力之息差計算。本集團已自國內及外資銀行獲得數額為人民幣421,500,000元之人民幣貸款。人民幣銀行融資之利息費用乃按中國人民銀行釐定之標準貸款利率以優惠息差再加以調整。

資產抵押

於二零二零年三月三十一日，本集團有若干資產作抵押，包括(i)約9,100,000港元(二零一九年：38,900,000港元)之銀行存款抵押作為本集團的應付票據之抵押品；及(ii)約1,324,300,000港元(二零一九年：1,404,900,000港元)之投資物業抵押作為本集團若干銀行借貸及應付票據(二零一九年：銀行借貸)之抵押品。

匯率風險波動及相關對沖

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

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

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Contingent Liabilities

Save as disclosed in Note 39 to the accompanying consolidated financial statement, as at 31st March 2020, the Group had no material contingent liabilities.

Material Acquisitions and Disposals

Save as disclosed in Note 36 to the accompanying consolidated financial statements, the Group did not have any material acquisitions and disposals of subsidiaries and associated companies during the Year.

KEY RISKS AND UNCERTAINTIES

We believe the Group's financial condition, results of operations, and business prospects may be affected by certain risks and uncertainties directly or indirectly pertaining to the Group's businesses, some of which are beyond our control. The followings are the major risks and uncertainties identified by the Group. There may be other possibly risks and uncertainties which we are not aware of or which may not be material at present but may turn out to be material in the future.

Financial Risks

The Group's overall treasury and funding policies focus on managing financial risks including interest rate, foreign exchange and liquidity risks. The Group has always adhered to prudent financial management principles. Facing the volatility of RMB, the Group will continue to match RMB payments with RMB receipts to minimise exchange exposure. Forward foreign exchange contracts would be entered into when suitable opportunities arise and when management of the Group considers appropriate, to hedge against major non-HK dollars currency exposures. The Group always monitors cash flows and maintains an adequate level of cash and cash equivalents to ensure the ability to finance the Group's operations and reduce the effects of fluctuation in cash flows to mitigate liquidity risk.

或然負債

除隨附之綜合財務報表附註39所披露者外，於二零二零年三月三十一日，本集團並無重大或然負債。

重大收購事項及出售事項

於本年度，除隨附之綜合財務報表附註36內所披露者外，本集團並無任何重大附屬公司及聯營公司收購事項及出售事項。

主要風險及不明朗因素

我們相信，本集團之財務狀況、經營業績及業務前景可能受直接或間接與本集團業務有關之若干風險及不明朗因素(有些為我們不能控制)所影響。以下為本集團介定為主要風險及不明朗因素。本集團可能面對並不知悉或可能目前並不重大但可能於未來轉變成重大之其他可能風險及不明朗因素。

財務風險

本集團整體庫務及融資政策集中於管理財務風險，包括利率、外匯及流動資金風險。本集團一直秉持審慎財務管理原則。面對人民幣之不穩定，本集團將以人民幣收入來作人民幣付款，從而減低匯兌風險。當出現適當時機且本集團管理層認為合適之情況下，將簽訂遠期外匯合約，用以對沖非港元貨幣之主要外匯風險。本集團經常監察現金流量及維持現金及現金等值於適當水平，以確保為本集團營運提供資金之能力並減少現金流量波動效應以減低流動資金風險。

Operational Risk

The Group may face operational risk resulting from inadequate or deficiency in internal processes, people and systems or from external events. The Group has clear responsibility and accountability rests with every function at divisional and departmental levels. The Group are governed and guided by good standard operating procedures, proper authorisation policies and reporting framework. Our management will identify and assess key operational exposures from time to time to adjust potential risk response.

Business Risk

The Group's business performance will be affected by various factors, including but not limited to economic conditions, competitive environment of steel industry, performance of property markets and regulatory changes in regions where our business carry on or investments locate, which would not be mitigated even with careful and prudent investment strategy and strict procedure.

Human Capital and Retention Risk

The Group may face the risk of not being able to attract and retain key personnel and talents with appropriate and required skills, experience and competence to meet the business objectives and strategy. We will provide attractive remuneration package to suitable candidates and personnel. Through training of existing personnel and hiring of new personnel that raise the average, we continue to create a great team capable of making sure we are one of the best long-term investments for our shareholders and a great place to work for our employees.

HUMAN CAPITAL

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

As at 31st March 2020, the Group employed 267 staff. Total staff costs including contribution to retirement benefit schemes incurred during the Year amounted to approximately HK\$120.6 million. During the Year, no options have been offered and/or granted to directors and our employees under the share option scheme adopted on 11th August 2011.

營運風險

本集團可能面對來自內部流程、人員及系統或外部事件之不當或缺失而引起之營運風險。本集團設有配合各部門及部門級別之間各功能明確之責任及問責制。本集團以優良經營程序、適當授權政策及報告準則進行管理及指引。管理層將不時確定及評估主要營運風險以調整對潛在風險的對應。

業務風險

本集團之業務表現將受多項因素影響，包括(但不限於)我們進行業務及投資之地點之經濟狀況、鋼材行業之競爭環境、房地產市場之表現及地區之監管變動，而此等因素甚至實行小心謹慎之投資策略及嚴格程序也不能減輕風險。

人力資源及留聘風險

本集團可能面臨不能夠吸引及留聘擁有合適及所需技能、經驗及能力以滿足業務目標及戰略之主要人員及優秀人才之風險。我們會向合適人選及人員提供具吸引力之薪酬待遇。透過培訓現有人員及聘請勇於突破之新人員，我們繼續創建有能力確保我們成為就股東而言為最佳長期投資，及就僱員而言為良好之工作地方之優秀團隊。

人力資源

本集團竭力打造精英團隊，藉此推動本集團業務發展更上一層樓。我們的增長策略一直包括加強員工的責任感。我們提供優越之薪酬待遇以吸引及推動員工。我們努力為員工提供舒適安全的工作環境，並提供各種機會，讓員工不斷學習和成長。

於二零二零年三月三十一日，本集團聘用 267 名僱員。於本年度，總員工成本包括退休福利計劃供款約為 120,600,000 港元。於本年度，並無根據於二零一一年八月十一日採納之購股權計劃向董事及我們之員工提供及／或授出任何購股權。

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Environmental Protection

The Group is committed to achieving environmental sustainability. Our commitment to protect the environment is well reflected by our continuous efforts in promoting green measures and awareness in our daily business operations.

We encourage environmental protection and promote awareness towards environmental protection to the employees. The Group adheres to the principle of recycling and reducing. It implements green office practices such as double-sided printing and copying, setting up recycling bins, promoting using recycled paper and reducing energy consumption by switching off idle lightings and electrical appliance.

Community Involvement

We care about the communities where we are active and continuously support social initiatives. The Group has sponsored and participated in a wide range of charitable activities. Our employees have also participated in various corporate social responsibility initiatives. We care about our employees. We provide an enjoyable working environment and an integrity platform to ensure employees' well-being and safety.

We were awarded as the "Caring Company" from The Hong Kong Council of Social Service since 2007, as "Heart to Heart Company" by the Hong Kong Federation of Youth Group in 2010.

Compliance with Relevant Laws and Regulations

The Group has formulated a clear organisational structure and accountability for implementation of procedures and monitoring of risk, which help ensure adequacy and effectiveness of controls over the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

During the Year, as far as the Company is concerned, there was no material breach of or non-compliance with applicable laws and regulations by the Group that has a significant impact on the business and operations of the Group.

環境、社會及管治

環境保護

本集團於達致環境可持續發展上不遺餘力。透過在我們之日常業務營運中努力不懈地推動環保措施及意識，以反映我們對保護環境之承諾。

我們提倡環保及向僱員宣揚環保意識。本集團堅持以回收及節約之原則，實行綠色辦公室方案，例如雙面打印及影印、設置回收箱、提倡使用再造紙及關閉閒置電燈及電器以降低能源消耗。

參與社區活動

我們積極持續支持社區活動，以關心我們之社區。本集團贊助並參與多項慈善活動。我們之僱員亦參加各種企業社會責任活動。我們亦關心僱員。我們為僱員提供愉快工作環境及良好平台，以確保彼等之健康及安全。

我們自二零零七年起獲得由香港社會服務聯會頒發之「商界展關懷」獎項；並於二零一零年獲得由香港青年協會頒發之「有心企業」獎項。

遵守相關法律及法規

本集團已制定一套清晰組織架構及問責制度，以實行程序及監察風險，其有助於確保適當及有效控制財務報告之可靠性、營運效率及效益，以及遵守適用之法律及法規。

於本年度，就本公司所關注，本集團並無重大違反或不遵守適用之法律及法規，以致對本集團之業務及營運有顯著影響。

Environmental, Social and Governance Report

In accordance with Rule 13.91 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), the Company will publish an Environmental, Social and Governance Report no later than five months after the end of the financial year in compliance with the provisions set out in the “Environmental, Social and Governance Reporting Guide” in Appendix 27 to the Listing Rules.

RELATIONSHIPS WITH STAKEHOLDERS

We have a deep sense of obligation to our stakeholders. We will consistently execute our strategies to provide desired returns on investment and sustainable growth to our shareholders. We recognise that employees are our valuable assets. We hire people for attitude and invest in development of our employees to create loyalty and love to the Company. We understand the importance of maintaining good relationship with our stakeholders (employees, customers, suppliers and business partners) to achieve our long-term goals. To accomplish this, we continue to get closer to our stakeholders, build lasting relationship, and keep good communication to understand their needs and share with them our business development. During the Year, there was no material and significant dispute between the Company and its stakeholders.

APPRECIATION

We are grateful to our dedicated employees, loyal customers, suppliers, banking partners and shareholders for their constant support.

環境、社會及管治報告

根據香港聯合交易所有限公司證券上市規則(「上市規則」)第13.91條，本公司將遵照上市規則附錄二十七《環境、社會及管治報告指引》所載的條文，不遲於本財政年度結束後五個月內刊發環境、社會及管治報告。

與持份者之關係

我們對持份者之責任重大。我們將貫徹執行我們之策略，以向股東提供可觀投資回報及可持續增長。我們意識到僱員是我們寶貴資產。我們聘請僱員著重其工作態度，並不遺餘力投資於僱員培訓方面，以加強僱員對本公司的歸屬感及熱愛。我們明白與持份者(僱員、客戶、供應商及業務夥伴)維持良好關係攸關重要，以實現我們之長期目標。為達到該目標，我們繼續更貼近我們之持份者、建立長久關係，並保持良好溝通以了解其需要及與其分享我們之業務發展。於本年度，本公司及其持份者之間概無任何重大糾紛。

感謝

我們向盡職僱員、忠誠客戶、供應商、銀行夥伴及股東之長期支持致以衷心謝意。

The board of directors (the “Board”) of Hong Kong Shanghai Alliance Holdings Limited (the “Company”) is committed to maintaining high standards of corporate governance. It believes that high standards of corporate governance provide a framework and solid foundation for the Company and its subsidiaries (collectively, the “Group”) to manage business risks, enhance transparency, maintain high standards of accountability and protect shareholders’ interest in general. The Company has applied the principles and complied with the applicable code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) except for CG Code provision A.2.1 for the year ended 31st March 2020 (the “Year”).

The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

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

THE BOARD

As at the date of this report, the Board consists of two Executive Directors and four Independent Non-executive Directors. The composition of the Board during the Year and up to the date of this report is set out as follows:

Executive Directors:

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

滬港聯合控股有限公司(「本公司」)之董事會(「董事會」)致力維持高水平之企業管治。董事會相信高水平之企業管治可為本公司及其附屬公司(統稱「本集團」)建立一個框架及穩固之基礎，以管理業務風險、增加透明度、維持高水平問責制及保障股東之整體權益。於截至二零二零年三月三十一日止年度(「本年度」)，本公司已應用香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四所載之企業管治守則(「企業管治守則」)之原則，並遵守一切適用守則條文，惟企業管治守則條文第A.2.1條除外。

董事會將不斷檢討及改善本公司之企業管治常規及準則，確保業務活動及決策過程受到適當及審慎之規管。

董事及相關僱員進行證券交易之守則

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

董事會

於本報告日期，董事會由兩名執行董事及四名獨立非執行董事組成。於本年度及截至本報告日期止，董事會成員組成如下：

執行董事：

姚祖輝先生
(主席兼首席執行官)
劉子超先生

Independent Non-executive Directors:

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

The brief biographical details of the Directors are set out in the “Profile of Directors and Senior Management” on pages 57 to 60 of this annual report.

Board Process

Throughout the Year and up to the date of this report, the Company has four Independent Non-executive Directors exceeding one-third of the Board. One of the Independent Non-executive Director has the appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules. Each of the Independent Non-executive Directors has made an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all Independent Non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines. The Board members have no financial, business, family or other material relevant relationships with each other.

The Executive Directors are responsible for managing the overall business. They are mainly involved in the formulation and execution of the corporate strategies. The Independent Non-executive Directors consist of eminent business executives from Hong Kong and Mainland China, who provide independent advices to the management through their wide range of skills and experiences. The Executive Directors have regular meetings with general managers of respective business units and key staff of support units to discuss major business plans and review operational and financial performance. The Independent Non-executive Directors are also invited to participate in special review meetings.

The Company has established four Board Committees, namely Executive Committee, Remuneration Committee, Audit Committee and Nomination Committee, to oversee various aspects of the affairs.

獨立非執行董事：

譚競正先生
徐林寶先生
楊榮樂先生
李引泉先生

董事之履歷詳情載於本年報第57頁至第60頁之「董事及高級管理人員履歷」一節內。

董事會程序

於本年度及截至本報告日期止，本公司有四名獨立非執行董事，多於三分之一的董事會人數。根據上市規則第3.10條之規定，其中一名獨立非執行董事具備適當之專業資格或會計或相關財務管理專長。每位獨立非執行董事已根據上市規則第3.13條之規定提交確認其符合獨立性之年度確認書。本公司認為所有獨立非執行董事皆符合載於上市規則第3.13條之獨立性指引，並根據該指引條款被視為獨立人士。董事會成員彼此間並無財務、業務、家族或其他重大相關關係。

執行董事負責管理整體業務，彼等主要參與制定及執行企業策略。獨立非執行董事由香港及中國內地之卓越商業行政人員所組成，透過彼等所擁有之豐富技能及經驗向管理層提供獨立建議。執行董事定期與各業務單位總經理及支援單位之重要員工舉行會議，商討主要業務計劃及檢討營運與財務表現。獨立非執行董事亦被邀請參與特別檢討會議。

本公司已成立四個董事委員會，即執行委員會、薪酬委員會、審核委員會及提名委員會，以審視多方面之事務。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board has reserved for its decision or consideration matters covering mainly the Group's overall strategy, annual operating budget, annual and interim results, Directors' appointment or re-appointment (based on the recommendations made by the Nomination Committee), material contracts and transactions, corporate governance as well as other significant policy and financial matters. The daily operations of the Group's business are executed by the management of the respective business units under the instruction and supervision of the Executive Committee which has its specific written terms of reference.

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group, and to review and approve the Group's annual and interim results and other ad hoc matters which need to be dealt with. Individual attendance records of each Director at the meetings of the Board, Remuneration Committee, Audit Committee and Nomination Committee as well as the general meeting during the Year are set out below:

董事會主要負責就本集團整體策略、年度經營預算、全年及中期業績、董事任命或重新委任(基於提名委員會的建議)、重大合同及交易、企業管治以及其他重要政策和財務等事宜作決策或審議。執行委員會按其特定書面職權範圍，領導及監管各業務單位之管理層處理本集團業務之日常運作。

董事會定期召開會議以討論本集團之整體策略以及營運及財務表現，並審閱及批准本集團之全年及中期業績及其他須處理之特別事項。於本年度，各董事於董事會、薪酬委員會、審核委員會及提名委員會會議，以及股東大會之個別出席記錄載列如下：

Name of Directors 董事姓名	Board 董事會	Remuneration Committee 薪酬委員會	Number of meetings attended/held 出席/舉行會議之次數			
			Audit Committee 審核委員會	Nomination Committee 提名委員會	General Meeting 股東大會	
<i>Executive Directors:</i> 執行董事：						
Mr. Yao Cho Fai Andrew (Chairman and Chief Executive Officer)	姚祖輝先生 (主席兼首席執行官)	4/4	1/1	N/A 不適用	1/1	1/1
Mr. Lau Chi Chiu	劉子超先生	4/4	N/A 不適用	N/A 不適用	N/A 不適用	1/1
<i>Independent Non-executive Directors:</i> 獨立非執行董事：						
Mr. Tam King Ching Kenny	譚競正先生	4/4	1/1	2/2	1/1	1/1
Mr. Xu Lin Bao	徐林寶先生	4/4	1/1	2/2	1/1	1/1
Mr. Yeung Wing Sun Mike	楊榮樂先生	4/4	N/A 不適用	2/2	1/1	1/1
Mr. Li Yinquan	李引泉先生	4/4	1/1	2/2	N/A 不適用	1/1
Total number of meetings held	舉行會議總數	4	1	2	1	1

Regular Board meetings for each year are scheduled in advance to give all Directors an opportunity to attend, and are structured to encourage open discussion. At least 14 days' notice of a Board meeting is normally given to all Directors who are given an opportunity to include matters for discussion in the agenda. The Company Secretary assists the Chairman of the Board in preparing the agenda for meetings and ensures that all applicable rules and regulations are complied with. Draft minutes of each Board meeting are circulated to all Directors for their comment before being tabled at the following Board meeting for approval. All minutes and resolutions of the Board are taken and kept by the Company Secretary and these minutes and resolutions, together with any supporting board papers, are open for inspection at any reasonable time on reasonable notice by any Director.

The Board members have access to appropriate business documents and information about the Group on a timely basis. The Directors are free to have access to the management for enquiries and to obtain further information when required. The Directors are encouraged to update their skills and knowledge, and familiarity with the Group through ongoing participation at Board and Board Committees meetings. All Directors also have access to external legal counsel and other professionals for independent advice at the Company's expense if they require it.

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

On appointment to the Board, each Director receives a comprehensive induction package covering policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he is sufficiently aware of his responsibilities under the Listing Rules and other relevant regulatory requirements. All Directors shall participate in continuous professional development to develop and refresh their knowledge and skills.

The Directors are from time to time provided materials on amendments to or updates on the relevant laws, rules and regulations to ensure that their contribution to the Board remains informed and relevant. The Company has been encouraging the Directors and senior management to participate in a wide range of professional development courses and seminars relating to the Listing Rules, applicable regulatory requirements and corporate governance practices organised by professional bodies and/or independent auditors to further improve their relevant knowledge and skills.

董事會定期會議均於每年預先編定，以讓全體董事均有機會出席，並鼓勵董事公開討論。召開董事會會議一般會給予全體董事至少十四天之通知，以便彼等皆有機會提出商討事項以列入會議議程內。公司秘書協助董事會主席編製會議議程，以及確保已遵守所有適用規則及規例。每份董事會會議記錄之初稿於提交下一次董事會會議審批前，先供全體董事傳閱並提供意見。所有董事會會議記錄及決議案均由公司秘書記錄及保存，任何董事給予合理通知，可於任何合理時間內隨時查閱該等會議記錄及決議案以及任何董事會文件。

董事會成員可於適當時候獲取有關本集團之恰當商業文件及資料。董事有需要時可隨時向管理層查詢，以取得更多資料。董事亦被鼓勵提升其技能及知識，並透過持續參與董事會及董事委員會會議，提升對本集團之認識。有需要時所有董事亦可尋求外聘法律顧問及其他專業顧問之獨立意見，開支由本公司支付。

董事之持續專業發展

獲委任加入董事會時，各董事均收到一份詳盡入職資料，涵蓋本公司政策及程序以及作為董事在一般、法定及監管規定上所須履行責任之資料，以確保其充分了解其於上市規則及其他相關監管規定下之責任。全體董事均須參與持續專業發展以發展及更新其知識及技能。

董事不時獲提供相關法律、規則及規例之修訂或最新版本之資料，以確保彼等持續對董事會作出知情及相關之貢獻。本公司一直鼓勵董事及高級管理人員參與由專業團體及／或獨立核數師舉辦之各類有關上市規則、適用監管規定及企業管治常規之專業發展課程及研討會，以進一步提升其相關知識及技能。

CORPORATE GOVERNANCE REPORT

企業管治報告

All Directors have confirmed that they have participated in appropriate continuous professional development activities by attending seminar or conference relating to the Company's business or corporate governance and regulations or by reading materials relevant to their duties and responsibilities during the Year.

全體董事已確認於本年度內已透過出席有關本公司業務或企業管治及規例之研討會或會議或閱覽有關其職責及責任之資料，參與適當持續專業發展活動。

Participation of Directors in continuous professional development activities for the Year is set out below:

董事於本年度參與持續專業發展之活動載列如下：

Name of Directors	董事姓名	Site Visit 場地考察	Reading journals, updates, articles and/or materials 閱讀期刊、最新資訊、文章及／或相關資料	Attending workshops, seminars, conferences and/or forums 出席工作坊、研討會、會議及／或論壇
<i>Executive Directors:</i>				
Mr. Yao Cho Fai Andrew (Chairman and Chief Executive Officer)	執行董事： 姚祖輝先生 (主席兼首席執行官)	✓	✓	✓
Mr. Lau Chi Chiu	劉子超先生	✓	✓	✓
<i>Independent Non-executive Directors:</i>				
Mr. Tam King Ching Kenny	獨立非執行董事： 譚競正先生	✓	✓	✓
Mr. Xu Lin Bao	徐林寶先生	✓	✓	—
Mr. Yeung Wing Sun Mike	楊榮燦先生	✓	✓	—
Mr. Li Yinquan	李引泉先生	✓	✓	—

BOARD DIVERSITY

The Board has adopted a Board Diversity Policy. Under the Policy, the Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. Selection of candidates will be based on a range of diversity perspectives, which would include but not limited to gender, age, cultural and educational backgrounds, professional and industry experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

董事會成員多元化

董事會已採納董事會成員多元化政策。根據該政策，本公司明白並深信董事會成員多元化對提升公司的表現素質裨益良多。甄選人選將基於一系列多元化標準，包括但不限於性別、年齡、文化及教育背景、專業及行業經驗、技能、知識以及服務年期。最終將按人選的長處及可為董事會提供的貢獻而作決定。

At present, more than half of the Directors on the Board are Independent Non-executive Directors. The Board composition reflects various cultural and educational backgrounds, professional development, length of service, knowledge of the Company and a broad range of individual attributes, interests and values. The Board considers the current composition has provided the Company with a good balance and diversity of skills and experience appropriate to the requirements of its business. The Board will continue to review its composition from time to time taking into consideration specific needs for the Group's business.

DIRECTORS' AND OFFICERS' INSURANCE

The Company has arranged appropriate insurance coverage in respect of legal actions against the Directors and officers within the Group.

ROLES OF CHAIRMAN AND CHIEF EXECUTIVE

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

SPECIFIC TERMS OF NON-EXECUTIVE DIRECTORS

According to the CG Code, the non-executive directors should be appointed for a specific term and subject to re-election. The Company's Independence Non-executive Directors are appointed for a term of three years and shall determine upon expiry subject to renewal by mutual agreement prior to the expiry of the term. All Independent Non-executive Directors (including all other Directors) are subject to retirement by rotation and re-election at the annual general meeting at least once every three years according to the Company's Bye-laws.

現時董事會多於半數之董事為獨立非執行董事。董事會成員組合反映不同的文化及教育背景、專業發展、服務任期、對本公司的認識，以及廣泛的個人特質、興趣和價值觀。董事會認為目前的成員組合提供了切合本公司業務所需的均衡及多元化技能和經驗。董事會會繼續按本集團的業務需要不時檢討其成員組合。

董事及高級人員之保險

本公司已就董事及本集團內之高級人員可能面對之法律行動而作出適當保險安排。

主席及行政總裁之角色

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

委任非執行董事之指定任期

根據企業管治守則，非執行董事須以指定年期委任，及須輪席告退。本公司之獨立非執行董事之任期為三年及將於屆滿後終止，惟可於屆滿前根據相互協議續任。所有獨立非執行董事(包括全部其他董事)需要按本公司之細則每三年於股東週年大會上至少輪值告退一次並可膺選連任。

BOARD COMMITTEES

The Board has established various committees, including the Executive Committee, the Remuneration Committee, the Audit Committee and the Nomination Committee, each of which has its specific written terms of reference. Minutes of all committee meetings and resolutions are taken and kept by the Company Secretary and, together with any committee papers, are available to all Board members. The committees are required to report to the Board on their decision and recommendations where appropriate.

Executive Committee

Executive Committee has been established since March 2006 and now consists of two Executive Directors, being Mr. Yao Cho Fai Andrew as chairman and Mr. Lau Chi Chiu as a member.

When the Board is not in session, the Executive Committee discharges the specific power and administrative functions authorised by the Board. The Executive Committee is mainly responsible for monitoring the daily operations of the Group.

The Company has adopted a terms of reference of the Executive Committee in order to conform with the provisions set out in the CG Code and it is responsible for performing the corporate governance duties as follows:

- (i) implementing and compliance with the laws, regulations, Listing Rules, Bye-laws and internal regulations applicable to the Company;
- (ii) providing a means for timely and accurate disclosure of information;
- (iii) ensuring effective communication with the Company's shareholders;
- (iv) developing and reviewing the Company's policies and practices on corporate governance and make recommendations to the Board;
- (v) reviewing and monitoring the training and continuous professional development of Directors and senior management;
- (vi) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;

董事委員會

董事會已成立多個委員會，包括執行委員會、薪酬委員會、審核委員會及提名委員會，各委員會均以書面具體列明其職權範圍。所有委員會會議記錄及決議案均由公司秘書記錄及保存，全體董事會成員可隨時查閱該等委員會會議記錄及決議案以及任何委員會文件。各委員會須向董事會匯報其決定及建議（倘適用）。

執行委員會

執行委員會自二零零六年三月成立，現時由兩名執行董事組成，即姚祖輝先生為主席及劉子超先生為成員。

在董事會會期以外，執行委員會可執行董事會給予之特別權力及行政職能。執行委員會主要負責監督本集團之日常運作。

本公司已採納了執行委員會之職權範圍，以符合企業管治守則所載之條文。其負責履行之企業管治職能如下：

- (i) 執行及遵守適用於本公司之法律、規則、上市規則、公司細則及內部規則；
- (ii) 提供方法以及時和準確地披露資料；
- (iii) 確保與本公司股東有效之溝通；
- (iv) 制定及檢討本公司之企業管治政策及常規，並向董事會提出建議；
- (v) 檢討及監察董事及高級管理人員之培訓及持續專業發展；
- (vi) 檢討及監察本公司在遵守法律及監管規定方面之政策及常規；

- (vii) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (viii) reviewing the Company's compliance with the CG Code and disclosure in the corporate governance report.

During the Year, the Executive Committee has carried out the duties on the corporate governance functions of the Company in accordance with its terms of reference.

Remuneration Committee

The Remuneration Committee has been established since July 2005 and as at the date of this report consists of four members, including Mr. Xu Lin Bao (chairman of the Remuneration Committee), Mr. Tam King Ching Kenny and Mr. Li Yinquan, all being Independent Non-executive Directors, and Mr. Yao Cho Fai Andrew, being an Executive Director. The Remuneration Committee's role is to make recommendation to the Board on the remuneration policy and structure for Directors and senior management and to ensure that they are fairly rewarded for their individual contribution to the Group's overall performance, having regard to the interests of shareholders.

The Remuneration Committee has to determine, with delegated responsibility, the remuneration packages of individual Executive Directors and senior management as well as reviewing and approving management's remuneration proposals with reference to the Board's corporate goals and objectives. The Remuneration Committee also makes recommendation to the Board on the remuneration of the Non-executive Directors. No Director or any of his associates may be involved in any decisions as to his own remuneration. The Remuneration Committee has specific written terms of reference that is in compliance with the CG Code. The terms of reference of the Remuneration Committee setting out its authority, duties and responsibilities are available both on the websites of the Company and Hong Kong Exchanges and Clearing Limited (the "HKEx").

During the Year, the Remuneration Committee has reviewed and determined the remuneration packages of the Executive Directors and made recommendations to the Board as to the remuneration policy and structure for senior management of the Company.

- (vii) 制定、檢討及監察適用於僱員及董事之操守準則及合規手冊(如有);及

- (viii) 檢討本公司遵守企業管治守則之情況及在企業管治報告內之披露。

於本年度，執行委員會已根據其職權範圍執行本公司之企業管治職責。

薪酬委員會

薪酬委員會自二零零五年七月成立，於本報告日期由四名成員組成，包括獨立非執行董事徐林寶先生(薪酬委員會主席)、譚競正先生及李引泉先生以及執行董事姚祖輝先生。薪酬委員會之職責乃就董事及高級管理人員之薪酬政策及架構向董事會提供建議，確保對本集團整體表現有所貢獻之董事及高級管理人員均獲得公平回報，並考慮到股東之利益。

薪酬委員會獲轉受責任以釐定個別執行董事及高級管理人員之薪酬待遇，以及根據董事會議決之企業目標及宗旨檢討及批准管理層之薪酬建議。薪酬委員會亦會就非執行董事之薪酬向董事會提出建議。概無董事或其任何聯繫人士可參與有關其本身薪酬之任何決定。薪酬委員會已訂立符合企業管治守則規定之特定書面職權範圍。薪酬委員會之職權範圍訂明其權限、職責及責任，其已登載於本公司及香港交易及結算所有限公司(「港交所」)之網頁內。

於本年度，薪酬委員會已審閱及釐定執行董事之薪酬待遇，並就本公司高級管理人員的薪酬政策及架構向董事會提出建議。

The Remuneration Committee shall meet at least once a year in accordance with its terms of reference. One Remuneration Committee meeting was held during the Year and the attendance record of the Remuneration Committee meeting is stated in the table under “The Board” of this report.

Audit Committee

The Audit Committee has been established since December 1998 and as at the date of this report consists of four Independent Non-executive Directors, including Mr. Tam King Ching Kenny (chairman of the Audit Committee), Mr. Xu Lin Bao, Mr. Yeung Wing Sun Mike and Mr. Li Yinquan. Mr. Tam King Ching Kenny is an Independent Non-executive Director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10 of the Listing Rules.

The Audit Committee meetings are held not less than twice a year to review and discuss the various audit issues as reported by the external auditor. It also reviews the interim and annual financial statements. Additional meetings may also be held by the Audit Committee from time to time to discuss special projects or other issues, which the members consider necessary.

Scope of the work of the Audit Committee is defined and approved by the Board in relation to various internal control, risk management and audit issues with a view to further improve the Company's corporate governance. The Audit Committee has specific written terms of reference that is in compliance with the CG Code. The terms of reference of the Audit Committee setting out its authority, duties and responsibilities are available both on the websites of the Company and the HKEx.

The following is a summary of work performed by the Audit Committee during the Year:

- (i) reviewed and discussed the audited consolidated financial statements of the Company for the year ended 31st March 2019 and recommended to the Board for approval;
- (ii) reviewed and discussed the unaudited condensed consolidated financial statements of the Company for the six months ended 30th September 2019 and recommended to the Board for approval;

根據其職權範圍，薪酬委員會每年須至少召開一次會議。於本年度已舉行一次薪酬委員會會議，而薪酬委員會會議之出席記錄已刊於本報告「董事會」一節內。

審核委員會

審核委員會自一九九八年十二月成立，於本報告日期由四名獨立非執行董事組成，包括譚競正先生（審核委員會主席）、徐林寶先生、楊榮樂先生及李引泉先生。按上市規則第3.10條，譚競正先生為獨立非執行董事並具備適當之專業資格或會計或相關財務管理專長。

審核委員會每年舉行不少於兩次之會議以審閱及討論外聘核數師呈報之各項審核事項，並審閱中期及年度財務報表。委員亦可不時於認為有需要時舉行額外之審核委員會會議以討論特殊項目或其他事項。

董事會已制定及核准審核委員會之職權範圍，職權涉及若干內部監控、風險管理及審核事宜，目標為進一步改善本公司的企業管治。審核委員會已訂立符合企業管治守則所規定之特定書面職權範圍。審核委員會之職權範圍訂明其權限、職責及責任，其已登載於本公司及港交所之網頁內。

以下為審核委員會於本年度已履行之工作概要：

- (i) 審閱及討論本公司截至二零一九年三月三十一日止年度之經審核綜合財務報表，並建議董事會審批；
- (ii) 審閱及討論本公司截至二零一九年九月三十日止六個月之未經審核簡明綜合財務報表，並建議董事會審批；

- (iii) reviewed and discussed with the management and the external auditor of the Company the accounting policies and practices which may affect the Group and the scope of the audit;
 - (iv) reviewed reports from the external auditor of the Company regarding their audit on the Company's consolidated financial statements for the year ended 31st March 2019 and their review on the Company's condensed consolidated financial statements for the six months ended 30th September 2019;
 - (v) reviewed reports from the internal auditor of the Company regarding their review on the internal control of the Group; and
 - (vi) reviewed and approved the remuneration and the terms of engagement of the Company's auditors; and reviewed and made recommendations to the Board on the re-appointment of the Company's auditors.
- (iii) 與本公司管理層及外聘核數師審閱及討論可能影響本集團之會計政策與慣例及審核範疇；
 - (iv) 審閱本公司外聘核數師有關審核本公司截至二零一九年三月三十一日止年度之綜合財務報表及本公司外聘核數師有關審閱本公司截至二零一九年九月三十日止六個月之簡明綜合財務報表之報告；
 - (v) 審閱本公司內部核數師有關審閱本集團內部監控之報告；及
 - (vi) 審閱及批准本公司核數師之酬金及委聘條款；以及審閱並向董事會提供建議續聘本公司核數師。

The Audit Committee shall meet at least twice a year in accordance with its terms of reference. Two Audit Committee meetings were held during the Year and the attendance record of the Audit Committee meetings is stated in the table under "The Board" of this report.

根據其職權範圍，審核委員會每年須至少召開兩次會議。於本年度已舉行兩次審核委員會會議，而審核委員會會議之出席記錄已刊於本報告「董事會」一節內。

Nomination Committee

The Nomination Committee has been established since March 2012 and as at the date of this report consists of four members, includes the Executive Director, being Mr. Yao Cho Fai Andrew (chairman of Nomination Committee) and three Independent Non-executive Directors, being Mr. Xu Lin Bao, Mr. Tam King Ching Kenny and Mr. Yeung Wing Sun Mike. The Nomination Committee is responsible for formulating policy and making recommendations to the Board on nominations, appointment or re-appointment of Directors and Board succession. The principal duties of the Nomination Committee include reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy and accessing the independence of Independent Non-executive Directors. The Nomination Committee has specific written terms of reference that is in compliance with the CG Code. The terms of reference of the Nomination Committee setting out its authority, duties and responsibilities are available both on the websites of the Company and the HKEx.

提名委員會

提名委員會已於二零一二年三月成立，於本報告日期由四名成員組成，包括執行董事姚祖輝先生（提名委員會主席）及三名獨立非執行董事徐林寶先生、譚競正先生及楊榮樂先生。提名委員會負責就董事之提名、委任或重新委任及董事會的繼任事宜制訂政策及向董事會作出建議。提名委員會之主要職責包括至少每年檢討董事會的架構、人數及組成（包括技能、知識及經驗方面），並就任何為配合本公司的企業策略而擬對董事會作出的變動提出建議及評核獨立非執行董事的獨立性。提名委員會已訂立符合企業管治守則規定之特定書面職權範圍。提名委員會之職權範圍訂明其權限、職責及責任，其已登載於本公司及港交所之網頁內。

During the Year, the Nomination Committee has reviewed the diversity, structure, size and composition of the Board, reviewed and made recommendation to the Board on the appointment and re-appointment of Directors, reviewed the independence of Independent Non-executive Directors and made recommendations to the Board to complement the Company's corporate strategy.

The Nomination Committee shall meet at least once a year in accordance with its terms of reference. One Nomination Committee meeting was held during the Year and the attendance record of the Nomination Committee meeting is stated in the table under "The Board" of this report.

NOMINATION POLICY

The Company has adopted a Nomination Policy which sets out the criteria and process in the nomination and appointment of Directors. Below are the criteria to select and recommend candidates for directorship and nomination procedures and the process.

Selection criteria

The Nomination Committee shall evaluate potential candidate(s) for election as member(s) of the Board on the basis of the entirety of their credentials and in light of the criteria set forth below:

- (i) character and integrity;
- (ii) accomplishment, qualifications and experience relevant to the Company's business and corporate strategy;
- (iii) willingness to devote adequate time to participate in the Board's affairs such as attending meetings of the Board and its committees to discharge his duties;
- (iv) willingness and ability to represent the general best interests of the Company and its shareholders as a whole;
- (v) diversity criteria set out in the Company's Board Diversity Policy and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board;

於本年度，提名委員會已檢討董事會的多元化、架構、人數及組成、就董事之委任及重新委任的事宜作出檢討並向董事會提供建議、審閱獨立非執行董事之獨立性及向董事會提出建議以配合本公司的企業策略。

根據其職權範圍，提名委員會每年須至少召開一次會議。於本年度已舉行一次提名委員會會議，而提名委員會會議之出席記錄已刊於本報告「董事會」一節內。

提名政策

本公司已採納提名政策，當中載列提名及委任董事之準則及流程。以下為提名委員會就甄選及推薦候選人出任董事及提名程序及流程。

甄選準則

提名委員會在評估潛在候選人以選舉為董事會成員的過程中，將考慮以下範疇，並以候選人整體資歷為基準：

- (i) 品格與誠信；
- (ii) 成就、資格及與本公司業務及企業策略相關的經驗；
- (iii) 願意投放足夠時間參與董事會的事務，例如出席董事會及其委員會的會議以履行其職責；
- (iv) 體現本公司及其股東整體最佳利益的意願和能力；
- (v) 本公司之董事會成員多元化政策所載的多元化準則，以及提名委員會為達致董事會多元化而採納的任何可衡量目標；

- (vi) requirements for the Board to have sufficient independent non-executive directors in accordance with the Listing Rules and the independence of the candidates, if applicable, with reference to the independence guidelines set out in the Listing Rules; and
- (vii) such other perspectives appropriate to the Company's business.

These aforesaid criteria are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

Nomination and Selection Process

- (i) the Nomination Committee, based upon the needs of the Board for additional or replacement Board members, solicits ideas for possible candidates from a number of sources, including capable individuals personally known to and recommended by the members of the Board and research undertaken by or on behalf of the Nomination Committee or professional firms. The Nomination Committee also considers recommendations and nominations made by shareholders of the Company, as described in (iv) below;
- (ii) if one or more desirable candidate(s) is/are identified, the Nomination Committee shall evaluate such candidate(s), based on the criteria set out in above selection criteria, and determine whether such candidate(s) is/are qualified for directorship;
- (iii) the Nomination Committee shall select and rank desirable candidates by order of preference based on the needs of the Company, and make recommendations to the Board for directorship; and
- (iv) for any person nominated by a shareholder for election as a Director at any general meeting in accordance with the Company's Bye-laws, the Nomination Committee shall apply the same criteria as set out in the above selection criteria to evaluate and determine whether such candidate is qualified for directorship and where appropriate, the Nomination Committee and/or the Board shall make recommendations to shareholders in respect of the proposed election of Director at the general meeting.

- (vi) 根據上市規則，有關董事會擁有足夠獨立非執行董事的規定，以及候選人的獨立性(如適用)，並參考上市規則所載的獨立指引；及
- (vii) 適用於本公司業務的其他各項因素。

上述準則只供參考，並不旨在涵蓋所有因素，也不具決定性作用。提名委員會可決定提名任何其認為適當的人士。

提名及甄選過程

- (i) 提名委員會因應董事會對增加或替代董事會成員的需求，於不同渠道訪求潛在候選人，包括董事會成員認識及推薦的勝任人士及提名委員會或其代表，或委託專業公司訪求合資格人士。提名委員會亦會考慮本公司股東按下文(iv)建議及提名的人士；
- (ii) 如涉及一個或多個潛在候選人，提名委員會將按上述甄選準則所載的準則以評估候選人，並決定其是否合資格出任董事；
- (iii) 提名委員會將按本公司的需要甄選及排列潛在候選人的優先次序，並向董事會作出建議；及
- (iv) 任何經由股東按本公司的公司細則提名於任何股東大會上選舉為董事的人士，提名委員會將按上述甄選準則所載的相同準則予以評估，並決定其是否合資格出任董事，並且，提名委員會及／或董事會應就於股東大會上擬議的董事選舉向股東提出建議(如適用)。

The Board will review the Nomination Policy and make necessary amendments, as appropriate, to ensure the effectiveness of the Nomination Policy.

CORPORATE GOVERNANCE FUNCTION

While the Board is and remains principally responsible for the corporate governance functions of the Company, it has delegated the relevant duties to the Executive Committee to ensure the proper performance of corporate governance functions of the Company. In this connection, the terms of reference of the Executive Committee includes various duties relating to corporate governance matters which are set out in paragraph “Executive Committee” of this report.

COMPANY SECRETARY

The Company Secretary supports the Chairman, the Board and Board Committees by ensuring good information flow within the Board and that Board policy and procedures are followed. The Company Secretary reports to the Board and assists the Board in functioning effectively and efficiently. The Company Secretary also advises the Board on governance matters and facilitates the induction and professional development of Directors. All Directors may call upon the Company Secretary for advice and assistance at any time in respect to their duties and the effective operation of the Board and the Board Committees.

Ms. Wong Yuen Sze is the Company Secretary of the Company. She is a full time employee of the Company and has day-to-day knowledge of the Company’s affairs. Ms. Wong undertook no less than 15 hours of relevant professional training during the Year.

INTERNAL CONTROLS AND RISK MANAGEMENT

The Board and the Audit Committee are responsible for developing and maintaining the system of internal controls of the Group to protect shareholders’ interest and to safeguard the Group’s assets by setting appropriate policies and reviewing the effectiveness of major control procedures for financial, operational, compliance and risk management areas.

董事會將不時檢討提名政策並酌情進行必要的修訂，以確保提名政策行之有效。

企業管治職能

本公司的企業管治職能現時主要由董事會負責，其授權相關責任予執行委員會以確保本公司之企業管治職能獲適切履行。就此，執行委員會之職權範圍包括各項與企業管治事宜有關的職責載列於本報告「執行委員會」一節內。

公司秘書

公司秘書支援主席、董事會及董事委員會，確保董事會之間資訊流通無阻以及董事會政策及程序得以遵循。公司秘書向董事會報告，並協助董事會有效及具效率地運作。公司秘書亦就管治事宜向董事會提供意見，並協助安排董事之入職及專業發展。全體董事可隨時要求公司秘書提供有關其職責及致使董事會及董事委員會有效運作之意見及協助。

黃婉詩女士為本公司之公司秘書。彼為本公司之全職僱員，對本公司事務有日常認識。黃女士於本年度內接受不少於十五小時之相關專業培訓。

內部監控及風險管理

董事會及審核委員會負責透過制定合適之政策及就主要監控程序，包括財務、運作、合規監控以及風險管理職能的效用作出檢討，以發展及維持本集團之內部監控系統，並保障股東之利益及本集團之資產。

During the Year, the Company has engaged an independent professional firm to assist the Board and the Audit Committee in ongoing monitoring and in performing the internal audit functions for the Group. The Board and the Audit Committee have reviewed the effectiveness of the Group's system of internal controls on all major operations, including financial, operational and compliance controls and risk management functions, and have considered the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial function, and their training programs and budget, by reviewing the internal audit reports prepared by the independent professional firm and management letters submitted by external auditor. Also, the Board and the Audit Committee met with the internal and external auditors and management to discuss findings from their works and recommendations.

The Company is aware of its continuing disclosure obligations as to inside information and has a policy with regard to the principles and procedures for handling and disseminating the Company's inside information in compliance with the requirements under the Securities and Futures Ordinance and the Listing Rules.

The Executive Committee and the designated executives of the Company are responsible for assisting the Board in reviewing potential inside information and assessing the need for disclosure and to oversee the internal reporting system and procedures. The Company has taken reasonable precautions for preserving the confidentiality of the inside information, including inter alia:

- (i) access to inside information is restricted to specific persons on a need-to-know basis;
- (ii) enter into appropriate confidentiality agreements when negotiating on potential and significant transactions;
- (iii) codify a strict prohibition on unauthorised use or disclosure of inside information in employee handbook; and
- (iv) circulate reminder, from time to time, to the Directors and specified relevant employees of the Group who are considered to be likely in possession of inside information their duties and obligations in respect of dealings in the securities of the Company.

The Board and the Audit Committee considered that the system of internal controls and risk management was operating effectively during the Year.

於本年度，本公司委聘的獨立專業公司負責協助董事會及審核委員會以持續監控及執行本集團之內部審核功能。董事會及審核委員會亦已透過檢討審閱獨立專業公司準備之內部監控報告及外聘核數師所提交之審核情況說明函件，以對所有主要營運，包括財務、運作和合規監控以及風險管理職能之內部監控系統作出檢討，並已考慮本集團在會計及財務匯報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓課程及有關預算是否足夠。此外，董事會及審核委員會已會見內部核數師及外聘核數師以及管理層以討論彼等從工作及分析所得之發現及建議。

本公司明白其應履行內幕消息的持續披露責任，並具有有關處理及發佈本公司內幕消息的原則及程序之政策，以遵守證券及期貨條例及上市規則的規定。

執行委員會及本公司之指定行政人員負責協助董事會審核潛在的內幕消息及評估公佈的需要及監察內部通報系統及程序。本公司已採取合理措施將內幕消息保密，其中包括：

- (i) 按有需要知情基準，將得知內幕消息限制於指定人士；
- (ii) 於談判潛在及重大交易前訂立適當的保密協議；
- (iii) 於員工手冊內訂明嚴禁未經授權使用或披露內幕消息；及
- (iv) 不時發出通告以提醒董事及本集團特定之有關僱員（彼等被視為可能知悉內幕消息）於買賣本公司之證券時應有的職責及責任。

董事會及審核委員會認為內部監控及風險管理之系統於本年度能夠有效地運作。

AUDITOR'S REMUNERATION

During the Year, PricewaterhouseCoopers, the external auditor of the Company, provided the following services to the Group and their respective fees charges are set out below:

Types of services	服務種類	HK\$'000 千港元
Audit fee for the Group	本集團之審核費用	2,738
Taxation services	稅務服務	194
Total	總額	2,932

RESPONSIBILITY FOR PREPARATION AND REPORTING OF ACCOUNTS

The Directors acknowledge their responsibility for preparing the accounts which were prepared in accordance with statutory requirements and applicable accounting standards. A statement by the auditor about its reporting responsibilities is set out in the independent auditor's report included in this annual report.

There are no material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

INVESTOR RELATIONS AND COMMUNICATION

The Group is committed to promoting transparency and maintaining effective communication with shareholders, investors, analysts and the press. The Company has its shareholder's communication policy established to ensure effective and timely dissemination of information to shareholders and the investment community. The management from time to time meets with existing and potential investors to make corporate presentations. The Group also promotes communications with non-institutional shareholders through public announcements of key developments of the Company as prescribed under the Listing Rules, annual general meeting and other general meetings of the Company. Such general meetings are presided over and led by the Chairman, supported by other Directors. The Company's user-friendly website, <http://www.hkshalliance.com>, provides investors with the latest news, corporate profile, business information and financial information including announcements, circulars and annual and interim reports.

核數師酬金

於本年度，本公司之外聘核數師羅兵咸永道會計師事務所就向本集團提供下列服務分別收取之費用為：

編製及呈報賬目之責任

董事明白彼等須負責根據法例規定及適用會計準則編製賬目。核數師就其呈報責任而發出之聲明載於本年報之獨立核數師報告內。

概無重大不明朗事件或情況可能會嚴重影響本公司持續經營之能力。

與投資者之關係與溝通

本集團致力提高透明度，並維持與股東、投資者、分析員及傳媒之良好溝通。本公司已制定股東通訊政策以確保有效及適時向股東及投資人士傳達資訊。管理層不時與現有及潛在投資者作企業簡佈。本集團透過按照上市規則的規定刊發有關本公司主要發展的公告、舉行股東週年大會及其他股東大會，促進與非機構股東的溝通。該等股東大會由主席主持及帶領，並由其他董事從旁協助。本公司方便易用之網站(<http://www.hkshalliance.com>)為投資者提供最新消息、公司簡介、業務資料及財務資料包括公告、通函以及年報及中期報告。

CONSTITUTIONAL DOCUMENTS

During the Year, there was no change in the Company's constitutional documents.

SHAREHOLDERS' RIGHTS

The Board endeavours to maintain an on-going dialogue with shareholders. The Company encourages the shareholders to attend general meetings and the Chairmen of the Board and the Board Committees should attend annual general meeting (the "AGM") to answer questions.

(A) Convening a Special General Meeting by Shareholders

Pursuant to Bye-law 58 of the Company's Bye-laws and section 74 of the Companies Act 1981 (as amended) of Bermuda (the "Companies Act"), shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If the Directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

A meeting convened under this section by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by Directors. Any reasonable expenses incurred by the requisitionists by reason of the failure of the Directors duly to convene a meeting shall be repaid to the requisitionists by the Company.

憲章文件

於本年度，本公司之憲章文件並無變動。

股東權利

董事會致力持續與股東維持溝通。本公司鼓勵股東參加股東大會，而董事會及董事委員會主席應出席股東週年大會（「股東週年大會」）以解答提問。

(A) 股東召開股東特別大會

根據本公司細則第58條及百慕達一九八一年公司法（經修訂）（「公司法」）第74條，於遞呈要求日期持有不少於本公司繳足股本（賦有於本公司股東大會上投票權）十分之一的股東於任何時候有權透過向董事會或公司秘書發出書面要求，要求董事會召開本公司之股東特別大會，以處理有關要求中指明的任何事項；且該大會應於遞呈該要求後兩個月內舉行。倘董事並無於遞交請求書日期起計二十一日內正式召開股東特別大會，則請求人或當中佔過半數總投票權之任何人士可自行召開股東特別大會，惟所召開之任何股東特別大會不得於遞交請求書日期起計三個月屆滿後舉行。

由遞呈要求人士所召開之大會須盡可能以董事將召開會議相同形式召開。任何因董事未有妥善召開股東特別大會而引致請求人所招致之合理費用，須由本公司償還給請求人。

(B) Putting Forward Proposals at General Meetings

Sections 79 and 80 of the Companies Act allow certain shareholder(s) to make requisition to the Company to give notice to the shareholders in respect of any resolution which is intended to be moved at an AGM or circulate a statement in respect of any proposed resolution or business to be considered at a general meeting of the Company. Under section 79 of the Companies Act, at the expense of the requisitionists unless the Company otherwise resolves, it shall be the duty of the Company on the requisition in writing by such number of shareholders:

- (a) to give to the shareholders entitled to receive notice of the next AGM notice of any resolution which may properly be moved and is intended to be moved at that meeting;
- (b) to circulate to the shareholders entitled to have notice of any general meeting sent to them any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The number of shareholders necessary to make the abovementioned requisitions to the Company shall be:

- (a) either any number of shareholders representing not less than one-twentieth of the total voting rights of all the shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates; or
- (b) not less than one hundred shareholders.

Notice of any such intended resolution shall be given, and any such statement shall be circulated, to shareholders entitled to have notice of the meeting sent to them by serving a copy of the resolution or statement on each such shareholder in any manner permitted for service of notice of the meeting, and notice of any such resolution shall be given to any other shareholder by giving notice of the general effect of the resolution in any manner permitted for giving him notice of meetings of the Company, provided that the copy shall be served, or notice of the effect of the resolution shall be given, as the case may be, in the same manner and, so far as practicable, at the same time as notice of the meeting and, where it is not practicable for it to be served or given at that time, it shall be served or given as soon as practicable thereafter.

(B) 於股東大會提呈建議

公司法第79及80條允許若干股東請求本公司就擬於股東週年大會上動議之任何決議案向股東發出通告或就將於本公司股東大會上考慮之任何建議決議案或事項傳閱一份陳述書。根據公司法第79條，於有關數目股東發出書面請求時，本公司有責任（除非本公司另行議決，費用概由請求人承擔）：

- (a) 向有權收取下屆股東週年大會通告之股東發出通告，以告知可能於該大會上正式動議及擬動議之任何決議案；
- (b) 向有權收取任何股東大會通告之股東傳閱一份不超過一千字之陳述書，以告知該大會之任何建議決議案所述事宜或將處理之事項。

向本公司作出以上請求所需之股東數目為：

- (a) 佔請求當日持有不少於全體股東（其賦有於請求所涉股東大會上表決之權利）總投票權二十分之一之任何數目股東；或
- (b) 不少於一百名股東。

任何該等擬定決議案之通告及任何該等陳述書，應向有權收取會議通告之股東（以任何准許送達會議通告之方式，將該決議案或陳述書之副本，送達至該等股東）發出或傳閱；至於向任何其他股東發出任何該等決議案之通告，則須以准許用於向該等股東發出本公司會議通告之方式，向其發出具該等決議案大意之通告，但該副本之送達方式或該等決議案大意通告之發出方式（視乎情況而定），須與會議通告發出之方式相同，而送達或發出之時間，亦須在切實可行情況下與會議通告發出之時間相同，如當時不能送達或發出，則須於隨後在切實可行情況下盡快送達或發出。

Section 80 of the Companies Act sets out the conditions to be met before the Company is bound to give any notice of resolution or to circulate any statement. Pursuant to section 80 of the Companies Act, the Company shall not be bound to give notice of any resolution or to circulate any statement as mentioned in the above unless:

- (a) a copy of the requisition signed by the requisitionists, or two or more copies which between them contain the signatures of all the requisitionists, is deposited at the registered office of the Company:
 - (i) in the case of a requisition requiring notice of a resolution, not less than six weeks before the meeting; and
 - (ii) in the case of any other requisition, not less than one week before the meeting; and
- (b) there is deposited or tendered with the requisition a sum reasonably sufficient to meet the Company's expense in giving effect to the procedures in the above (i.e. the giving of notice of resolution and/or circulation of statement).

Provided that if, after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the Company, an AGM is called for a date six weeks or less after the copy has been deposited, the copy though not deposited within the above-mentioned time shall be deemed to have been properly deposited for the purposes thereof.

(C) Making Enquiry

Shareholders should direct their enquiries about their shareholdings to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. For other enquiries, shareholders may send written enquiries to the Company, for the attention of Company Secretary by mail to Rooms 1103-05, 11th Floor, East Town Building, 41 Lockhart Road, Wanchai, Hong Kong.

The procedures for proposing a person for election as a Director are made available at the Company's website (<http://www.hkshalliance.com>).

公司法第80條載有在本公司有責任發出任何決議案通告或傳閱任何陳述書前必須符合之條件。根據公司法第80條，除非符合以下條件，否則本公司毋須如上文所述發出任何決議案通告或傳閱任何陳述書：

- (a) 向本公司註冊辦事處提交遞呈要求人士簽署之一份請求書副本，或載有所有遞呈要求人士簽署之兩份或以上副本：
 - (i) 對要求決議案通告之請求書而言，不少於會議前六週；及
 - (ii) 對任何其他請求書而言，不少於會議前一週；及
- (b) 已向本公司提交或提供合理足夠符合本公司履行上文所述(即發出決議案通告及/或傳閱陳述書)所需開支之款項。

惟如於要求決議案通告之請求書副本提交予本公司註冊辦事處後，已於提交副本後六週或以內期間召開股東週年大會，則即使該副本未於上述期限內提交，亦應視為已就有關目的妥為提交。

(C) 提出查詢

股東可就其所持股權向本公司股份過戶登記處香港分處，即香港中央證券登記有限公司查詢，地址為香港灣仔皇后大道東183號合和中心17M樓。就其他查詢而言，股東可以書面形式郵寄函件致本公司之公司秘書，地址為香港灣仔駱克道41號東城大廈11樓1103-05室查詢。

提呈一名董事人選之程序刊載於本公司網站(<http://www.hkshalliance.com>)。

DIVIDEND POLICY

The Company has adopted a Dividend Policy which aims to set out the approach with the objective of achieving right balance of the amount of dividend and profits retained in the business for various purposes.

In determining dividend payment ratio in respect of any particular financial year or period, the Board will take into account a desire to maintain a constant and stable dividend level with an overall objective of maximising shareholders' value over a longer term, and will consider the following factors in declaring or recommending dividend to the shareholders from time to time:

- (i) financial results of the Company and its subsidiaries;
- (ii) shareholders' interests;
- (iii) general business conditions and strategies;
- (iv) expected financial performance and market conditions;
- (v) projected level of capital expenditures and future investment plans;
- (vi) level of cash and retained earnings;
- (vii) possible effects on liquidity and financial position;
- (viii) statutory and regulatory restrictions (including the laws of Bermuda and the Company's Bye-laws);
- (ix) tax considerations; and
- (x) any other factors the Board may deem relevant.

The actual dividend that the Board may declare or recommend in respect of any particular financial year or period will be subject to the factors under the Dividend Policy and there can be no assurance that dividend will be declared or paid in any particular amount for any particular financial year or period.

The Board will review the Dividend Policy and make necessary amendments, as appropriate, to ensure the effectiveness of the Dividend Policy.

On behalf of the Board
Yao Cho Fai Andrew
Chairman

Hong Kong, 26th June 2020

股息政策

本公司已採納股息政策，其旨在載列為達致派息及保留利潤金額作各種業務用途間取得平衡為目的而採取的方針。

在釐定任何特定財政年度或期間的股息支付比率時，董事會將考慮維持持續及穩定的股息水平為基準，以最大化股東長遠價值為整體目標，並會不時考慮以下因素向股東宣派或建議派發股息：

- (i) 本公司及其附屬公司的財務業績；
- (ii) 股東權益；
- (iii) 整體業務狀況及策略；
- (iv) 預期財務表現及市況；
- (v) 預計資本開支水平及未來投資計劃；
- (vi) 現金和保留盈利水平；
- (vii) 對流動資金及財務狀況的潛在影響；
- (viii) 法定及監管限制(包括百慕達法例及本公司章程細則)；
- (ix) 稅務考慮；及
- (x) 董事會認為相關的任何其他因素。

董事會就任何特定財政年度或期間所宣派及建議之實際股息將受股息政策所規定的因素約束，並且未能保證在任何特定財政年度或期間宣派或支付任何特定金額的股息。

董事會將不時檢討股息政策並酌情進行必要的修訂，以確保本政策行之有效。

代表董事會
主席
姚祖輝

香港，二零二零年六月二十六日

REPORT OF THE DIRECTORS

董事會報告

The board of directors (the “Board”) of Hong Kong Shanghai Alliance Holdings Limited (the “Company”) presents its annual report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31st March 2020 (the “Year”).

PRINCIPAL ACTIVITIES

The Group is principally engaged in distribution and processing of construction materials such as steel products; trading of sanitary wares, kitchen cabinets and engineering plastics; and property investment and project management businesses.

Details of the Group’s revenue and segment information by business segments and geographical markets are set out in Note 5 to the accompanying consolidated financial statements.

RESULTS AND APPROPRIATIONS

Details of the Group’s results for the Year are set out in the consolidated income statement on page 70 of this annual report.

The Board does not recommend the payment of a final dividend for the Year (2019: HK2.00 cents per ordinary share).

During the Year, no interim dividend was declared and paid to the shareholders by the Company.

滬港聯合控股有限公司(「本公司」)之董事會(「董事會」)提呈本公司及其附屬公司(統稱「本集團」)截至二零二零年三月三十一日止年度(「本年度」)之年報及經審核綜合財務報表。

主要業務

本集團主要從事分銷及加工建築材料，例如鋼材產品；衛浴潔具、廚櫃及工程塑膠貿易；以及房地產投資及項目管理業務。

本集團按業務分部及地區市場之收入及分部資料之詳情載於隨附之綜合財務報表附註5。

業績及分派

本集團截至本年度之業績詳載於本年報第70頁之綜合損益表。

董事會並不建議宣派本年度之末期股息(二零一九年：每股普通股2.00港仙)。

於本年度，本公司並無向股東宣派及派付中期股息。

CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company will be held on Friday, 14th August 2020 (the “2020 AGM”). The register of members of the Company will be closed from Tuesday, 11th August 2020 to Friday, 14th August 2020, both days inclusive, for the purpose of ascertaining the shareholders’ entitlement to attend and vote at the 2020 AGM. During this closure period, no transfer of shares will be registered. In order to be eligible to attend and vote at the 2020 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 10th August 2020.

BUSINESS REVIEW

Discussion and analysis of the Group’s business as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) covering an analysis of the Group’s performance using financial key performance indicators, the future development in the Group’s business, the principal risks and uncertainties facing the Group, the Group’s environmental policies and performance and its compliance with the relevant laws and regulations are provided in the “Highlights”, “Chairman’s Statement” and “Management Discussion and Analysis” of this annual report, which shall form an integral part of this “Report of the Directors”.

SHARE CAPITAL

As at 31st March 2020 and as at the date of this report, there were 641,232,315 ordinary shares of the Company issued and fully paid.

Details of share capital and share options of the Company are respectively set out in Notes 32 and 33 to the accompanying consolidated financial statements.

暫停辦理股份過戶登記手續

本公司之股東週年大會將於二零二零年八月十四日(星期五)舉行(「二零二零年股東週年大會」)。本公司將由二零二零年八月十一日(星期二)至二零二零年八月十四日(星期五)，首尾兩天包括在內，暫停辦理股份過戶登記手續，以釐定有權出席二零二零年股東週年大會並於會上投票之股東身份。在此期間，所有股份轉讓將不會受理。為確保合資格出席二零二零年股東週年大會並於會上投票，所有填妥之股份過戶文件連同有關股票須於二零二零年八月十日(星期一)下午四時三十分前送達本公司股份過戶登記處香港分處，即香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖，辦理登記手續。

業務回顧

就公司條例(香港法例第622章)附表5指定，本集團就業務之討論及分析，包括本集團運用財務關鍵表現指標進行的表現分析、本集團之未來業務發展、本集團所面對之主要風險及不明朗因素、本集團之環境政策和表現以及其遵守有關法律及規例，已載於本年報「摘要」、「主席報告書」以及「管理層討論及分析」中，該等討論及分析為本董事會報告之一部分。

股本

於二零二零年三月三十一日及於本報告日期，本公司有641,232,315股已發行及繳足普通股股份。

有關本公司股本及購股權之詳情分別載於隨附之綜合財務報表附註32及33。

RESERVES AND RETAINED EARNINGS

Movements in reserves and retained earnings of the Group and the Company during the Year are respectively set out in Notes 34 and 40 to the accompanying consolidated financial statements.

As at 31st March 2020, approximately HK\$53,986,000 (2019: Same) of the reserves and approximately HK\$17,229,000 (2019: HK\$30,198,000) of the retained earnings were available for distribution to the Company's owners.

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

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

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws and the laws of Bermuda.

PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND LAND USE RIGHTS

Details of movements in property, plant and equipment, investment properties and land use rights of the Group during the Year are set out in Notes 14, 15 and 16, respectively, to the accompanying consolidated financial statements.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Particulars of the Company's subsidiaries, associates and joint ventures are set out in Notes 20 and 21, respectively, to the accompanying consolidated financial statements.

儲備及保留溢利

本集團及本公司於本年度之儲備及保留溢利變動情況分別載於隨附之綜合財務報表附註34及40。

於二零二零年三月三十一日，可供分派予本公司擁有人之儲備約為53,986,000港元(二零一九年：相同)，而保留溢利約為17,229,000港元(二零一九年：30,198,000港元)。

購回、出售或贖回本公司上市證券

於本年度，本公司或其任何附屬公司均無購回、出售或贖回本公司任何上市證券。

優先購買權

本公司之公司細則及百慕達法例均無任何關於優先購買權之規定。

物業、廠房及設備、投資物業及土地使用權

於本年度，本集團之物業、廠房及設備、投資物業及土地使用權之變動詳情分別載於隨附之綜合財務報表附註14、15及16。

附屬公司、聯營公司及合營公司

本公司各附屬公司、聯營公司及合營公司之詳情分別載於隨附之綜合財務報表附註20及21。

BORROWINGS

Particulars of borrowings of the Group as at 31st March 2020 are set out in Note 31 to the accompanying consolidated financial statements.

PENSION SCHEMES

Details of the pension schemes are set out in Note 8 to the accompanying consolidated financial statements.

CHARITABLE DONATIONS

During the Year, the Group made charitable donations of approximately HK\$3,220,000 (2019: HK\$659,000).

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The directors of the Company during the Year and up to the date of this report are as follow:

Executive Directors

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

Independent Non-executive Directors

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

In accordance with Bye-law 84(1) of the Company's Bye-laws, Mr. Yao Cho Fai Andrew and Mr. Tam King Ching Kenny will retire from office by rotation at the 2020 AGM and, being eligible, will offer themselves for re-election at such meeting.

None of the Directors has a service contract with the Group which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

借貸

於二零二零年三月三十一日，本集團之借貸詳情載於隨附之綜合財務報表附註31。

退休金計劃

退休金計劃之詳情載於隨附之綜合財務報表附註8。

慈善捐款

於本年度，本集團捐出慈善捐款約3,220,000港元（二零一九年：659,000港元）。

董事及董事之服務合約

本公司於本年度及截至本報告日期止之董事如下：

執行董事

姚祖輝先生
(主席兼首席執行官)
劉子超先生

獨立非執行董事

譚競正先生
徐林寶先生
楊榮燊先生
李引泉先生

根據本公司之公司細則第84(1)條規定，姚祖輝先生及譚競正先生將於二零二零年股東週年大會輪值告退，並符合資格及願意於該大會膺選連任。

董事與本集團概無訂立任何不可由本集團於一年內終止而毋須支付補償(法定補償除外)之服務合約。

REPORT OF THE DIRECTORS

董事會報告

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

As at 31st March 2020, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or (c) were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") to be notified to the Company and the Stock Exchange, were as follows:

董事於股份、相關股份及債權證之權益及淡倉

於二零二零年三月三十一日，董事及本公司之高級行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債權證中擁有之權益及淡倉包括(a)根據證券及期貨條例第XV部第7及第8分部必須知會本公司及香港聯合交易所有限公司（「聯交所」）（包括根據證券及期貨條例之該等規定被認為或視作擁有之權益及淡倉）；或(b)必須列入根據證券及期貨條例第352條予以存置之登記冊內；或(c)根據聯交所證券上市規則（「上市規則」）附錄十所載之上市發行人董事進行證券交易的標準守則（「標準守則」）必須知會本公司及聯交所之權益及淡倉載列如下：

Long positions in Shares and options of the Company

本公司之股份及購股權之好倉

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

Notes:

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

Save as disclosed above, as at 31st March 2020, none of the Directors, chief executives of the Company and their associates had any personal, family, corporate or other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (include interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or (c) were required pursuant to the Model Code to be notified to the Company and the Stock Exchange.

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

附註：

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

除上文所披露者外，於二零二零年三月三十一日，董事、本公司之高級行政人員及彼等之聯繫人概無於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債權證中擁有(a)根據證券及期貨條例第XV部第7及第8分部必須知會本公司及聯交所(包括根據證券及期貨條例之該等規定彼等被當作或視作擁有之權益及淡倉)；或(b)必須列入根據證券及期貨條例第352條予以存置之登記冊內；或(c)根據標準守則必須知會本公司及聯交所之任何個人、家族、公司或其他權益或淡倉。

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

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

Other than interests disclosed in the section headed “Directors’ Interests and Short Positions in Shares, Underlying Shares and Debentures” above, as at 31st March 2020, according to the register of interests kept by the Company under Section 336 of the SFO, the following entities had interests or short positions in the Shares and underlying Shares which fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO:

根據證券及期貨條例第XV部第2及第3分部擁有須披露權益或淡倉之人士

除上文「董事於股份、相關股份及債權證之權益及淡倉」一節所披露之權益外，於二零二零年三月三十一日，按本公司根據證券及期貨條例第336條存置於登記冊之記錄，下列實體於股份及相關股份中擁有根據證券及期貨條例第XV部第2及第3分部須向本公司披露之權益或淡倉：

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

Note:

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

Save as disclosed above, as at 31st March 2020, the Directors were not aware of any other persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed to the Company under Divisions 2 and 3 Part XV of the SFO.

附註：

- a. 該等股份由Huge Top持有。Perfect Capital擁有Huge Top已發行股份約42.86%，因此其被視為持有該等股份。

除上文所披露者外，於二零二零年三月三十一日，董事並不知悉有任何其他人士（董事或本公司高級行政人員除外）於本公司或任何相關法團（定義見證券及期貨條例第XV部）之股份、相關股份或債權證中擁有根據證券及期貨條例第XV部第2及第3分部須向本公司披露之權益或淡倉。

SHARE OPTION SCHEMES

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

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

2001 Share Option Scheme

Name or category of participant 參與者姓名或類別	Date of grant 授予日期	Validity period 有效期	Exercise price per Share 每股行使價	Note 附註	Number of share options 購股權數目					
					Beginning of the Year 本年初	Granted during the Year 本年度授予	Exercised during the Year 本年度行使	Lapsed during the Year 本年度失效	Cancelled during the Year 本年度註銷	End of the Year 本年度末
Employees:										
僱員：										
In aggregate	18th September 2009	18th September 2009 to 17th September 2019	HK\$0.470	1	625,803	—	—	(625,803)	—	—
共計	二零零九年九月十八日	二零零九年九月十八日至二零一九年九月十七日	0.470 港元							
In aggregate	13th October 2009	13th October 2009 to 12th October 2019	HK\$0.404	1	9,089,528	—	—	(9,089,528)	—	—
共計	二零零九年十月十三日	二零零九年十月十三日至二零一九年十月十二日	0.404 港元							
Sub-total 小計					9,715,331	—	—	(9,715,331)	—	—
Others:										
其他：										
In aggregate	13th October 2009	13th October 2009 to 12th October 2019	HK\$0.404	1	3,116,553	—	—	(3,116,553)	—	—
共計	二零零九年十月十三日	二零零九年十月十三日至二零一九年十月十二日	0.404 港元							
Total of 2001 Share Option Scheme 二零零一年購股權計劃總計					12,831,884	—	—	(12,831,884)	—	—

購股權計劃

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

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

二零零一年購股權計劃

REPORT OF THE DIRECTORS

董事會報告

2011 Share Option Scheme

二零一一年購股權計劃

Name or category of participant 參與者姓名 或類別	Date of grant 授予日期	Validity period 有效期	Exercise price per Share 每股行使價	Note 附註	Beginning of the Year 本年度初	Number of share options 購股權數目					End of the Year 本年度末
						Granted during the Year 本年度授予	Exercised during the Year 本年度行使	Lapsed during the Year 本年度失效	Cancelled during the Year 本年度註銷		
Director:											
董事：											
Mr. Lau Chi Chiu 劉子超先生	16th November 2012 二零一二年十一月十六日	16th November 2012 to 15th November 2022 二零一二年十一月十六日至二零二二年十一月十五日	HK\$0.537 0.537 港元	1, 2	1,246,622	—	—	—	—	—	1,246,622
	20th January 2015 二零一五年一月二十日	20th January 2015 to 19th January 2025 二零一五年一月二十日至二零二五年一月十九日	HK\$0.928 0.928 港元	3	1,000,000	—	—	—	—	—	1,000,000
Sub-total 小計					2,246,622	—	—	—	—	—	2,246,622
Employees:											
僱員：											
In aggregate 共計	16th November 2012 二零一二年十一月十六日	16th November 2012 to 15th November 2022 二零一二年十一月十六日至二零二二年十一月十五日	HK\$0.537 0.537 港元	1, 2	1,097,027	—	—	—	—	—	1,097,027
In aggregate 共計	20th January 2015 二零一五年一月二十日	20th January 2015 to 19th January 2025 二零一五年一月二十日至二零二五年一月十九日	HK\$0.928 0.928 港元	3	1,100,000	—	—	—	—	—	1,100,000
In aggregate 共計	20th January 2015 二零一五年一月二十日	20th January 2015 to 19th January 2025 二零一五年一月二十日至二零二五年一月十九日	HK\$0.928 0.928 港元	4	1,000,000	—	—	(1,000,000)	—	—	—
Sub-total 小計					3,197,027	—	—	(1,000,000)	—	—	2,197,027
Others:											
其他：											
In aggregate 共計	27th November 2013 二零一三年十一月二十七日	27th November 2013 to 26th November 2023 二零一三年十一月二十七日至二零二三年十一月二十六日	HK\$1.043 1.043 港元	1	1,246,622	—	—	—	—	—	1,246,622
Total of 2011 Share Option Scheme 二零一一年購股權計劃總計					6,690,271	—	—	(1,000,000)	—	—	5,690,271

Notes:

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

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Bye-laws, the Directors shall be indemnified against all losses and liabilities which they may incur in connection with their duties. The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transactions, arrangements or contracts of significance in relation to the Group's business to which the Company, its subsidiaries or its holding companies was a party or were parties and in which a Director or any entities connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

RELATED PARTY TRANSACTIONS

Details of related party transactions for the Year are set out in Note 38 to the accompanying consolidated financial statements.

附註：

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

獲准許的彌償條文

根據本公司之公司細則，董事就履行其職務而引致任何損失或責任，均有權獲得賠償。本公司已為本集團董事及高級職員安排恰當的董事及高級職員責任保險。

董事於交易、安排或合約之重大權益

本公司、其附屬公司或其控股公司概無訂立任何董事或與董事有關連的實體於其中享有重大權益且與本集團業務有直接或間接關連，而且於本年度終結時或在本年度內任何時間仍然有效之重大交易、安排或合約。

與關聯方之交易

於本年度，與關聯方之交易詳情載於隨附之綜合財務報表附註38。

COMPETING INTERESTS

For the Year, none of the Directors or the controlling shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete directly or indirectly with the businesses of the Group or has any other conflict of interests with the Group.

MAJOR CUSTOMERS AND SUPPLIERS

For the Year, the five largest customers of the Group accounted for approximately 22.3% of the Group's total revenue, while the five largest suppliers of the Group accounted for approximately 42.9% of the Group's total purchases. In addition, the largest supplier of the Group accounted for approximately 10.0% of the Group's total purchases.

None of the Directors, their associates, or any shareholders (which to the knowledge of the Directors owned more than 5% of the Company's share capital) had a beneficial interest in the five largest suppliers of the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained the prescribed public float under the Listing Rules.

AUDITOR

The accompanying consolidated financial statements were audited by PricewaterhouseCoopers. A resolution for their appointment as the Company's auditor for the ensuing year is to be proposed at the 2020 AGM. There was no change in auditor of the Company in any of the preceding three years.

On behalf of the Board
Yao Cho Fai Andrew
Chairman

Hong Kong, 26th June 2020

競爭權益

於本年度，董事或本公司控權股東或其各自之聯繫人士概無於與本集團業務構成或可能構成競爭的業務中擁有權益或對本集團直接或間接構成任何其他利益衝突。

主要客戶及供應商

於本年度，本集團首五大客戶佔本集團總收入約22.3%，而本集團首五大供應商則佔本集團總採購額約42.9%。此外，本集團最大之供應商佔本集團總採購額約10.0%。

各董事、彼等之聯繫人士或任何股東(就董事所知擁有本公司股本5%以上之股東)概無擁有本集團首五大供應商之實質權益。

公眾持股量

於本報告日期，根據本公司所得悉及董事亦知悉之公開資料，本公司一直維持上市規則所訂明之公眾持股量。

核數師

隨附之綜合財務報表由羅兵咸永道會計師事務所審核。本公司將於二零二零年股東週年大會上提呈一項續聘其於來年擔任本公司核數師之決議案。本公司於過去三年間並無任何核數師變更事宜。

代表董事會
主席
姚祖輝

香港，二零二零年六月二十六日

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員履歷

DIRECTORS

Executive Directors

Mr. Yao Cho Fai Andrew

aged 54, was appointed as an Executive Director of the Company in December 1994. He became the Chairman of the Board in July 1999. He is also the chairman of the Nomination Committee, a member of the Remuneration Committee and a director of certain subsidiaries of the Company. Mr. Yao is an independent non-executive director of Kader Holdings Company Limited which is a company listed on the main board of The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”) and Shanghai Dazhong Public Utilities (Group) Co., Ltd. which is a company listed on the Shanghai Stock Exchange and the main board of the Hong Kong Stock Exchange. Mr. Yao serves as the Hong Kong Deputy to the 13th National People’s Congress of the People’s Republic of China, the chairman of Hongkong-Shanghai Economic Development Association, the vice-chairman of Shanghai Federation of Industry & Commerce, the board member of Fudan University and the chairman of the council of Lingnan University. He was awarded “Young Industrialist Award of Hong Kong” by Federation of Hong Kong Industries in 2004, Justice of Peace by Hong Kong Special Administrative Region (“HKSAR”) in 2008 and “Bronze Bauhinia Star” by HKSAR in 2016. Mr. Yao graduated from the University of California, Berkeley with a bachelor’s degree in science and Harvard Graduate School of Business with a master in business administration.

Mr. Lau Chi Chiu

aged 53, was appointed as an Executive Director of the Company in November 2015 and is a director of its certain subsidiaries. He joined the Group in June 1991. Mr. Lau is responsible for the daily operations of the business of the Group and has held various sales and marketing and supply chain positions in the plastics and steel businesses of the Group. He was the general manager of Group’s plastic business from April 2003 to November 2011 and the general manager of the Group’s steel business from December 2011 to May 2013. Mr. Lau graduated from Curtin University of Technology in Australia with a bachelor’s degree in commerce (marketing and management).

董事

執行董事

姚祖輝先生

五十四歲，於一九九四年十二月獲委任為本公司執行董事。彼於一九九九年七月成為董事會主席。彼亦為本公司提名委員會主席、薪酬委員會成員及若干附屬公司之董事。姚先生為於香港聯合交易所有限公司（「香港聯交所」）主板上市之開達集團有限公司及於上海證券交易所及香港聯交所主板上市之上海大眾公用事業（集團）股份有限公司之獨立非執行董事。姚先生之公職服務包括港區第十三屆全國人大代表、滬港經濟發展協會會長、上海市工商業聯合會副主席、復旦大學校董及嶺南大學校董會主席。彼於二零零四年榮獲香港工業總會頒發「香港青年工業家獎」、於二零零八年獲香港特別行政區政府（「香港特區政府」）授予太平紳士及於二零一六年榮獲香港特區政府頒發「銅紫荊星獎」。姚先生畢業於柏克萊加州大學並取得理學士學位，並於哈佛商學研究院取得工商管理碩士學位。

劉子超先生

五十三歲，於二零一五年十一月獲委任為本公司執行董事及為其若干附屬公司之董事。彼於一九九一年六月加入本集團。劉先生主要負責本集團業務之日常運作，並曾於本集團塑膠及鋼材業務擔任銷售及市場推廣，及供應鏈等多方面要職。彼於二零零三年四月至二零一一年十一月為本集團塑膠業務總經理及於二零一一年十二月至二零一三年五月為本集團鋼材業務總經理。劉先生畢業於澳洲科廷大學並取得商學士學位（市場及管理）。

Independent Non-executive Directors

Mr. Tam King Ching Kenny

aged 71, was appointed as an Independent Non-executive Director of the Company in September 2004. He is also the chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee of the Company. Mr. Tam also serves as an independent non-executive director of other listed companies on the main board of the Hong Kong Stock Exchange namely, BeijingWest Industries International Limited, CCT Fortis Holdings Limited, Greater Bay Area Investments Group Holdings Limited, Kingmaker Footwear Holdings Limited, Shougang Concord Grand (Group) Limited, Starlite Holdings Limited, West China Cement Limited and Wisdom Education International Holdings Company Limited. He is a practising Certified Public Accountant in Hong Kong, a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of the Chartered Professional Accountants of Ontario, Canada. Mr. Tam serves as a member of the Restructuring and Insolvency Faculty Executive Committee in the Hong Kong Institute of Certified Public Accountants. He was also a Past President of The Society of Chinese Accountants and Auditors. Mr. Tam graduated from Concordia University, Canada with a bachelor's degree in commerce.

Mr. Xu Lin Bao

aged 71, was appointed as an Independent Non-executive Director of the Company in April 2006. He is also the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee of the Company. Mr. Xu is currently the vice chairman of the Institute of Real Estate Shanghai Academy of Social Sciences. He served as the standing executive of China Real Estate Association (the 4th and 5th session), the chairman of operation and management professional committee of China Real Estate Association (the 4th and 5th session), the chairman of Shanghai Housing and Land Group, the vice chairman of Shanghai Real Estate Trade Association (the 5th and 6th session) and the chairman of executives of Yi-ju China Real Estate Research Center. He graduated from Fudan University, Shanghai with a degree in EMBA. Mr. Xu is a senior qualified economist.

獨立非執行董事

譚競正先生

七十一歲，於二零零四年九月獲委任為本公司獨立非執行董事。彼亦為本公司審核委員會主席以及薪酬委員會及提名委員會成員。譚先生亦擔任其他於香港聯交所主板上市之公司（即京西重工國際有限公司、中建富通集團有限公司、大灣區投資控股集團有限公司、信星鞋業集團有限公司、首長四方（集團）有限公司、星光集團有限公司、中國西部水泥有限公司及睿見教育國際控股有限公司）之獨立非執行董事。彼為香港執業會計師、香港會計師公會之資深會員及加拿大安大略省特許專業會計師公會會員。譚先生現為香港會計師公會重整及破產管理專項學會執行委員會之委員。彼亦為香港華人會計師公會前任會長。譚先生畢業於加拿大康戈迪亞大學並取得商學士學位。

徐林寶先生

七十一歲，於二零零六年四月獲委任為本公司獨立非執行董事。彼亦為本公司薪酬委員會主席以及審核委員會及提名委員會成員。徐先生現職上海社會科學院房地產業研究中心副理事長。彼亦曾擔任中國房地產業協會（第四屆、第五屆）常務理事、中國房地產業協會經營管理專業委員會（第四屆、第五屆）主任委員、上海房地（集團）有限公司董事長、上海市房地產行業協會（第五屆、第六屆）副會長及易居（中國）房地產研發中心理事長。彼畢業於上海復旦大學並取得高級管理人員工商管理碩士專業學位。徐先生為高級經濟師。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員履歷

Mr. Yeung Wing Sun Mike

aged 67, was appointed as an Independent Non-executive Director of the Company in March 2014. He is also a member of the Audit Committee and the Nomination Committee of the Company. Mr. Yeung is an independent non-executive director of UMP Healthcare Holdings Limited, a company listed on the main board of the Hong Kong Stock Exchange. He has over 40 years' working experience in the banking industry of Hong Kong and the mainland China. Mr. Yeung began his career with the HSBC Group in 1972 and advanced himself in the organisation by taking up different positions under various business streams including personal banking, sales and services, operations as well as branches, regional network and personal wealth management. Since 2001, Mr. Yeung was relocated to Shanghai and took up the role of Branch Manager Shanghai and Head of Personal Financial Services China of HSBC. In June 2006, he was seconded to Hang Seng Bank (China) Limited and appointed as the Head of Personal Financial Service and Wealth Management China. Mr. Yeung was appointed as Deputy Chief Executive Officer and Head of Personal Financial Services and Wealth Management in May 2007. He retired from HSBC Group in January 2014. Mr. Yeung is the Honorary President of Hong Kong Chamber of Commerce in Shanghai. He was a member of Chinese People's Political Consultative Conference Committee (the 11th and 12th session) in Shanghai. Mr. Yeung was awarded the "Magnolia Gold Award" presented by the Shanghai Municipal Government to recognise his outstanding contributions to the economic and social development, and international exchanges of Shanghai. He was also awarded a Professional Diploma in Company Direction by The Hong Kong Institute of Directors.

楊榮樂先生

六十七歲，於二零一四年三月獲委任為本公司獨立非執行董事。彼亦為本公司審核委員會及提名委員會成員。楊先生為香港聯交所主板上市之聯合醫務集團有限公司之獨立非執行董事。彼擁有超過四十年於香港及國內銀行行業的工作經驗。楊先生於一九七二年開始加入滙豐集團，於該集團之不同業務領域擔任不同職務(包括個人銀行、銷售及服務、營運以及分行、地區網絡及個人財富管理)。自二零零一年，楊先生移師到上海，並擔任滙豐之上海分行行長兼個人金融服務中國總監。於二零零六年六月，彼調任到恒生銀行(中國)有限公司並獲委任為中國個人金融服務及財富管理業務總監。楊先生於二零零七年五月獲委任為副行政總裁及個人金融服務及財富管理業務總監。彼於二零一四年一月自滙豐集團退任。楊先生現為中國香港(地區)商會上海榮譽會長。彼亦曾為中國人民政治協商會議(第十一屆和第十二屆)上海市政協委員。楊先生獲上海市政府頒授「白玉蘭榮譽獎」以表彰彼對上海經濟及社會發展，以及對國際交流作出傑出貢獻。彼亦獲香港董事學會頒授公司董事專業文憑。

Mr. Li Yinquan

aged 65, was appointed as an Independent Non-executive Director of the Company in July 2018. He is also a member of the Audit Committee and the Remuneration Committee of the Company. Mr. Li serves as an independent non-executive director of other listed companies on the main board of the Hong Kong Stock Exchange namely, Genertec Universal Medical Group Company Limited, Million Cities Holdings Limited, Kimou Environmental Holding Limited and China Everbright Bank Company Limited (which is also listed on the Shanghai Stock Exchange) and Lizhi Inc. which is a company listed on NASDAQ. He served respectively as the general manager of financial department, chief financial officer, vice president of China Merchants Group and chief executive officer of China Merchants Capital Investment Co., Ltd from 2000 to 2017. He also served as an executive director of other listed companies on the main board of the Hong Kong Stock Exchange namely, China Merchants Port Holdings Company Limited and China Merchants China Direct Investments Limited, and China Merchants Energy Shipping Co., Ltd. which is a company listed on the Shanghai Stock Exchange, and as a non-executive director of China Merchants Bank Co., Ltd. which is a company listed on the main board of the Hong Kong Stock Exchange and the Shanghai Stock Exchange. Mr. Li graduated from Shaanxi Institute of Finance and Economics with a bachelor's degree in economics. He was also awarded a master degree in economics from the PBC School of Finance, Tsinghua University (formerly known as Graduate School of the People's Bank of China) and a master degree in banking and finance for development from Finafrica Institute in Milan, Italy.

SENIOR MANAGEMENT

The abovementioned Executive Directors are members of senior management of the Group.

李引泉先生

六十五歲，於二零一八年七月獲委任為本公司獨立非執行董事。彼亦為本公司審核委員會及薪酬委員會成員。李先生擔任其他於香港聯交所主板上市之公司(即通用環球醫療集團有限公司、萬城控股有限公司、金茂源環保控股有限公司及中國光大銀行股份有限公司(其亦於上海證券交易所上市))及於納斯達克證券交易所上市之廣州荔支網絡技術有限公司之獨立非執行董事。彼於二零零零年至二零一七年曾先後擔任招商局集團財務部之總經理、財務總監、副總裁及招商局資本投資有限責任公司之首席執行官。彼亦曾擔任其他於香港聯交所主板上市之公司(即招商局港口控股有限公司及招商局中國基金有限公司)及於上海證券交易所上市之招商局能源運輸股份有限公司之執行董事，以及於香港聯交所主板及上海證券交易所上市之招商銀行股份有限公司之非執行董事。李先生畢業於中國陝西財經學院並取得經濟學士學位。彼亦擁有清華大學五道口金融學院(前稱中國人民銀行總行金融研究所)授予的經濟學碩士學位及意大利菲納菲科學院授予的金融發展學碩士學位。

高級管理人員

上述執行董事為本集團高級管理人員的成員。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

To the Shareholders of Hong Kong Shanghai Alliance Holdings Limited
(incorporated in Bermuda with limited liability)

OPINION

What we have audited

The consolidated financial statements of Hong Kong Shanghai Alliance Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 70 to 208, which comprise:

- the consolidated statement of financial position as at 31st March 2020;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31st March 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致滬港聯合控股有限公司股東

(於百慕達註冊成立的有限公司)

意見

我們已審計的內容

滬港聯合控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下簡稱「貴集團」)列載於第70至208頁的綜合財務報表，包括：

- 於二零二零年三月三十一日的綜合財務狀況表；
- 截至該日止年度的綜合損益表；
- 截至該日止年度的綜合全面損益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表附註，包括主要會計政策概要。

我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會(以下簡稱「香港會計師公會」)頒佈的《香港財務報告準則》(以下簡稱「香港財務報告準則」)真實而中肯地反映了 貴集團於二零二零年三月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Valuation of investment properties
- Recognition of deferred income tax assets
- Impairment of property, plant and equipment

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》(以下簡稱「香港審計準則」)進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於 貴集團，並已履行守則中的其他專業道德責任。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期間綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項概述如下：

- 投資物業的估值
- 遞延所得稅資產確認
- 物業、廠房及設備減值

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項(續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
<p>Valuation of investment properties 投資物業的估值</p> <p><i>Refer to notes 4(a) and 15 to the consolidated financial statements</i> 參閱綜合財務報表附註4(a)及15</p> <p>As at 31st March 2020, the carrying amount of the Group's investment properties in the People's Republic of China (the "PRC") was approximately HK\$1,324.8 million and a fair value loss of approximately HK\$88,000 was recognised in the consolidated income statement during the year. Also, the Group's joint venture had an investment property with a carrying amount of HK\$3,878.5 million as at 31st March 2020 and a fair value loss of approximately HK\$1.9 million was recognised during the year. The Group performed valuations on the investment properties of the Group and its joint venture as at 31st March 2020, with the assistance of two independent professional valuers based on the income capitalisation approach and/or the direct comparison approach.</p> <p>於二零二零年三月三十一日，貴集團在中華人民共和國（以下簡稱「中國」）的投資物業的賬面值約為1,324,800,000港元，而約88,000港元的公允價值虧損於本年度的綜合損益表中確認。於二零二零年三月三十一日，貴集團合營公司擁有賬面值約3,878,500,000港元之投資物業，年內確認公允價值虧損約1,900,000港元。於兩名獨立專業估值師之協助下，貴集團按收入資本化法及／或直接比較法對於二零二零年三月三十一日的投資物業進行評估。</p> <p>We focus on this area because the valuations are dependent on certain key assumptions including market rents, term and reversionary yields and market prices etc., which require significant management judgement.</p> <p>我們專注於該範疇，因為評估乃取決於若干關鍵假設，包括市場租金、期限、收益率及市價等，而這需要管理層的重大判斷。</p>	<p>Our procedures in relation to management's valuations of the investment properties included: 我們就管理層對投資物業的估值所進行的程序包括：</p> <ul style="list-style-type: none"> - Evaluating the competence, capabilities and objectivity of the independent external valuers; - 評估獨立外部估值師的資格、能力及客觀程度； - Assessing the methodologies used and the key assumptions with the assistance from our in-house valuation specialist; and - 在我們內部估值專家的協助下，評估估值所使用的方法及主要假設；及 - Assessing the reasonableness of the key assumptions, including market rents, term and reversionary yields and market prices etc., adopted by the valuers by comparing with relevant comparable market data and industry research. - 通過比較相關可比較的市場數據及行業研究，評估估值師所使用的主要假設的合理性，包括市場租金、期限、收益率及市價等。 <p>We found the key assumptions were supportable by the available and comparable market evidence. 我們發現主要假設其現存及可比較市場證據的支持。</p>

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項(續)

Key Audit Matter (Continued) 關鍵審計事項(續)	How our audit addressed the Key Audit Matter (Continued) 我們的審計如何處理關鍵審計事項(續)
<p>Recognition of deferred income tax assets 遞延所得稅資產確認</p> <p><i>Refer to notes 4(b) and 22 to the consolidated financial statements</i> 參閱綜合財務報表附註4(b)及22</p> <p>As at 31st March 2020, the Group has recognised deferred income tax assets of HK\$50.3 million in relation to the cumulative tax losses of certain subsidiaries of the Company in different jurisdictions. 於二零二零年三月三十一日，貴集團就貴公司位於不同司法管轄區的若干附屬公司的累計稅項虧損確認遞延所得稅資產共50,300,000港元。</p> <p>The recognition involved management's judgement on the estimation of whether there would be sufficient taxable profits in future periods to utilise the tax losses. Key assumptions adopted in management assessment included forecasted revenue growth rates and forecasted operating margins. 確認遞延所得稅資產涉及管理層就估計未來期間是否有足夠應課稅溢利以利用稅務虧損作出判斷。管理層評估所採納的主要假設包括預測收入增長率及預測經營毛利。</p>	<p>Our procedures in relation to management's assessment on recognition of deferred income tax assets included:</p> <p>我們就確認遞延所得稅資產的管理層評估所進行的程序包括：</p> <ul style="list-style-type: none"> - Obtaining management's profit forecast and discussing with management about the key assumptions considered in the profit forecast; - 取得管理層的溢利預測及與管理層討論其溢利預測所考慮的主要假設； - Assessing the reliability of management's profit forecast by comparing the actual results for the current year to prior year profit forecast; and - 通過比較本年度實際業績對過往年度溢利預測，評估管理層對溢利預測的可靠性；及 - Assessing the key assumptions applied in the management assessment as to whether there will be sufficient taxable profits in future periods to support the recognition of deferred tax assets, including comparing the forecasted revenue growth rates and operating margins to historical and recent performance. - 評估管理層就未來期間是否將有足夠應課稅溢利支持確認遞延所得稅資產採用的主要假設，包括將預測收入增長率及經營毛利與過往及近期業績作出比較。 <p>We consider management's judgement in the recognition of deferred income tax assets to be supportable by the available information. 我們認為管理層就遞延所得稅資產確認的判斷得到現有資料支持。</p>

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項(續)

Key Audit Matter (Continued) 關鍵審計事項(續)	How our audit addressed the Key Audit Matter (Continued) 我們的審計如何處理關鍵審計事項(續)
<p>Impairment of property, plant and equipment 物業、廠房及設備減值</p> <p><i>Refer to notes 4(c) and 14 to the consolidated financial statements</i> 參閱綜合財務報表附註4(c)及14</p> <p>The carrying value of property, plant and equipment of the Group as at 31st March 2020 was approximately HK\$49.0 million. 於二零二零年三月三十一日，貴集團物業、廠房及設備的賬面值約為49,000,000港元。</p> <p>Management has performed an impairment assessment on certain property, plant and equipment as at 31st March 2020 to determine the recoverable amount using value-in-use calculation. Based on the results of the assessment, it is concluded that there is impairment amounting to approximately HK\$20.0 million. 於二零二零年三月三十一日管理層已就若干物業、廠房及設備進行減值評估，按使用價值計算法釐定其可收回金額。根據評估結果，確定有關減值約為20,000,000港元。</p> <p>We focused on this area due to the significance of the balance, the existence of impairment indicators and the determination of recoverable amount of these assets, using value-in-use calculation, require significant judgements and estimates by the management about the future results of the related business and the discount rate applied to the cash flow forecast. 我們集中關注此範疇，由於是有關結餘重大、存在減值跡象，及按使用價值計算法釐定該等資產的可收回金額時，管理層須就相關業務的未來業績及應用於現金流量預測的貼現率作出重大判斷及估計。</p>	<p>Our procedures in relation to management's assessment on impairment of property, plant and equipment included: 我們就物業、廠房及設備減值的管理層評估所進行的程序包括：</p> <ul style="list-style-type: none"> - Obtaining, understanding and evaluating management's impairment assessment process; 取得、了解並評估管理層的減值評估程序； - Testing the mathematical accuracy of the value-in-use calculation of the cash flow forecast and assessed the appropriateness of the methodology used; 檢驗現金流量預測的使用價值計算的數學準確度並評估所用方法是否適當； - Assessing the key assumptions used in the future cash flow forecast, including revenue growth rate and terminal growth rate, based on the historical performance of the Group and the development plan based on our discussion with the management; 根據貴集團的過往表現以及與管理層討論後得知的發展計劃，評估用於未來現金流量預測的主要假設，包括收入增長率及永續增長率； - Assessing the discount rate by benchmarking them to the rates used by similar companies in the market. 以市場上類似公司所用的貼現率為基準，評估貼現率。 <p>We consider management's judgement in the impairment of property, plant and equipment to be supportable by the available information. 我們認為管理層就物業、廠房及設備減值的判斷得到現有資料支持。</p>

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the “Corporate Information”, “Highlights”, “Five-Year Financial Summary”, “Chairman’s Statement”, “Management Discussion and Analysis”, “Corporate Governance Report”, “Report of the Directors” and “Profile of Directors and Senior Management” sections, but does not include the consolidated financial statements and our auditor’s report thereon, which we obtained prior to the date of this auditor’s report, and the “Environmental, Social and Governance Report” section, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

其他信息

貴公司董事須對其他信息負責。其他信息包括「公司資料」、「摘要」、「五年財務摘要」、「主席報告書」、「管理層討論及分析」、「企業管治報告」、「董事會報告」及「董事及高級管理人員履歷」分節，但不包括綜合財務報表及核數師報告，我們於本核數師報告日期前取得這些其他信息以及我們於該日期後預期可取得之「環境、社會及管治報告」分節。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及審核委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

董事及審核委員會就綜合財務報表須承擔的責任(續)

在擬備綜合財務報表時，董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會須負責監督 貴集團的財務報告過程。

核數師就審計綜合財務報表承擔的責任

我們的目標是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅按照百慕達一九八一年《公司法》第90條向閣下(作為整體)報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

核數師就審計綜合財務報表承擔的責任(續)

- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ivan Au.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26th June 2020

核數師就審計綜合財務報表承擔的責任(續)

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人為柯灝泓先生。

羅兵咸永道會計師事務所
執業會計師

香港，二零二零年六月二十六日

CONSOLIDATED INCOME STATEMENT

綜合損益表

For the year ended 31st March 2020 截至二零二零年三月三十一日止年度

		Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Revenue	收入	5	2,325,031	2,882,605
Cost of sales	銷售成本	7	(2,083,428)	(2,607,507)
Gross profit	毛利		241,603	275,098
Selling and distribution expenses	銷售及分銷支出	7	(11,803)	(19,226)
Reversal of/(impairment loss) on financial assets - net	金融資產減值虧損撥回/ (計入)－淨額	7	3,020	(4,262)
General and administrative expenses	一般及行政支出	7	(217,810)	(298,720)
Other (losses)/gains - net	其他(虧損)/收益－淨額	6	(10,110)	12,513
Net fair value (loss)/gain on investment properties	投資物業之公允價值 (虧損)/收益淨額	15	(88)	108,865
Operating profit	經營溢利		4,812	74,268
Finance income	財務收入	10	1,216	4,920
Finance costs	財務費用	10	(79,616)	(80,638)
Share of results of investments accounted for using the equity method - net	應佔按權益法入賬之 投資之業績－淨額	21	(12,947)	19,276
(Loss)/profit before income tax	除所得稅前(虧損)/溢利		(86,535)	17,826
Income tax expense	所得稅支出	11	(1,616)	(13,447)
(Loss)/profit for the year	年度(虧損)/溢利		(88,151)	4,379
(Loss)/profit attributable to:	應佔(虧損)/溢利：			
Owners of the Company	本公司擁有人		(90,309)	13,888
Non-controlling interests	非控制性權益		2,158	(9,509)
			(88,151)	4,379
(Loss)/earnings per ordinary share attributable to owners of the Company for the year	本公司擁有人應佔年內每 股普通股(虧損)/盈利			
Basic (loss)/earnings per share	每股基本(虧損)/盈利	13	HK(14.08) cents港仙	HK2.17 cents港仙
Diluted (loss)/earnings per share	每股攤薄(虧損)/盈利	13	HK(14.08) cents港仙	HK2.15 cents港仙

The above consolidated income statement should be read in conjunction with the accompanying notes.

上述綜合損益表應與隨附的附註一併閱讀。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面損益表

As at 31st March 2020 於二零二零年三月三十一日

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
(Loss)/profit for the year	年度(虧損)/溢利	(88,151)	4,379
Other comprehensive loss:	其他全面虧損：		
Items that may be reclassified subsequently to profit or loss:	其後可重新分類為損益之項目：		
– Change in fair value of financial asset at fair value through other comprehensive income	– 按公允價值計入其他全面收入之金融資產公允價值變動	(82)	(142)
– Currency translation differences	– 貨幣匯兌差額	(88,438)	(74,415)
Other comprehensive loss for the year	年度其他全面虧損	(88,520)	(74,557)
Total comprehensive loss for the year	年度全面虧損總額	(176,671)	(70,178)
Total comprehensive loss attributable to:	應佔全面虧損總額：		
– Owners of the Company	– 本公司擁有人	(170,433)	(55,283)
– Non-controlling interests	– 非控制性權益	(6,238)	(14,895)
		(176,671)	(70,178)

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

上述綜合全面損益表與隨附的附註一併閱讀。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31st March 2020 於二零二零年三月三十一日

	Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
ASSETS			
Non-current assets			
Property, plant and equipment	14	48,979	116,767
Investment properties	15	1,324,824	1,413,227
Land use rights	16	—	9,019
Right-of-use assets	17	32,090	—
Intangible assets	18	1,493	2,602
Investments accounted for using the equity method	21	313,823	299,747
Prepayments, deposits and other receivables	27	18,038	19,084
Deferred income tax assets	22	53,104	47,082
Financial asset at fair value through other comprehensive income	23	62	144
Total non-current assets		1,792,413	1,907,672
Current assets			
Prepayments, deposits and other receivables	27	81,843	115,410
Inventories	25	354,859	290,659
Trade and bill receivables	26	358,932	480,523
Financial asset at fair value through profit or loss	24	15,820	36,698
Pledged bank deposits	28	9,137	38,884
Cash and cash equivalents	28	120,045	126,775
Total current assets		940,636	1,088,949
Total assets		2,733,049	2,996,621
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	32	64,123	64,123
Reserves	34	741,722	926,223
Non-controlling interests		805,845	990,346
Total equity		1,113,436	1,113,436

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

綜合財務狀況表(續)

As at 31st March 2020 於二零二零年三月三十一日

	Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Liabilities			
Non-current liabilities			
Accrued liabilities and other payables	30	11,144	15,246
Deferred income tax liabilities	22	89,541	92,162
Borrowings	31	855,083	704,839
Lease liabilities	17	3,499	—
Total non-current liabilities		959,267	812,247
Current liabilities			
Trade and bill payables	29	166,929	189,093
Receipts in advance		51,296	27,956
Accrued liabilities and other payables	30	47,170	52,819
Current income tax liabilities		7,371	13,360
Borrowings	31	560,555	787,710
Lease liabilities	17	23,693	—
Total current liabilities		857,014	1,070,938
Total liabilities		1,816,281	1,883,185
Total equity and liabilities		2,733,049	2,996,621

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

The consolidated financial statements were approved by the Board of Directors on 26th June 2020 and were signed on its behalf.

上述綜合財務狀況表應與隨附的附註一併閱讀。

綜合財務報表已於二零二零年六月二十六日獲董事會批准，並代表簽署。

Yao Cho Fai Andrew

姚祖輝

Chairman

主席

Lau Chi Chiu

劉子超

Executive Director

執行董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31st March 2020 截至二零二零年三月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔				Non- controlling interest 非控制性權益 HK\$'000 千港元	Total equity 權益總額 HK\$'000 千港元
		Share capital 股本 HK\$'000 千港元 (Note 32) (附註32)	Other reserves 其他儲備 HK\$'000 千港元 (Note 34) (附註34)	Retained earnings 保留盈利 HK\$'000 千港元 (Note 34) (附註34)	Total 總額 HK\$'000 千港元		
As at 1st April 2018	於二零一八年四月一日	64,055	642,796	346,180	1,053,031	29,220	1,082,251
Profit/(loss) for the year	年度溢利/(虧損)	—	—	13,888	13,888	(9,509)	4,379
Other comprehensive loss	其他全面虧損						
- Change in fair value of financial asset at fair value through other comprehensive income (Note 23)	- 按公允價值計入其他全面收入之金融資產之公允價值變動 (附註23)	—	(142)	—	(142)	—	(142)
- Currency transaction differences	- 貨幣匯兌差額	—	(69,029)	—	(69,029)	(5,386)	(74,415)
Total comprehensive (loss)/income	全面(虧損)/收入總額	—	(69,171)	13,888	(55,283)	(14,895)	(70,178)
Transactions with owners in their capacity as owners	擁有人以其擁有的身份進行的交易						
Exercise of share options	行使購股權	68	276	—	344	—	344
Lapse of share options	失效之購股權	—	(5,244)	5,244	—	—	—
Share-based payment	以股份為基礎之支付	—	2,311	—	2,311	—	2,311
Capital injection from non-controlling interests	自非控制性權益之注資	—	—	—	—	110,036	110,036
Appropriation of statutory reserves	提撥法定撥備	—	1,275	(1,275)	—	—	—
Dividends paid to owners of the Company	已付本公司擁有人之股息	—	—	(10,057)	(10,057)	—	(10,057)
Dividends paid to a non-controlling interest of a subsidiary	付予一間附屬公司非控制性權益之股息	—	—	—	—	(1,271)	(1,271)
Total transactions with owners in their capacity as owners	擁有人以其擁有的身份進行的交易總額	68	(1,382)	(6,088)	(7,402)	108,765	101,363
As at 31st March 2019	於二零一九年三月三十一日	64,123	572,243	353,980	990,346	123,090	1,113,436

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

綜合權益變動表(續)

For the year ended 31st March 2020 截至二零二零年三月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔					
		Share capital 股本 HK\$'000 千港元 (Note 32) (附註32)	Other reserves 其他儲備 HK\$'000 千港元 (Note 34) (附註34)	Retained earnings 保留盈利 HK\$'000 千港元 (Note 34) (附註34)	Total 總額 HK\$'000 千港元	Non-controlling interest 非控制性權益 HK\$'000 千港元	Total equity 權益總額 HK\$'000 千港元
As at 1st April 2019	於二零一九年四月一日	64,123	572,243	353,980	990,346	123,090	1,113,436
Change in accounting policy (Note 2.2)	會計準則變動(附註2.2)	—	—	(3,239)	(3,239)	(12)	(3,251)
Restated balance as at 1st April 2019 (Loss)/profit for the year	於二零一九年四月一日重列結餘 年度(虧損)/溢利	64,123	572,243	350,741	987,107	123,078	1,110,185
Other comprehensive loss	其他全面虧損						
– Change in fair value of financial asset at fair value through other comprehensive income (Note 23)	– 按公允價值計入其他全面收入之金融資產之公允價值變動(附註23)	—	(82)	—	(82)	—	(82)
– Currency transaction differences	– 貨幣匯兌差額	—	(80,042)	—	(80,042)	(8,396)	(88,438)
Total comprehensive loss	全面虧損總額	—	(80,124)	(90,309)	(170,433)	(6,238)	(176,671)
Transactions with owners in their capacity as owners	擁有人以其擁有人的身份進行的交易						
Lapse of share options	失效之購股權	—	(1,336)	1,336	—	—	—
Share-based payment	以股份為基礎之支付	—	1,996	—	1,996	—	1,996
Capital reduction from non-controlling interests	自非控制性權益之減資	—	—	—	—	(5,917)	(5,917)
Appropriation of statutory reserves	提撥法定撥備	—	45	(45)	—	—	—
Dividends paid to owners of the Company	已付本公司擁有人之股息	—	—	(12,825)	(12,825)	—	(12,825)
Total transactions with owners in their capacity as owners	擁有人以其擁有人的身份進行的交易總額	—	705	(11,534)	(10,829)	(5,917)	(16,746)
As at 31st March 2020	於二零二零年三月三十一日	64,123	492,824	248,898	805,845	110,923	916,768

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

上述綜合權益變動表應與隨附的附註一併閱讀。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31st March 2020 截至二零二零年三月三十一日止年度

	Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Cash flows from operating activities			
Cash generate from/(used in) operations			
經營活動之現金流量			
Cash generate from/(used in) operations			
經營業務產生/(使用)			
之現金	35(a)	162,084	(36,922)
Interest received		1,216	4,920
Interest paid		(75,021)	(77,662)
Hong Kong profits tax paid		(8,298)	(3,767)
Hong Kong profits tax refund		—	11
China corporate income tax refund		329	—
China corporate income tax paid		(1,463)	(5,046)
Net cash inflow/(outflow) from operating activities		78,847	(118,466)
Cash flows from investing activities			
Purchase of property, plant and equipment		(8,170)	(2,452)
Proceeds received from disposals of property, plant and equipment		136	2,489
Capital expenditures for investment properties		(1,482)	(6,040)
Acquisition of a subsidiary, net of cash acquired		—	47,497
Capital injection to an associate/ a joint venture		(47,614)	(289,590)
Net proceeds received from disposal of subsidiaries		13,485	5,900
Purchases of financial assets at fair value through profit or loss		(97,754)	(213,778)
Proceeds received from disposal of financial assets at fair value through profit or loss		116,301	311,076
Net cash outflow from investing activities		(25,098)	(144,898)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

綜合現金流量表(續)

For the year ended 31st March 2020 截至二零二零年三月三十一日止年度

	Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Cash flows from financing activities	融資活動之現金流量		
Proceeds from bank loans	銀行貸款之所得款項	470,768	310,369
Repayment of bank loans	償還銀行貸款	(334,709)	(250,214)
Payment for lease liabilities (including interest)	租賃負債付款(包括利息)	(25,774)	—
Net decrease in trust receipt bank loans	信託收據銀行貸款 之減少淨額	(178,606)	(90,962)
Decrease in pledged bank deposits	抵押銀行存款減少	29,747	20,079
Capital (reduction)/injection from non-controlling interest	自非控制性權益之 (減資)/注資	(5,917)	110,036
Dividends paid to owners of the Company	已付本公司擁有人之股息	(12,825)	(10,057)
Dividends paid to non-controlling interests	已付非控制性權益之股息	—	(1,271)
Exercise of share options	行使購股權	—	344
Net cash (outflow)/inflow from financing activities	融資活動現金(流出)/ 流入淨額	(57,316)	88,324
Net decrease in cash and cash equivalents	現金及現金等值之淨減少	(3,567)	(175,040)
Cash and cash equivalents, beginning of the year	年初之現金及 現金等值	126,775	312,766
Currency translation differences	貨幣匯兌差額	(3,163)	(10,951)
Cash and cash equivalents, end of the year	年終之現金及現金等值	120,045	126,775

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

上述綜合現金流量表應與隨附的附註一併閱讀。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1 GENERAL INFORMATION

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

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

These consolidated financial statements are presented in Hong Kong dollar (“HK\$”), unless otherwise stated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. They have been prepared under the historical cost convention, as modified by financial asset at fair value through profit or loss and other comprehensive income and investment properties, which are carried at fair values.

1 一般資料

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

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

除另有說明外，該等綜合財務報表以港元(「港元」)列示。

2 主要會計政策概要

編製該等綜合財務報表採用之主要會計政策載列如下。除另有說明外，該等政策於所呈列之所有年度一直貫徹應用。

2.1 編製基準

本綜合財務報表依照香港會計師公會(「香港會計師公會」)頒佈之所有適用香港財務報告準則(「香港財務報告準則」)及香港公司條例第622章之披露規定編製，且按歷史成本慣例編製，並已就按公允價值計入損益之金融資產及其他全面收入及投資物業(按公允價值列賬)作出修訂。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

The preparation of these consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

2.1.1 New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1st April 2019:

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

2 主要會計政策概要(續)

2.1 編製基準(續)

編製該等符合香港財務報告準則之綜合財務報表需要使用若干關鍵性會計推算。此亦需要管理層在應用本集團會計政策之過程中行使其判斷。涉及較高程度之判斷或複雜性之範疇或其假設及估計對綜合財務報表而言屬重大之範疇於附註4披露。

2.1.1 本集團所採納新訂及經修訂準則

本集團已於二零一九年四月一日開始之年度報告期間首次採用以下準則及修訂：

香港財務報告準則第9號(修訂)	具有負補償之預付款特性
香港財務報告準則第16號	租賃
香港會計準則第19號(修訂)	計劃修訂、縮減或清償
香港會計準則第28號(修訂)	於聯營公司及合營公司之長期權益
香港(國際財務報告詮釋委員會)詮釋第23號	所得稅處理之不確定性
年度改善項目	二零一五年至二零一七年期之年度改善

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

2.1.1 New and amended standards adopted by the Group (Continued)

The Group had to change its accounting policies and make certain adjustments following the adoption of HKFRS16, which are disclosed in Note 2.2. The other newly adopted standards or amendments listed above did not have material impact on the amounts recognised in prior periods and are not expected to significantly affect the consolidated financial statement in the current or future period.

2.1.2 New and amended standards not yet adopted

The following new standards and amendments have been issued but are not effective for the financial year beginning on 1st April 2019 and have not been early adopted:

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.1 本集團所採納新訂及經修訂準則(續)

本集團須於採納香港財務報告準則第16號後更改會計政策及作出若干調整(於附註2.2中披露)。上列其他新採納準則或修訂對過往期間已確認之金額並無重大影響，且並不預期對現在或往後期間之綜合財務報表造成重大影響。

2.1.2 尚未採納之新訂及經修訂準則

下列已頒佈之新訂準則及修訂，於二零一九年四月一日起之財政年度仍未生效，亦未獲本集團提前採納：

		Effective for accounting periods beginning on or after 於以下日期或之後開始之會計期間生效
Amendments to HKAS 1 and HKAS 8 香港會計準則第1號及 香港會計準則第8號(修訂)	Definition of Material 重大之定義	1st January 2020 二零二零年一月一日
Amendments to HKAS 39, HKFRS 7 and HKFRS 9 香港會計準則第39號、 香港財務報告準則第7號及 香港財務報告準則第9號(修訂)	Hedge Accounting 對沖會計處理	1st January 2020 二零二零年一月一日
Amendments to HKFRS 3 香港財務報告準則第3號(修訂)	Definition of a Business 業務之定義	1st January 2020 二零二零年一月一日
Conceptual Framework for Financial Reporting 2018 二零一八年財務報告概念框架	Revised Conceptual Framework for Financial Reporting 經修訂財務報告概念框架	1st January 2020 二零二零年一月一日
HKFRS 17 香港財務報告準則第17號	Insurance Contracts 保險合約	1st January 2021 二零二一年一月一日
Amendments to HKFRS 10 and HKAS 28 香港財務報告準則第10號及 香港會計準則第28號(修訂)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 投資者與其聯營公司或合營公司 之間的資產出售或注資	To be determined 有待釐定

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

2.1.2 New and amended standards not yet adopted (Continued)

The Group will adopt the above new standards and amendments to existing standards when they become effective. The Group has already commenced an assessment of the related impact of adopting the above new standards and amendments, none of which is expected to have a significant effect on the consolidated financial statements of the Group.

2.2 Changes in accounting policies

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

The Group has adopted HKFRS 16 retrospectively from 1st April 2019, but has not restated comparatives information, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening consolidated statement of financial position on 1st April 2019. The new accounting policies are disclosed in Note 2.29.

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

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.2 尚未採納之新訂及經修訂準則(續)

本集團將於以上新準則及現有準則修訂生效時採納有關準則及修訂。本集團已開始評估採納以上新準則及修訂之相關影響，預期不會對本集團綜合財務報表產生重大影響。

2.2 會計政策之變動

以下說明採納香港財務報告準則第16號「租賃」對本集團綜合財務報表之影響。

本集團以追溯方法自二零一九年四月一日起採納香港財務報告準則第16號，惟誠如該準則的特定過渡條文許可，並無重列有關比較資料。因此，該等新租賃規則導致的重新分類及調整於二零一九年四月一日之期初綜合財務狀況表內確認。新會計政策於附註2.29披露。

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2 主要會計政策概要(續)

2.2 Changes in accounting policies (Continued)

2.2 會計政策之變動(續)

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

The associated right-of-use assets were measured on a retrospective basis as if the new rules had always been applied, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position as at 31st March 2019. In additions, land use rights are also reclassified to right-of-use assets with amount recognised in the consolidated statement of financial position as at 31st March 2019. See Note 17 for the amounts of right-of-use assets recognised on 1st April 2019 upon initial adoption.

相關之使用權資產已按追溯基準計量，猶如已一直應用新規定，並對於二零一九年三月三十一日之綜合財務狀況表中已確認租賃之任何預付或應計租賃付款金額作出調整。此外，土地使用權亦已按其於二零一九年三月三十一日之綜合財務報表中確認之金額重新分類為使用權資產。有關於二零一九年四月一日首次採納時所確認之使用權資產金額見附註17。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (Continued)

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

2 主要會計政策概要(續)

2.2 會計政策之變動(續)

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

		31st March 2019 二零一九年 三月三十一日	1st April 2019 二零一九年 四月一日		
		As originally presented	HKFRS 16 香港財務報告 準則第16號	Restated	
Consolidated statement of financial position (extract)		按原本呈列	HK\$'000 千港元	HK\$'000 千港元	經重列 HK\$'000 千港元
Non-current assets	非流動資產				
Land use right	土地使用權	9,019	(9,019)	—	
Right-of-use assets	使用權資產	—	55,393	55,393	
Deferred income tax assets	遞延所得稅資產	47,082	650	47,732	
Total assets	資產總額	2,996,621	47,024	3,043,645	
Non-current liabilities	非流動負債				
Lease liabilities	租賃負債	—	27,810	27,810	
Current liabilities	流動負債				
Lease liabilities	租賃負債	—	22,465	22,465	
Total liabilities	負債總額	1,883,185	50,275	1,933,460	
Equity	權益				
Reserves	儲備	926,223	(3,239)	922,984	
Non-controlling interests	非控制性權益	123,090	(12)	123,078	
Total equity	權益總額	1,113,436	(3,251)	1,110,185	

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (Continued)

(i) *Impact on segment disclosures*

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

(ii) *Practical expedients applied*

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

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

2 主要會計政策概要(續)

2.2 會計政策之變動(續)

(i) *對分部披露之影響*

於二零一九年四月一日，香港及中國內地之非流動資產(金融工具及遞延所得稅資產除外)因會計政策變動分別增加41,733,000港元及4,641,000港元。

(ii) *已應用之可行權宜方法*

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (Continued)

(ii) *Practical expedients applied (Continued)*

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

2.3 Subsidiaries

(a) *Consolidation*

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(i) *Business combinations*

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

2 主要會計政策概要 (續)

2.2 會計政策之變動 (續)

(ii) *已應用之可行權宜方法 (續)*

本集團於首次應用日期亦已選擇不重新評估合約是否屬於或包含租賃。相反，就於過渡日期之前訂立之合約，本集團依據其應用香港會計準則第17號及香港(國際財務報告詮釋委員會)詮釋第4號「釐定安排是否包含租賃」而作出之評估。

2.3 附屬公司

(a) *合併*

附屬公司指本集團對其有控制權之實體(包括結構性實體)。當本集團因參與一家實體事務而對可變回報承擔風險或享有權利，及有能力透過對該實體擁有的權力影響該等回報時，則本集團對該實體擁有控制權。附屬公司由其控制權轉移到本集團之日起綜合入賬，並由該控制權終止之日起終止入賬。

(i) *業務合併*

本集團進行業務合併時採用收購會計法入賬。收購附屬公司之轉讓代價為所轉讓資產、對被收購方之前擁有人所產生負債及本集團所發行股本權益之公允價值。所轉讓代價包括或然代價安排產生之任何資產或負債之公允價值。於業務合併時所收購之可識別資產及已承擔之負債及或然負債，初步按收購日之公允價值計量。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Subsidiaries (Continued)

(a) Consolidation (Continued)

(i) Business combinations (Continued)

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill (Note 2.9). If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions - that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2 主要會計政策概要(續)

2.3 附屬公司(續)

(a) 合併(續)

(i) 業務合併(續)

收購相關成本於產生時列為開支。

所轉讓代價、被收購方的任何非控制性權益金額及任何先前於被收購方的股本權益於收購日的公允價值超出所收購可辨認資產淨額的公允價值的部分，以商譽列賬(附註2.9)。倘所轉讓代價、已確認非控股性權益及先前持有之權益之總額低於在收購議價情況下收購之附屬公司的資產淨值之公允價值，其差額於綜合損益表中直接確認。

集團內交易、結餘及集團公司間交易的未變現收益予以對銷。除非該交易提供證據顯示所轉讓資產有所減值，否則未實現虧損亦予以抵銷。附屬公司申報的金額已在需要時作出調整，以確保與本集團的會計政策一致。

(ii) 於附屬公司之擁有權權益變動而控制權不變

不導致失去控制權的非控制性權益交易按權益交易入賬—即以彼等作為擁有人的身份與附屬公司擁有人進行交易。任何所付代價的公允價值與相關應佔所收購附屬公司資產淨值賬面值的差額，於權益中入賬。向非控制性權益出售產生之盈虧，亦在權益中入賬。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Subsidiaries (Continued)

(a) Consolidation (Continued)

(iii) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. It means the amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable HKFRSs.

(b) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2 主要會計政策概要(續)

2.3 附屬公司(續)

(a) 合併(續)

(iii) 出售附屬公司

當本集團於實體失去控制權時，任何保留權益按失去控制權當日之公允價值重新計量，有關賬面值變動於損益中確認。其公允價值為其後入賬列作聯營公司、合營企業或金融資產的保留權益之初始賬面值。此外，先前於其他全面收入確認與該實體有關的任何金額按猶如本集團已直接出售有關資產或負債的方式入賬。即先前於其他全面收入確認的金額重新分類至損益或根據香港財務報告準則規定轉移至其他股權分類。

(b) 獨立財務報表

於附屬公司之投資按成本扣除減值列賬。成本包括投資直接歸屬之成本。附屬公司之業績以本公司已收股息及應收股息基準入賬。

如股息超過宣派股息期內附屬公司之全面收入總額，或如在獨立財務報表之投資賬面金額超過綜合財務報表中被投資公司資產淨額(包括商譽)之賬面金額，則於獲取股息時須對於附屬公司之投資作減值測試。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the aggregate fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in reserves is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of results of investments accounted for using the equity method - net" in the consolidated income statement.

2 主要會計政策概要(續)

2.4 聯營公司

聯營公司是指凡本集團對其有重大影響力但無控制權之實體，一般附帶20%至50%投票權之股權。於聯營公司之投資以權益會計法入賬。根據權益法，投資初步以成本確認，於收購日期後，其賬面金額會增加或減少，以確認投資者於被投資公司之應佔溢利或虧損。本集團於聯營公司之投資包括收購時已識別之商譽。收購聯營公司擁有權權益時，投資於聯營公司之成本與本集團所佔於聯營公司可識別資產及負債公允價值差額列作商譽。

若於聯營公司擁有權權益減少但仍存在重大影響力，先前於其他全面收入中確認之金額按比例(如適用)重新分類至損益。

本集團應佔收購後之溢利或虧損於綜合損益表中確認，而其應佔收購後儲備變動則於其他全面收入中確認，並相應調整投資之賬面金額。當本集團應佔一間聯營公司之虧損等於或超過其在該聯營公司之權益(包括任何其他無抵押應收賬款)時，本集團不會進一步確認虧損，除非其已產生法律或特定債務或已代聯營公司作出付款。

本集團在每個報告日釐定是否有客觀證據證明於聯營公司之投資已減值。如投資已減值，本集團計算減值金額應為於聯營公司可收回金額與其賬面價值之差額，並於綜合損益表中之「應佔以權益法入賬之投資之業績－淨額」內確認該金額。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Associates (Continued)

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's consolidated financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.5 Joint arrangements

The Group has applied HKFRS 11 - Joint Arrangements to all joint arrangements. Under HKFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

2 主要會計政策概要(續)

2.4 聯營公司(續)

本集團與其聯營公司間之上游和下游交易之溢利及虧損，在本集團之綜合財務報表中確認，但僅以無關連投資者於聯營公司之權益為限。除非該交易提供證據顯示所轉讓資產有所減值，否則未實現虧損亦予以抵銷。聯營公司之會計政策已按需要作出改變，以確保與本集團採用之政策一致。

2.5 合營安排

本集團已就所有合營安排應用香港財務報告準則第11號—合營安排。根據香港財務報告準則第11號，於合營安排之投資乃分類為合營業務或合營公司，視乎各投資者之合約權益及義務而定。本集團已評估其合營安排之性質，並將其釐定為合營公司。合營公司採用權益法入賬。

根據權益會計法，於合營公司之權益初步以成本確認，其後作出調整，以確認本集團應佔之收購後溢利或虧損以及其他全面收入變動。本集團於合營公司之投資包括於收購時識別之商譽。於收購合營公司之擁有權權益時，合營公司之成本與本集團應佔該合營公司可識別資產及負債之淨公允價值間之差額，乃入賬列作商譽。當本集團應佔一間合營公司之虧損等於或超過其於該合營公司之權益，包括任何其他無擔保應收賬款，本集團不會確認進一步虧損，除非其已產生義務或已代合營公司作出付款。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Joint arrangements (Continued)

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"), who is responsible for allocating resources and assessing performance of the operating segments, and has been identified as the executive directors that make strategic decisions. Information relating to segment assets and liabilities is not disclosed as such information is not separately reported to the CODM.

2.7 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in HK\$, which is the Company's functional and the Group's presentation currency.

2 主要會計政策概要(續)

2.5 合營安排(續)

本集團與其合營公司間交易之未變現收益按本集團於合營公司之權益予以對銷。除非交易提供所轉讓資產出現減值之憑證，否則未變現虧損亦予以對銷。合營公司之會計政策已按需要作出變動，以確保與本集團採用之政策一致。

2.6 分部報告

營運分部以向主要營運決策者(「主要營運決策者」)提供內部呈報一致之方法呈報，其負責營運分部之資源分配及表現評估並被視為制定策略性決定之執行董事。由於有關分部資產及負債之資料並無向主要營運決策者獨立呈報，故並無該等資料之披露。

2.7 外幣換算

(a) *功能及呈列貨幣*

本集團各實體之財務報表所列項目均以該實體營運所在主要經濟環境之貨幣計量(「功能貨幣」)。綜合財務報表以港元呈報，港元為本公司之功能貨幣及本集團之呈列貨幣。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Foreign currency translation (Continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement. All foreign exchange gains and losses are presented in the consolidated income statement within "other (losses)/gains - net".

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as financial asset at fair value through other comprehensive income are recognised in other comprehensive income.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

2 主要會計政策概要(續)

2.7 外幣換算(續)

(b) 交易及結餘

外幣交易採用交易或估值(重新計量項目)當日之匯率,換算為功能貨幣。結算此等交易及將外幣計值之貨幣資產及負債以年終匯率換算,而產生之匯兌收益及虧損於綜合損益表中確認。所有匯兌收益及虧損於綜合損益表「其他(虧損)/收益-淨額」內呈列。

非貨幣金融資產及負債之換算差額,尤如按公允價值計入損益之所持之權益於損益中確認為公允價值盈虧之一部份。非貨幣金融資產換算差額,尤如分類為按公允價值計入其他全面收入之金融資產,則於其他全面收入內確認。

(c) 集團公司

所有本集團實體(當中並無惡性通脹經濟貨幣)業績及財務狀況,其功能貨幣不同於呈列貨幣者,均按以下方法換算為呈列貨幣:

- (i) 各財務狀況表呈列之資產及負債均以該財務狀況表結算日之收市匯率換算;

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Foreign currency translation (Continued)

(c) Group companies (Continued)

- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

(d) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the company are reclassified to profit or loss.

2 主要會計政策概要 (續)

2.7 外幣換算 (續)

(c) 集團公司(續)

- (ii) 各損益表之收支均按平均匯率換算(除非該平均值並非於交易日匯率累計影響之合理近似值,在此情況下,收支乃按交易日之匯率換算);及
- (iii) 所有相應匯兌差額於其他全面收入中確認。

收購境外實體時產生之商譽及公允價值調整視作該境外實體之資產及負債處理,並以收市匯率換算。所產生之貨幣匯兌差額於其他全面收入中確認。

(d) 出售海外業務及部分出售

於出售海外業務(即出售本集團於海外業務之全部權益或有關出售導致失去對一間附屬公司之控制權之出售(包括海外業務),或出售導致對一間合營公司失去共同控制權(其中包括海外業務)或出售導致對一間聯營公司失去重大影響力(其中包括海外業務)),則本公司擁有人應佔該業務相關所有權益累計的匯兌差異將重新分類至損益。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Foreign currency translation (Continued)

(d) Disposal of foreign operation and partial disposal (Continued)

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

2.8 Property, plant and equipment

Property, plant and equipment, is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated income statement during the financial year in which they are incurred.

The depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

– Buildings	2% to 20%
– Leasehold improvements	20% to 33%
– Furniture and equipment	15% to 33%
– Machinery	10% to 25%
– Motor vehicles and vessels	5% to 20%

2 主要會計政策概要 (續)

2.7 外幣換算 (續)

(d) 出售海外業務及部分出售 (續)

對於出售一間附屬公司(包括海外業務)部分權益而沒有導致本集團失去對附屬公司的控制權時,相應比例的累計匯兌差額重新歸入非控制性權益,但並不會於損益確認。至於其他部分出售(即部分出售聯營公司或合營公司而沒有導致本集團失去重大影響力或失去共同控制權),相應比例的累計匯兌差額重新分類至損益。

2.8 物業、廠房及設備

物業、廠房及設備按歷史成本減折舊列賬。歷史成本包括收購項目直接應佔之開支。

其後成本僅在於與該項目有關之未來經濟利益有可能流入本集團,而該項目之成本能可靠計量時,計入資產賬面金額或確認為獨立資產(視適用情況而定)。已更換零件之賬面金額已被剔除入賬。所有其他維修及保養於其產生之財政年度內於綜合損益表內支銷。

物業、廠房及設備之折舊根據估計可使用年期採用直線法將成本分攤至剩餘價值計算如下:

– 樓宇	2% 至 20%
– 租賃物業裝修	20% 至 33%
– 傢俬及設備	15% 至 33%
– 機器	10% 至 25%
– 汽車及船	5% 至 20%

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Property, plant and equipment (Continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.12).

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised within "general and administrative expenses" in the consolidated income statement.

2.9 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2 主要會計政策概要(續)

2.8 物業、廠房及設備(續)

資產之剩餘價值及可使用年期在每個報告期末進行檢討，及在適當時調整。倘若資產之賬面金額高於其可收回估計金額，其賬面金額即時撇減至可收回金額(附註2.12)。

出售之收益及虧損透過比較所得款項與其賬面金額釐定，並於綜合損益表「一般及行政支出」中確認。

2.9 無形資產

(a) 商譽

商譽於收購附屬公司時產生，指轉讓代價超過本集團在其可識別淨資產、負債及或然負債淨公允價值之權益及在被收購方非控制性權益之公允價值。

就減值測試而言，在業務合併中收購之商譽會分配至各現金產生單位(「現金產生單位」)或現金產生單位組別(即預期可從合併中獲取協同利益)。獲分配商譽之各單位或單位組別，指在實體內商譽被監察作內部管理用途之最底層次。商譽會在營運分部層面上被監察。

商譽之減值檢討會每年進行，或如有事件或情況改變顯示存在潛在減值，則需更頻密地檢討。商譽之賬面價值與可收回金額(使用價值與公允價值減出售成本之較高者)進行比較。任何減值須即時確認為支出且其後不得撥回。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Intangible assets (Continued)

(b) Customer contracts

Customer contracts acquired in a business combination are recognised at fair values at the acquisition date. Customer contracts have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the utilisation method to allocate the cost of customer contracts over their estimated useful life.

2.10 Land use rights

The up-front prepayments made for land use rights are carried at cost less accumulated amortisation. Amortisation are calculated using the straight-line method to allocate the costs of leasehold land over their terms. Land use rights previously presented as a separate item on the consolidated statement of financial position are reclassified as part of right-of-use assets on 1st April 2019.

2.11 Investment properties

Investment properties, principally comprising leasehold land and buildings, are held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies of the Group.

Investment properties are measured initially at its cost, including related transaction costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in consolidated income statement.

2 主要會計政策概要(續)

2.9 無形資產(續)

(b) 客戶合約

在業務合併中購入之客戶合約於收購日按公允價值確認。客戶合約具有有限之可使用年期，並按成本減累計攤銷列賬。攤銷以使用率法分配客戶合約之成本至其估計可使用年期計算。

2.10 土地使用權

土地使用權之前期預付款項以成本減累計攤銷列賬。攤銷以直線法計算以將租賃土地成本於租期內分攤。於綜合財務狀況表內先前獨立呈列之土地使用權已於二零一九年四月一日重新分類為使用權資產之一部分。

2.11 投資物業

投資物業(主要包括租賃土地及樓宇)乃持有作長期租金回報或資本升值或二者兼有，且並非由本集團之公司佔用。

投資物業最初按其成本計量，包括相關交易成本。在初步確認後，投資物業按公允價值列賬，即於各報告日由外部估值師釐定之公開市值。公允價值以活躍市場價格為基準，如有需要就特定資產之性質、地點或狀況之任何差異作出調整。如並無此項資料，本集團須使用其他估值方法，例如較不活躍市場之近期價格或貼現現金流量預測法。公允價值變動於綜合損益表中列賬。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Impairment of non-financial assets

Assets that have an indefinite useful life - for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.13 Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

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

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

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

2 主要會計政策概要 (續)

2.12 非金融資產之減值

無特定使用期限之資產(例如商譽)毋須攤銷,惟須每年進行減值評估。當有事件或情況改變顯示賬面金額未能收回,須予攤銷之資產會進行減值檢討。資產賬面金額超過其可收回金額之數額確認為減值虧損。可收回金額為資產公允價值減出售成本與使用價值之間之較高者。就評估減值而言,資產分組至可分開識別現金流量(現金產生單位)之最低層次。商譽以外出現減值之非金融資產會於每個報告日就可能撥回之減值進行審閱。

2.13 金融資產

(a) 分類

本集團將其金融資產分為以下計量類別:

- 於期後按公允價值計量(計入其他全面收入(「公允價值計入其他全面收入」)或計入損益);及
- 按攤銷成本計量。

分類取決於實體管理金融資產之業務模式及現金流量之約定條款。

對按公允價值計量之資產而言,收益及虧損將於損益或其他全面收入中記賬。就非持作買賣之權益工具投資而言,這將取決於本集團在首次確認時,是否對按公允價值計入其他全面收入之股權投資。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Financial assets (Continued)

(a) Classification (Continued)

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“FVPL”), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the consolidated income statement.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2 主要會計政策概要 (續)

2.13 金融資產 (續)

(a) 分類 (續)

本集團在或僅在其管理該等資產之業務模式改變時重新分類債務投資。

(b) 確認及計量

經常性買賣金融資產在交易當日 (即本集團承諾購買或出售資產之日期) 確認。當金融資產收取現金流量之權利已屆滿或已轉移及本集團已大致上轉移擁有權全部風險及回報時，金融資產被剔除入賬。

(c) 計量

初次確認時，本集團按公允價值加上因收購金融資產而產生之直接交易成本 (倘若金融資產非按公允價值計入損益)，來計量金融資產。按公允價值計入損益表之金融資產交易成本於綜合損益表中支銷。

具內含衍生工具之金融資產以其現金流量是否唯一支付本金及利息方式作全面性考慮。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Financial assets (Continued)

(c) Measurement (Continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

The Group classifies all of its debt instruments to be measured at amortised cost. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other (losses)/gains - net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

Equity instruments

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

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

2 主要會計政策概要(續)

2.13 金融資產(續)

(c) 計量(續)

債務工具

債務工具其後之計量取決於本集團管理資產之業務模式及資產之現金流特性。

本集團將所有債務工具分類為按攤銷成本計量。持作收取約定現金流，而該等現金流量屬本金及利息的唯一支付方式之資產，按攤銷成本計量。來自此等金融資產之利息收入以實際利率法計入財務收入。取消確認產生之任何收益或虧損直接於損益中確認，並連同外匯收益及虧損於「其他(虧損)/收益-淨額」中呈列。減值虧損於綜合損益表中為獨立項目呈列。

權益工具

本集團其後按公允價值計量所有權益性投資。倘本集團管理層已選擇在其他全面收入中呈列股權性投資公允價值收益及虧損，則剔除確認投資後，公允價值收益及虧損其後不會重新分類至損益。來自相關投資之股息，在本集團收款權利確立時，繼續於損益中確認為其他收入。

按公允價值計入損益之金融資產公允價值變動，如適用，於綜合損益表內「其他(虧損)/收益-淨額」中確認。按公允價值計入其他全面收入計量之股權投資減值虧損(及減值虧損撥回)，不須與其他公允價值變動分開呈報。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Financial assets (Continued)

(d) Impairment

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

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 3.1(b) for further details.

Impairment on bill receivables, other receivables and deposits are measured as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime ECL, see Note 3.1(b) for further details.

2.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2 主要會計政策概要 (續)

2.13 金融資產 (續)

(d) 減值

本集團對按攤銷成本列賬之債務工具相關之預期信貸虧損按前瞻基準作出評估。所用減值方法取決於信貸風險是否大幅增加。

對應收賬款而言，本集團採用香港財務報告準則第9號所允許之簡化法，其中規定預期全期虧損自首次確認應收賬款起確認，其他詳情見附註3.1(b)。

應收票據、其他應收賬款及按金之減值按十二個月預期信貸虧損或全期預期信貸虧損計量，視乎自初步確認以來信貸風險有否顯著上升。倘應收賬款之信貸風險自初步確認以來顯著上升，則減值按全期預期信貸虧損計量，其他詳情見附註3.1(b)。

2.14 抵銷金融工具

於有法定可強制執行權利以抵銷已確認金額，且有意按其淨額作結算或同時變現資產及清償負債時，金融資產及負債乃予以抵銷，並於財務狀況表呈報其淨值。法定可強制執行權利不得依賴未來事件而定，而在一般業務過程中及倘公司或對手方一旦出現違約、無償債能力或破產時，必須具有約束力。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.16 Trade and other receivables

Trade and bill receivables are amounts due from customers for goods received or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and bill receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less provision for impairment. See 2.13(d) for a description of the Group's impairment policies.

2.17 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits held at call with banks with original maturities of three months or less.

2.18 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2 主要會計政策概要(續)

2.15 存貨

存貨按成本及與可變現淨值兩者中之較低者入賬。成本以先入先出法釐定。其中不包括借貸成本。可變現淨值為正常業務過程中之估計銷售價格減適用可變銷售支出。

2.16 應收賬款及其他應收賬款

應收賬款為在日常業務中就已收取商品或已提供服務而應收客戶之款項。如預期於一年或以內(或倘較長,則在業務正常經營週期中)收回應收賬款及其他應收賬款,則該等賬款分類為流動資產。否則,該等賬款呈列為非流動資產。

應收賬款及其他應收賬款於確認公允價值時,初步無條件按代價金額確認,除非其具重大融資成份在內。本集團持有應收賬款及票據,在於收取約定現金流量,及其後以實際利息法按攤銷成本減去減值撥備計量。有關本集團之減值政策情況見附註2.13(d)。

2.17 現金及現金等值

於綜合現金流量表中,現金及現金等值包括手頭現金及於三個月或以內到期存於銀行之通知存款。

2.18 股本

普通股分類為權益。

發行新股份或購股權直接應佔的新增成本在權益中列為所得款項的減少(扣除稅項)。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.20 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2 主要會計政策概要(續)

2.19 應付賬款及其他應付賬款

應付賬款為在日常業務過程中就從供應商購買之貨品或服務之付款責任。倘付款於在一年或以內(或倘較長,則在業務日常經營週期中)到期,則應付賬款分類為流動負債;否則,該等應付賬款呈列為非流動負債。

應付賬款及其他應付賬款初步按公允價值確認,其後則採用實際利率法按攤銷成本計量。

2.20 借貸

借貸初步按公允價值扣除已產生之交易成本確認,其後則按攤銷成本列賬;所得款項(扣除交易成本)與贖回價值間之任何差額於借貸期使用實際利率法於綜合損益表中確認。

在貸款將很有可能部分或全部提取的情況下,就設立貸款融資支付的費用乃確認為貸款交易成本。在此情況下,費用遞延至提取發生為止。倘並無任何證據顯示該融資很有可能將獲部份或全部提取,則該費用撥充資本作為流動資金服務之預付款項,並於其相關融資期間予以攤銷。

除非本集團有無條件權利於報告期末後延遲償還負債最少十二個月,否則借貸分類為流動負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Borrowings costs

General and specific borrowing costs directly attributable to the acquisitions, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

2.22 Current and deferred income tax

The tax expense for the year comprises current and deferred income tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to item recognised directly in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 主要會計政策概要(續)

2.21 借貸成本

因收購、建造或生產合資格資產(指須經長時間準備作擬定用途或出售之資產)而直接產生之借貸成本乃計入該等資產成本,直至該等資產大致上已準備就緒作擬定用途或出售。

所有其他借貸成本均於其產生期間於綜合損益表中確認。

2.22 當期及遞延所得稅

期內稅項支出包括當期及遞延所得稅。稅項於綜合損益表中確認,惟與直接在其他全面收入或直接在權益中確認之項目有關者除外。在該情況下,稅項亦分別在其他全面收入或直接在權益中確認。

(a) 當期所得稅

當期所得稅支出根據本公司之附屬公司營運及產生應課稅收入之國家於報告日已頒佈或實質頒佈之稅務法例計算。管理層就適用稅務法規詮釋所規限之情況定期評估報稅表之狀況,並在適用情況下根據預期須向稅務機關支付之稅款設定撥備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Current and deferred income tax (Continued)

(b) *Deferred income tax*

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax liabilities are not recognised if they arise from initial recognition of goodwill. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint ventures, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates and joint ventures. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associates and joint ventures' undistributed profits is not recognised.

2 主要會計政策概要(續)

2.22 當期及遞延所得稅(續)

(b) *遞延所得稅*

內在差異

遞延所得稅使用負債法就資產與負債之稅基與其於綜合財務報表之賬面金額兩者之間產生之短暫差異確認。然而，倘遞延所得稅負債產生自對商譽之初步確認，則不予確認。倘遞延所得稅產生自在交易(不包括業務合併)中對資產或負債之初步確認，而在交易時不影響會計或應課稅溢利或虧損，則不作記賬。遞延所得稅採用在報告日已頒佈或實質頒佈之稅率(及法例)，並在變現有關於遞延所得稅資產或償付遞延所得稅負債時預期將會適用而釐定。

遞延所得稅資產在很有可能將未來應課稅溢利與可動用之短暫差異抵銷情況下確認。

外在差異

遞延所得稅負債就於附屬公司、聯營公司及合營公司之投資所產生之應課稅短暫差異作出撥備，惟倘本集團可以控制短暫差異之撥回時間，及很有可能在可預見未來不會撥回該短暫差異之遞延所得稅負債除外。一般而言，本集團無法控制聯營公司及合營公司的暫時性差異的撥回。惟當有協議賦予本集團於可預見未來有能力控制短暫差異之撥回時，聯營公司及合營公司之未分派溢利所產生有關應課稅短暫差異之遞延稅項負債將不予確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Current and deferred income tax (Continued)

(b) *Deferred income tax (Continued)*

Outside basis differences (Continued)

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint ventures only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) *Offsetting*

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.23 Employee benefits

(a) *Pension obligation*

The Group operates defined contribution plan. The schemes are generally funded through payments to insurance companies or trustee-administered funds.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

2 主要會計政策概要(續)

2.22 當期及遞延所得稅(續)

(b) *遞延所得稅(續)*

外在差異(續)

就附屬公司、聯營公司及合營公司投資產生的可扣減短暫差異確認遞延所得稅資產，但僅限於短暫差異很可能在將來撥回，並有充足的應課稅利潤抵銷可動用短暫差異的情況下。

(c) *抵銷*

倘有合法執行權利以當期稅項資產抵銷當期稅項負債，以及倘遞延所得稅資產及負債涉及由同一稅務機關就應課稅實體或擬按淨額基準結算結餘之不同應課稅實體徵收所得稅，遞延所得稅資產與負債則互相抵銷。

2.23 僱員福利

(a) *退休金責任*

本集團設有界定供款計劃。此等計劃一般透過向保險公司或受託管理基金付款而注資。

界定供款計劃為本集團向一間獨立實體支付固定供款之退休福利計劃。倘基金不具備足夠資產，無法就該當期及過往期間之僱員服務向所有僱員支付福利，則本集團並無法定或推定責任作進一步供款。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Employee benefits (Continued)

(a) Pension obligation (Continued)

The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(c) Bonus plans

The Group recognises a liability and an expense for bonus. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2 主要會計政策概要(續)

2.23 僱員福利(續)

(a) 退休金責任(續)

本集團以強制、合約或自願原則向公開或私人管理之退休保險計劃作出供款。本集團作出供款後，即無進一步付款責任。供款於到期應付時確認為僱員福利支出。預付供款在出現現金退款或可扣減未來付款情況下確認為資產。

(b) 終止僱傭福利

終止僱傭福利於本集團在正常退休日期前終止僱用時，或僱員接受自願遣散以換取此等福利時支付。本集團在能證明以下終止承諾時確認辭退福利：該實體根據一項詳細之正式計劃終止現有僱員之僱用而並無撤回之可能。倘提出一項方案以鼓勵自願遣散，終止僱傭福利將按預期接受方案之僱員數目計量。在報告期末後超過十二個月支付之福利應貼現至其現值。

(c) 花紅計劃

本集團就花紅確認負債及支出。當於合約規定或具過往慣例產生特定責任時，本集團會確認撥備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Employee benefits (Continued)

(d) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(e) Long service payments

The Group's net obligation in respect of long service payments to its employees upon termination of their employment or retirement when the employees fulfill certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is reduced by entitlements accrued under the Group's retirement plan that are attributable to contributions made by the Group.

2.24 Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the Group receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and

2 主要會計政策概要(續)

2.23 僱員福利(續)

(d) 僱員應享假期

僱員應享年假於應計予僱員時確認。僱員於截至報告日因提供服務應享之年假估計負債已計提撥備。僱員應享病假及分娩假期於支取時方才確認。

(e) 長期服務金

當僱員在符合香港僱傭條例之若干情況下終止僱傭關係或退休時，本集團須承擔支付長期服務金予其僱員之責任，而所承擔之責任淨額為僱員於現時及過往期間提供服務所得之日後福利金額。所承擔金額扣減乃根據本集團退休計劃所享有本集團供款之應佔金額。

2.24 以股份為基礎之支付

本集團設有多項以權益償付、以股份為基礎之補償計劃，據此，本集團獲取僱員服務，作為本集團權益工具(購股權)之代價。為換取購股權授出而獲取之僱員服務公允價值確認為支出。將予支銷之總金額參考授予之購股權公允價值釐定：

- 包括任何市場表現條件(例如實體之股價)；
- 不包括任何服務及非市場表現歸屬條件(例如盈利能力、銷售增長目標及實體於特定時期餘下之僱員)之影響；及

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Share-based payments (Continued)

- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market performance and service conditions. It recognises the impact of the revision of original estimates, if any, in the consolidated income statement with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertaking in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertaking, with a corresponding credit to equity in the parent entity accounts.

2 主要會計政策概要(續)

2.24 以股份為基礎之支付(續)

- 包括任何非歸屬條件(例如僱員保存規定)之影響。

非市場表現及服務條件計入關於預期歸屬之購股權數目之假設。支出總額於歸屬期間(即所有特定歸屬條件均獲滿足之期間)內確認。

此外,在某些情況下,僱員可在授出日期之前提供服務,因此授出日期之公允價值乃就確認服務開始期與授出日期之期內開支作出估計。

在各報告期末,本集團會根據非市場表現及服務條件修訂其預期歸屬之購股權數目之估計。本集團在綜合損益表內確認修訂原估算(如有)之影響,並對權益作出相應調整。

當購股權獲行使時,本公司將發行新股。所收取之所得款項(扣除任何直接應佔交易成本)計入股本(面值)及股份溢價中。

本公司向旗下附屬公司之僱員授予其權益工具之購股權,被視為資本投入。所獲取僱員服務的公允價值,參考授出日期之公允價值計量,並在歸屬期內確認,作為對附屬公司投資之增加,並相應計入母公司賬目之權益。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Provision

Provisions for environment restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.26 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied and service rendered, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group; and when specific criteria have been met for each of the Group's activities as described below.

2 主要會計政策概要(續)

2.25 撥備

當本集團因過往事件而產生現有法定或特定責任；將可能流失資源以償付責任；且金額已可靠估計，則會就環境復原、重組成本及法律索償確認撥備。重組撥備包括租賃終止罰款及僱員離職付款。不會就未來經營虧損確認撥備。

倘有多項類似責任，則考慮責任之整體類別釐定其須在償付中流失資源之可能性。即使在同一類別責任所包含之任何一個項目資源流失之可能性極低，仍須確認撥備。

撥備按預期清償債務責任所需開支以稅前貼現率計算之現值計量，該比率反映市場當時對貨幣時間價值之評估及該責任之獨有風險。因時間流逝而產生之撥備增加確認為利息開支。

2.26 收入確認

收入按已收或應收代價之公允價值計算，並相當於所供貨品及所作服務之應收金額，扣除折扣、退貨及增值稅後列賬。當收入數額能夠可靠計量、未來經濟利益將可能流至本集團，而本集團各項活動均符合具體條件時(如下文所述)，本集團則會確認收入。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Revenue recognition (Continued)

(a) *Sales of goods*

Sales of goods are recognised when a group entity has delivered products to the customer, the customer has full discretion over channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs until the products have been shipped to the specified location, the risk of obsolescence and loss have been transferred to the customers, and either the customers have accepted the products in accordance with sales contracts, and there is no unfulfilled obligation that could affect the customers' acceptance of the products.

(b) *Service income*

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

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(c) *Rental income*

Rental income from investment properties is recognised in the consolidated income statement on a straight-line basis over the period of the relevant leases.

2 主要會計政策概要(續)

2.26 收入確認(續)

(a) *貨品銷售*

當集團實體已將產品交付予客戶，客戶對銷售產品之渠道及價格擁有完全決定權，且並無未履行之責任可影響客戶接受產品時，會確認貨品銷售。產品付運至指定地點、陳舊及虧損之風險已轉讓予客戶；客戶按銷售合約接納產品後或概無未履義務可影響客戶接納產品，交付方始生效。

(b) *服務收入*

服務收入經參考特定交易之完成階段並按已提供實際服務佔將予提供之總服務比例評估後，在提供服務之會計期內確認。

合約負債為本集團已從客戶收取代價(或到期之代價金額)而將貨品或服務轉交客戶之義務。倘若客戶在本集團轉交貨品或服務予客戶前支付代價，則合約負債於付款時或款項到期時(以較早者為準)確認。合約負債在本集團履行合約時確認為收益。

(c) *租金收入*

投資物業之租金收入按直線法於相關租賃期間在綜合損益表中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Revenue recognition (Continued)

(d) *Financing components*

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

2.27 Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2.28 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.29 Leases

As a lessee

As explained in Note 2.2, the Group has changed its accounting policy for leases where the Group is the lessee from 1st April 2019. The new policy is described below and the impact of the initial adoption is disclosed in Note 2.2.

Until 31st March 2019, leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1st April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

2 主要會計政策概要(續)

2.26 收入確認(續)

(d) *融資成分*

本集團不預期具任何客戶轉交承諾之貨品或服務及客戶付款之合約起超過一年期間。因此，本集團不因資金的時間值而調整任何交易價格。

2.27 利息收入

利息收入以金融資產賬面值按實際利率作計算，惟其後變作信貸減值之金融資產則除外。對信貸減值之金融資產，按經扣除虧損撥備後之金融資產賬面淨值採用實際利率計算。

2.28 股息收入

股息收入於確定有權收取款項時確認。

2.29 租賃

作為承租人

誠如附註2.2所闡釋，本集團已自二零一九年四月一日起就本集團作為承租人變更其租賃之會計政策。新政策於下文闡述，而首次採納之影響於附註2.2披露。

在二零一九年三月三十一日前，倘在租賃中並無轉移擁有權之一大部分風險及回報至作為承租人之本集團，則有關租賃分類為經營租賃。經營租賃項下作出之付款（經扣除從出租人收取之任何優惠）於租期內以直線法自損益中扣除。

自二零一九年四月一日起，租賃於租賃資產可供本集團使用當日起確認使用權資產及其相應負債。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.29 Leases (Continued)

As a lessee (Continued)

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

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

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

2 主要會計政策概要(續)

2.29 租賃(續)

作為承租人(續)

合約可能同時包含租賃部分及非租賃部分。本集團按租賃部分及非租賃部分之相對獨立價格將合約代價分配至各部分。

租賃產生之資產及負債初步按現值作計量。租賃負債包括以下租賃付款之淨現值：

- 固定付款（包括實質固定付款），扣除任何應收租賃優惠；
- 根據一項指數或利率計算之可變租賃付款，初步按於開始日期之有關指數或利率計量；
- 預期本集團根據剩餘價值保證支付之金額；
- 購買選擇權之行使價（倘可合理地確定本集團將行使該選擇權）；及
- 終止租賃之罰款（倘租期反映本集團行使該選擇權）。

租賃付款使用租賃隱含之利率貼現。倘利率難以釐定，大致如同本集團租賃之狀況，則使用承租人之增量借貸利率，即個別承租人在類似經濟環境中就類似條款及條件借入為取得與使用權資產價值相若之資產所需資金而須支付之利率。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.29 Leases (Continued)

As a lessee (Continued)

To determine the incremental borrowing rate, the Group uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

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

2 主要會計政策概要(續)

2.29 租賃(續)

作為承租人(續)

為釐定增量借貸利率，本集團在可能情況下會使用個別承租人最近獲得之第三方融資作為起始點，並作出調整以反映自獲得第三方融資以來融資條件之變動。

租賃付款於本金與財務費用之間作出分配。財務費用於租期內自損益中扣除，使各期間負債結餘之週期利率維持固定。

使用權資產按成本計量，包括以下各項：

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

使用權資產通常於資產之可使用年期或租期（以較短者為準）內以直線法折舊。倘本公司合理地確定將行使一項購買選擇權，則使用權資產於相關資產之可使用年期內折舊。

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.29 Leases (Continued)

As a lessor

Lease income where the Group is a lessor is recognised in consolidated income statement on a straight-line basis over the lease term. The respective leased assets are included in the consolidated statement of financial position based on their nature.

On 1st April 2019, the Group did not need to make any adjustments to the accounting for assets held as lessor as a result of initial adoption of HKFRS 16.

2.30 Dividend distribution

Dividend distribution to the Company's owners is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk, and cash flow and fair value interest rate risk), credit risk, and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a central treasury department (group treasury) under policies approved by the Board of Directors. The Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk.

2 主要會計政策概要(續)

2.29 租賃(續)

作為出租人

本集團作為出租人之租賃於租期內以直線法於綜合損益表內確認。各別租賃資產按其性質計入綜合財務狀況表。

於二零一九年四月一日，本集團毋須就首次採納香港財務報告準則第16號而對以出租人身份持有之資產作出任何會計調整。

2.30 股息分派

向本公司擁有人分派之股息，在股息於期內獲得本公司股東或董事(倘適當)批准並於本集團及本公司之財務報表確認為負債。

3 財務風險管理

3.1 財務風險因素

本集團之經營活動面對各種財務風險：市場風險(包括價格風險、外匯風險及現金流量及公允價值利率風險)、信貸風險及流動資金風險。本集團之整體風險管理計劃專注於財務市場之難預測性及尋求減低對本集團財務表現之潛在不利影響。

風險管理由中央司庫部(集團司庫)按照董事會批准之政策執行。本集團司庫透過與集團經營單位之緊密合作，負責確定、評估和對沖財務風險。董事會為整體風險管理訂定書面原則及書面政策，涵蓋外匯風險、利率風險及信貸風險等特定領域。

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(a) Market risk

(i) Price risk

The Group is subject to commodity price risk because certain subsidiaries of the Group are engaged in the trading of steel products. As at 31st March 2019 and 2020, the Group had certain committed sales orders for steel products for which the selling price is fixed, which exceeded the aggregate amount of on-hand inventories. As the prices of steel products can fluctuate materially, the Group's results may be affected significantly by future fluctuations in steel prices (Note 4(g)). To manage its commodity price risk arising from committed sales orders, the Group is closely monitoring the market price of steel products and adjusting its procurement strategy accordingly.

The Group also exposed to price risk mainly arising from investments held by the Group and classified on the consolidated statement of financial position as financial assets at fair value through profit or loss. To manage its price risk arising from investments, the Group diversifies its portfolio and managed by senior management on a case by case basis. Diversification of the portfolio is managed in accordance with the internal limits set by the Group. As at 31st March 2020, if the price of these investments increase/decrease by 5%, loss before income tax for the year would decrease/increase by approximately HK\$791,000 (2019: profit before income tax for the year would increase/decrease by approximately HK\$1,835,000) mainly as a result of a fair value (loss)/gain on these investments.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險

(i) 價格風險

由於本集團之若干附屬公司從事鋼材產品貿易，故此本集團面對商品價格風險。於二零一九年及二零二零年三月三十一日，本集團確定其固定售價之鋼材產品銷售訂單已超過手頭存貨。由於鋼材產品之價格可大幅波動，本集團之業績將可能面對重大未來鋼材價格波動之影響(附註4(g))。本集團密切監察鋼材產品之市價及相應調整其採購策略，以管理已確定銷售訂單產生之商品價格風險。

本集團也主要面對由本集團持有之投資產生之價格風險，並於綜合財務狀況表按公允價值計入損益列為金融資產。為管理投資產生的價格風險，本集團分散投資組合，並由高級管理層按個別情況進行管理。投資組合的多元化按照本集團設定的內部限額進行管理。於二零二零年三月三十一日，倘該等投資價格增加／減少5%，年內除所得稅前虧損將減少／增加約791,000港元(二零一九年：年內除所得稅前溢利將增加／減少約1,835,000港元)主要乃由該等投資之公允價值(虧損)／收益所致。

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar (“US\$”) and the Chinese Renminbi (“RMB”). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency.

The Group has certain investments in foreign operations, of which the net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group’s foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

At 31st March 2020, if HK\$ had strengthened/weakened by 5% (2019: 3%) against RMB with all other variables held constant, loss before income tax would have been approximately HK\$1,189,000 lower/higher (2019: profit before income tax would have been approximately HK\$331,000 higher/lower), mainly as a result of foreign exchange (losses)/gains on translation of RMB-denominated monetary assets and liabilities.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 外匯風險

本集團業務跨越多國，因此面對源於各種貨幣之外匯風險，主要涉及美元(「美元」)及人民幣(「人民幣」)。外匯風險源於未來商業交易、已確認資產及負債及外國業務淨投資。

管理層已訂立政策，要求集團公司管理對其功能貨幣有關之外匯風險。

本集團持有若干境外經營投資，其資產淨額承受外幣匯兌風險。來自本集團境外經營資產淨額所產生之貨幣風險，主要以相關外幣計值之借貸進行管理。

於二零二零年三月三十一日，倘港元兌人民幣上升／下跌5%(二零一九年：3%)，而所有其他可變因素維持不變，則除所得稅前虧損應減少／增加約1,189,000港元(二零一九年：除所得稅前溢利應增加／減少331,000港元)，乃主要由於兌換以人民幣計值之貨幣資產及負債之匯兌(虧損)／收益所致。

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Foreign exchange risk (Continued)

As HK\$ are reasonably stable with US\$ under the Linked Exchange Rate System, the management considers the Company's foreign exchange risk arisen from US\$ is insignificant. Thus, no sensitivity analysis is presented.

(iii) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets except for cash and bank deposits, which earn low interest rate. The Group's interest rate risk arises mainly from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates.

At 31st March 2020, if interest rates on floating rate borrowings had been 100 basis points higher/lower with all other variables held constant, loss before income tax for the year would have been approximately HK\$14,156,000 higher/lower (2019: profit before income tax for the year would have been approximately HK\$14,925,000 lower/higher), mainly as a result of higher/lower interest expenses on floating rate borrowings.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 外匯風險(續)

由於在聯繫匯率制度下港元兌美元合理穩定，管理層認為本公司來自美元之外匯風險輕微。因此，並無呈列敏感度分析。

(iii) 現金流量及公允價值利率風險

由於本集團除賺取低息率之現金及銀行存款外概無重大附息借貸資產，本集團之收入及經營現金流量實質上不受市場利率變動所影響。本集團之利率風險主要來自借貸。浮息借貸使本集團面對現金流量利率風險，該風險部份受到按浮動利率持有之現金所抵銷。

於二零二零年三月三十一日，倘浮息借貸之利率增加／減少100個基點，而所有其他可變因素維持不變，則本年度除所得稅前虧損應增加／減少約14,156,000港元(二零一九年：年內除所得稅前溢利應減少／增加14,925,000港元)，乃主要由於浮息借貸之利息支出增加／減少所致。

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk

(i) Risk management

The credit risk of the Group mainly arises from trade and bill receivables, deposits and other receivables and cash and cash equivalents.

Management considers that the Group has limited credit risk with its banks which are leading and reputable with low credit risk. The Group has not incurred significant loss from non-performance by these parties in the past and management does not expect so in the future. Therefore, expected credit loss rate of cash at bank is assessed to be close to zero and no provision was made as at 31st March 2020.

The Group has policies in place to ensure that sales are made to reputable and creditworthy customers with an appropriate financial strength, credit history and appropriate percentage of down payments. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險

(i) 風險管理

本集團信貸風險主要來自應收賬款及票據、按金及其他應收賬款以及現金及現金等值。

管理層認為，本集團以低信貸風險為主流及具有信譽銀行來減少信貸風險。本集團過往尚未與此等銀行因未能履約而產生重大虧損，而管理層亦日後不會預期。因此，銀行現金之預期信貸虧損率，評核為接近零，於二零二零年三月三十一日概無計提撥備。

本集團具備政策，以確保銷售予聲譽及信譽良好且具備適當財政實力、信貸記錄及押付恰當比例訂金之客戶，亦具備其他監測程序，以確保執行跟進工作，索回逾期債務。

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Risk management (Continued)

Majority of the Group's revenue is received from individual customers in relation to trading of sanitary wares, kitchen cabinets, engineering plastics and processing and distribution of construction materials. As at 31st March 2020, top 10 customers of the Group accounted for approximately 22% (2019: 28%) to the total trade and bill receivables of the Group. The Group has set up long-term cooperative relationship with these customers. In view of the history of business dealings with these customers and the collection history of the receivables due from them, management believes that there is no material credit risk inherent in the Group's outstanding receivable balance due from these customers saved for the debtors related to the impaired trade receivable disclosed below. Management makes periodic assessment on the recoverability of trade and other receivables based on historical payment records, the length of the overdue period, the financial strength of the debtors, the overall macro-economic environment and whether there are any disputes with the debtors. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances and the Directors are of the opinion that adequate provision for uncollectible receivables has been made in these consolidated financial statements.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(i) 風險管理(續)

本集團絕大部分收益來自衛浴潔具、廚具及工程塑膠貿易以及建材原材料加工與分銷之個人客戶。於二零二零年三月三十一日，本集團首10大客戶佔本集團應收賬款及票據總額約22%（二零一九年：28%）。本集團已與此等客戶建立長期合作關係。鑑於與此等客戶之業務買賣往績及應收賬款收回往績，管理層相信本集團應收自此等客戶之應收結餘概無重大信貸風險，惟下文披露有關減值應收賬款之債務人除外。管理層根據過往付款記錄、逾期時間、債務人財務能力、整體宏觀經濟環境及與債務人有否任何爭議，定期評估應收賬款及其他應收賬款之可收回能力。本集團收回應收賬款及其他應收賬款之過往經驗均在已撥備之範疇，而董事認為已就不可收回之應收賬款於本綜合財務報表中作足夠撥備。

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets

The Group has three main types of financial assets that are subject to the expected credit loss model:

- trade receivables;
- cash and cash equivalents and pledged bank deposits; and
- other financial assets measured at amortised costs (including deposits, other receivables and bill receivables).

While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the directors consider that the identified impairment loss was immaterial.

Trade receivables

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The Group measures the expected credit losses on a combination of both individual and collective basis.

Measurement of expected credit loss on individual basis

Receivables relating to customers with known financial difficulties or significant doubt on collection of receivables are assessed individually for provision for impairment allowance.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 金融資產減值

本集團受限於預期信貸虧損模式，具三種主要金融資產分類：

- 應收賬款；
- 現金及現金等值及已抵押銀行存款；及
- 按攤銷成本計量之其他金融資產(包括按金、其他應收賬款及應收票據)。

其中現金及現金等值亦須遵守香港財務報告準則第9號之減值規定，惟董事認為已識別之減值虧損並不重大。

應收賬款

本集團應用香港財務報告準則第9號簡化方式計量預期信貸虧損，就所有應收賬款計提全期預期虧損撥備。本集團結合個別及共同基準計量預期信貸虧損。

按個別基準計量預期信貸虧損

對於具重大財政困難或收回應收賬款深存疑問的客戶，其減值撥備則個別評定。

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3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Measurement of expected credit loss on collective basis

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31st March 2019 and 31st March 2018 and the corresponding historical credit losses experienced within this year. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

To measure the expected credit losses, trade receivables have been grouped based on the nature of customer accounts, shared credit risk characteristics and the days past due.

On the above individual and collective basis, the loss allowance as at 31st March 2020 and 2019 were determined as follows:

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 金融資產減值(續)

按共同基準計量預期信貸虧損

預期虧損率乃根據於二零一九年三月三十一日及二零一八年三月三十一日前二十四個月期間銷售之付款情況以及本年內承受之相應過往預期信貸虧損計算。過往虧損率會予以調整，以反映當前及來年宏觀經濟因素影響客戶清償應收賬款能力。

為計量預期信貸虧損，應收賬款已按客戶賬目性質、共同信貸風險特性及逾期日數歸類。

於上述個別及共同基準下，於二零二零年及二零一九年三月三十一日之虧損撥備釐定如下：

	Current	1-60 days past due	61-120 days past due	121-180 days past due	181-365 days past due	Over 365 days past due	Total
	當期	1-60日	61-120日	121-180日	181-365日	365日	總計
	HK\$000	HK\$000	HK\$000	HK\$000	HK\$000	HK\$000	HK\$000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 31st March 2020	於二零二零年三月三十一日						
Gross carrying amount – trade receivables	206,212	42,952	14,904	7,211	11,696	19,714	302,689
Loss allowance	(3)	(54)	(23)	—	(666)	(18,159)	(18,905)
Net carrying amount – trade receivable	206,209	42,898	14,881	7,211	11,030	1,555	283,784

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3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3 財務風險管理(續)

3.1 Financial risk factors (Continued)

3.1 財務風險因素(續)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Measurement of expected credit loss on
collective basis (Continued)

(b) 信貸風險(續)

(ii) 金融資產減值(續)

按共同基準計量預期信貸虧損(續)

	Current	1-60 days past due 逾期	61-120 days past due 逾期	121-180 days past due 逾期	181-365 days past due 逾期	Over 365 days past due 逾期超過	Total
	當期	1-60日	61-120日	121-180日	181-365日	365日	總計
	HK\$000	HK\$000	HK\$000	HK\$000	HK\$000	HK\$000	HK\$000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 31st March 2019	於二零一九年三月三十一日						
Gross carrying amount – trade receivables	290,436	84,031	33,397	13,981	13,329	21,762	456,936
Loss allowance	(72)	(697)	(151)	(51)	(4,361)	(17,882)	(23,214)
Net carrying amount – trade receivable	290,364	83,334	33,246	13,930	8,968	3,880	433,722

Impairment losses on trade receivables are presented as “reversal of/(impairment loss) on financial assets – net” within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other financial assets at amortised costs

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

應收賬款減值虧損在經營溢利中以金融資產減值虧損撥回/(計入)一淨額呈列。其後收回過往撇銷之金額會於同一項目入賬。

按攤銷成本列賬之其他金融資產

參考交易對手過往違約率及目前財務狀況，管理層認為信貸風險自首次確認以來並未大幅增加。減值撥備乃根據12個月預期信貸虧損釐定，其金額為零。

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group and aggregated by group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (Note 31) at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal ratio of the consolidated statement of financial position targets.

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in time deposits, marketable securities, and choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. At the reporting date, the Group held cash and cash equivalents of approximately HK\$120,045,000 (2019: HK\$126,775,000) (Note 28) and trade and bill receivables, net, of approximately HK\$358,932,000 (2019: HK\$480,523,000) (Note 26) that are expected to readily generate cash inflows for managing liquidity risk.

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險

現金流量預測是在本集團之各經營實體執行，並由集團財務總計。本集團財務監察本集團流動資金需求之滾動預測，確保有足夠現金應付經營需要，亦同時於任何時間維持充足之未提取承諾借貸融資(附註31)，以使本集團不違反任何借貸限額或任何借貸融資契諾。此等預測考慮到本集團債務融資計劃、契諾合規及符合內部綜合財務狀況表比率目標。

當經營實體持有之剩餘現金超過營運資本管理所需餘額時，會轉撥至本集團司庫。本集團司庫將剩餘現金投資於定期存款及有價證券，並透過選擇上述預測所決定具有適當到期日或足夠流動性之工具，提供充足空間。於報告日，本集團持有現金及現金等值約120,045,000港元(二零一九年：126,775,000港元)(附註28)及應收賬款及票據淨額約358,932,000港元(二零一九年：480,523,000港元)(附註26)，預期可即時產生現金流入以管理流動資金風險。

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3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

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

		Less than 1 year 少於1年 HK\$'000 千港元	Between 1 and 2 years 1至2年 HK\$'000 千港元	Between 2 and 5 years 2至5年 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 31st March 2020	於二零二零年 三月三十一日				
Trade and bill payables	應付賬款及票據	166,929	—	—	166,929
Other payables	其他應付賬款	35,440	2,599	8,545	46,584
Borrowings	借貸	561,394	47,816	808,363	1,417,573
Interest payable	應付利息	70,865	45,243	59,638	175,746
Lease liabilities	租賃負債	24,635	3,543	—	28,178
		859,263	99,201	876,546	1,835,010
At 31st March 2019	於二零一九年 三月三十一日				
Trade and bill payables	應付賬款及票據	189,093	—	—	189,093
Other payables	其他應付賬款	35,354	7,740	7,506	50,600
Borrowings	借貸	788,145	91,593	615,420	1,495,158
Interest payable	應付利息	74,330	37,132	75,017	186,479
		1,086,922	136,465	697,943	1,921,330

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

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

3.2 資金風險管理

本集團管理資金之目標為保障本集團持續經營之能力，以為股東提供回報及為其他持份者提供利益，並保持一個最佳資本架構以減少資本成本。

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綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital risk management (Continued)

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings and lease liabilities less pledged bank deposits and cash and cash equivalents. Total capital is calculated as equity (excluding non-controlling interests), as shown in the consolidated statement of financial position, plus net debt.

The gearing ratios at 31st March 2019 and 2020 were as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Total borrowings (Note 31)	借貸總額(附註31)	1,415,638	1,492,549
Total lease liabilities (Note 17)	租賃負債總額(附註17)	27,192	—
Less: Cash and cash equivalents and pledged bank deposits (Note 28)	減：現金及現金等值以及已抵押銀行存款(附註28)	(129,182)	(165,659)
Net debt	淨債務	1,313,648	1,326,890
Total equity (excluding non-controlling interests)	權益總額 (不包括非控制性權益)	805,845	990,346
Total capital	資本總額	2,119,493	2,317,236
Gearing ratio	資本負債比率	62%	57%

3 財務風險管理(續)

3.2 資金風險管理(續)

為維持或調節資本架構，本集團可調節向股東派付之股息金額、退回資本予股東、發行新股份或出售資產以減債。

為與同業一致，本集團根據資本負債比率監察資本。該比率乃以淨負債除以資本總額計算得出。淨負債乃以借貸及租賃負債總額減已抵押銀行存款以及現金及現金等值計算。如綜合財務狀況表所示，資本總額以權益(不包括非控制性權益)加淨負債計算。

於二零一九年及二零二零年三月三十一日之資本負債比率如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation

The tables below analyses the Group's financial instruments carried at fair value as at 31st March 2019 and 2020, by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

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

See Note 15 for disclosures of the investment properties that are measured at fair value which is included in level 3.

The following table presents the Group's financial assets that are measured at fair value at 31st March 2020.

		Level 1 第一層 HK\$'000 千港元	Level 2 第二層 HK\$'000 千港元	Level 3 第三層 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Assets	資產				
Financial asset at fair value through profit or loss	按公允價值計入損益之金融資產				
– Structured bank products	– 結構性銀行產品	—	15,820	—	15,820
Financial asset at fair value through other comprehensive income	按公允價值計入其他全面收入之金融資產				
– Shares listed on The Stock Exchange of Hong Kong Limited	– 於香港聯合交易所有限公司上市之股份	62	—	—	62
Total	總額	62	15,820	—	15,882

3 財務風險管理(續)

3.3 公允價值估算

下表通過估值技術輸入等級，分析本集團於二零一九年及二零二零年三月三十一日按公允價值入賬之金融工具。此等輸入，於公允價值等級分類為以下三層：

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

包括在第三層之投資物業，其按公允價值計量之披露資料，請參閱附註15。

下表顯示本集團於二零二零年三月三十一日按公允價值計量之金融資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

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

		Level 1 第一層 HK\$'000 千港元	Level 2 第二層 HK\$'000 千港元	Level 3 第三層 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Assets	資產				
Financial asset at fair value through profit or loss	按公允價值計入損益之金融資產				
– Structured bank products	– 結構性銀行產品	—	36,698	—	36,698
Financial asset at fair value through other comprehensive income	按公允價值計入其他全面收入之金融資產				
– Shares listed on The Stock Exchange of Hong Kong Limited	– 於香港聯合交易所有限公司上市之股份	144	—	—	144
Total	總額	144	36,698	—	36,842

There were no transfers among levels 1, 2 and 3 during the year.

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

3 財務風險管理(續)

3.3 公允價值估算(續)

下表顯示本集團於二零一九年三月三十一日按公允價值計量之金融資產。

於本年度，第一層、第二層及第三層之間並無轉撥。

於第一層之金融工具

於活躍市場買賣之金融工具之公允價值乃按於報告日之市場報價計算。倘該報價可容易或定期取自交易所、經銷商、經紀、行業組織、股價服務或監管機構，而該等報價反映實際及定期按公平原則進行之市場交易，該市場則視為活躍。本集團持有之金融資產所使用之市場報價為現行買入價。該等工具包括在第一層。

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Instruments included in level 2 comprises primarily structured bank products that have been classified as financial assets at fair value through profit or loss.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Valuation of investment properties

The Group carries its investment properties at fair value with changes in the fair value recognised in the consolidated income statement. The fair value of investment properties was determined by using valuation technique and management updates their assessment of the fair value of each property, taking into account the key valuation assumptions, including adjusted market yield. Details of the judgements and assumptions have been disclosed in Note 15.

3 財務風險管理(續)

3.3 公允價值估算(續)

於第二層之金融工具

並無於活躍市場買賣之金融工具(例如場外衍生工具),其公允價值運用估值方法釐定。該等估值方法盡可能運用可觀察之市場數據(如有),並少依賴主體之特定估計。如計算一項金融工具之公允價值所需之所有重大輸入皆為可觀察數據,則該金融工具包括在第二層。包括在第二層之工具主要包括分類為按公允價值計入損益之金融資產之結構性銀行產品。

如一項或多項重大輸入並非根據可觀察市場數據,則該金融工具包括在第三層。

4 重要會計推算及判斷

根據過往經驗及其他因素(包括在現況下相信為未來事件之合理預期)持續對推算及判斷作出評估。

本集團就未來作出推算及假設。顧名思義,由此而生之會計推算極少與相關實際結果相同。下文論述具有會導致須對下一個財政年度之資產及負債之賬面金額作出重大調整之重大風險推算及假設。

(a) 投資物業的估值

本集團按公允價值持有之投資物業,其公允價值變動於綜合損益表內確認列賬。投資物業之公允價值乃根據估值方法,管理層更正對各物業公允價值的評估而釐定,其中經考慮主要估值假設,包括經調整市場收益率。判斷及假設之詳情已於附註15披露。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Recognition of deferred income tax assets

The Group is mainly subject to income taxes in Hong Kong and Mainland China. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is likely that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectations are different from the original estimates, such differences will impact the recognition of deferred income tax assets and income tax charges in the period in which such estimates have been changed.

(c) Provision for impairment of property, plant and equipment

At the end of each reporting period, the Group review internal and external sources of information to identify indications that the property, plant and equipment may be impaired or an impairment loss previously recognised may be reversed.

If an indication of impairment is identified, the Group is required to estimate the recoverable value, representing the greater of the asset's fair value less cost to sell or its value in use. Changes in any of these estimates could result in a material change to the assets' carrying amount in the consolidated financial statements.

During the year ended 31st March 2020, an impairment loss of HK\$20,000,000 was recognised (2019: HK\$1,181,000) for the property, plant and equipment. If the discount rate used for the cash-generating unit had been 5 percentage point higher than management's estimate; or the sales quantity had been 5 percent lower, the impairment charge will increase by HK\$2,072,000 and HK\$3,685,000, respectively.

4 重要會計推算及判斷(續)

(b) 遞延所得稅資產確認

本集團主要須繳納香港及中國內地之所得稅。在釐定全球所得稅撥備時，需要作出重大判斷。於日常業務過程中，許多交易及計算之最終稅項釐定尚未確定。本集團按日後會否須繳納額外稅項，從而對預期稅務審核確認負債。倘該等事宜之最終稅務結果與最初記錄之金額不符，此等差異將影響該釐定期間內之所得稅及遞延所得稅撥備。

倘管理層認為可動用未來應課稅溢利以對銷短暫差異或稅項虧損，則會確認與若干短暫差異及稅項虧損有關之遞延所得稅資產。倘預期結果與原先之推算不同，此等差異將會對遞延所得稅資產確認及有關推算出現變動期間內之所得稅費用構成影響。

(c) 物業、廠房及設備之減值撥備

於各報告期末，本集團審閱內部及外部資料來源以識別物業、廠房及設備可能減值或先前確認之減值虧損可獲撥回之跡象。

倘一項減值跡象被確定，則本集團須估計可收回值，即資產之公允價值減出售成本或其使用價值(以較高者為準)。任何該等估計之變動均可能導致資產賬面值於綜合財務報表之重大變動。

截至二零二零年三月三十一日止年度，已就物業、廠房及設備確認減值虧損20,000,000港元(二零一九年：1,181,000港元)。倘該現金產生單位之貼現率高於管理層所估計者5%；或銷量低於管理層所估計者5%，則減值費用將分別增加2,072,000港元及3,685,000港元。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(d) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and variable selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of changes in customer demand and competitor actions in response to severe industry cycle. Management reassesses the estimations at each reporting date.

(e) Provision for impairment of trade and other receivables

The Group follows the guidance of HKFRS 9 to determine when trade and other receivables are impaired. This determination requires significant judgement and estimation based on assumptions about risk of default and expected loss rates. In making this judgement and estimation, the Group evaluates, among other factors, the duration of receivables and the financial health and collection history of individual debtors and expected future change of credit risks, including the consideration of factors such as general economy measure, changes in macroeconomic indicators etc. Details of the assumptions and inputs used are discussed in Note 3.1(b).

(f) Useful lives and depreciation expenses for property, plant and equipment

The Group's management determines the estimated useful lives, and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in useful lives and therefore depreciation expense in future periods.

4 重要會計推算及判斷(續)

(d) 存貨之可變現淨值

存貨之可變現淨值為日常業務過程中之推算售價減推算完成成本及可變銷售支出。該等推算乃基於現時市況以及銷售類似性質產品之過往經驗。其可因客戶之需求轉變及競爭對手為應付嚴峻行業週期採取之行動而大幅改變。管理層會於每個報告日重估該等推算。

(e) 應收賬款及其他應收賬款減值撥備

本集團依循香港財務報告準則第9號指引釐定應收賬款及其他應收賬款何時減值。此釐定按有關違約風險及預期虧損率之假設要求重大判斷及估算。作此判斷及估算時，本集團評估(其中包括)應收款項期限、個別債務人財務健全度及收款記錄，以及預期日後信貸風險變動等因素，包括考慮經濟措施、宏觀經濟指標變動等因素。所用假設值及輸入值之詳情於附註3.1(b)中探討。

(f) 物業、廠房及設備之可使用年期及折舊支出

本集團之管理層釐定其物業、廠房及設備之估計可使用年期，以及有關折舊費用。該估計乃根據功能及性質類似之物業、廠房及設備之實際可使用年期之過往經驗計算。實際經濟年期或與估計可使用年期不同。定期檢討可導致可使用年期改變，未來期間之折舊支出亦因而出現變動。

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綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(g) Onerous contract provision

As at 31st March 2020, the Group had committed sales orders which exceeded the aggregate amount of on-hand inventories and committed purchase orders. If the cost of certain future purchases to fulfil these sales orders exceeds the contracted selling prices of the sales orders, a provision for onerous contracts would be made. In estimating the amount by which the cost of purchases are expected to exceed sales prices of committed sales orders, management takes into account the cost of on-hand inventories and the forecast market price of future purchases where this can be reliably estimated.

5 REVENUE AND SEGMENT INFORMATION

The Group's revenue consists of the following:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Sales of goods	貨品銷售	2,231,275	2,780,106
Service income	服務收入	42,038	44,375
Rental income	租金收入	51,718	58,124
Total revenue	收入總額	2,325,031	2,882,605

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

4 重要會計推算及判斷(續)

(g) 有償契約之撥備

於二零二零年三月三十一日，本集團已確定之銷售訂單已超過手頭存貨及已確定之購貨訂單總額。倘用以履行此等銷售訂單之若干未來採購成本比銷售訂單所訂約之售價為高，則會就有償契約作出一項撥備。在推算預期採購成本超出已確定銷售訂單之售價金額時，管理層會計及手頭存貨之成本及按可靠推算之期貨採購之市場預測價格。

5 收入及分部資料

本集團之收入包括如下：

本集團按其營運性質及所提供之產品及服務管理其業務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Management has determined the operating segments based on the reports reviewed by the CODM that are used to making strategic decisions. The CODM is identified as the executive directors of the Company. The executive directors consider the business from a customer perspective and assess the performance of the operating segments based on the segment revenue and segment results for the purposes of allocating resources and assessing performance. These reports are prepared on the same basis as these consolidated financial statements. The CODM considers the Group operates predominantly in four operating segments:

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

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

The revenue from external parties reported to the CODM is measured in a manner consistent with that in the consolidated financial statements.

Segment assets by geographical market consist primarily of property, plant and equipment, investment properties, right-of-use assets, intangible assets, investments accounted for using the equity method, prepayment, deposits and other receivables. They exclude financial instruments and deferred income tax assets.

Capital expenditure comprises additions to investment properties and property, plant and equipment for the year ended 31st March 2020.

5 收入及分部資料(續)

管理層已根據主要營運決策者審閱用以制定策略性決定之報告釐定營運分部。主要營運決策者界定為本公司執行董事。執行董事從客戶角度考量業務，並根據分部收入及分部業績以評估經營分部表現，從而配置資源及評估績效。此等報告與此綜合財務報表基於同一基準編製。主要營運決策者認為本集團主要經營四個營運分部：

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

本集團之主要營運決策者按除所得稅前溢利以計量評估營運分部表現。

向主要營運決策者匯報的對外收入，其計量方法與此綜合財務報表一致。

按地域市場劃分之分部資產主要包括物業、廠房及設備、投資物業、使用權資產、無形資產、以權益法入賬之投資、預付款項、按金及其他應收賬款。金融工具及遞延所得稅資產則不包括在此非流動分部資產。

截至二零二零年三月三十一日止年度，資本開支包括新增的投資物業以及物業、廠房及設備。

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5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Analysis of the Group's results by business segment for the year ended 31st March 2020 is as follows:

5 收入及分部資料(續)

本集團截至二零二零年三月三十一日止年度按業務分部之業績分析如下：

		Construction materials business 建築材料業務 HK\$'000 千港元	BDS business 建築產品及設計 方案業務 HK\$'000 千港元	Engineering plastics business 工程塑膠業務 HK\$'000 千港元	Property investment and project management business 房地產投資及項目管理業務 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Revenue from contracts with customers	來自客戶合約之收入						
– Recognised at a point in time	– 在某一時點確認	1,864,565	275,915	90,795	—	—	2,231,275
– Recognised over time	– 在一段時間內確認	—	—	—	42,038	—	42,038
– Rental income	– 租金收入	215	—	—	51,503	—	51,718
		1,864,780	275,915	90,795	93,541	—	2,325,031
Operating profit/(loss)	經營溢利/(虧損)	38,526	30,250	2,020	57,852	(123,836)	4,812
Finance income	財務收入	847	65	14	47	243	1,216
Finance costs	財務費用	(31,176)	(4,210)	(134)	(38,615)	(5,481)	(79,616)
Share of results of investments accounted for using the equity method - net	應佔以權益法入賬之投資業績 – 淨額	—	—	—	(12,947)	—	(12,947)
Profit/(loss) before income tax	除所得稅前溢利/(虧損)	8,197	26,105	1,900	6,337	(129,074)	(86,535)
Other gains/(losses) - net	其他收益/(虧損) – 淨額						
– Impairment of property, plant and equipment	– 物業、廠房及設備減值	—	—	—	—	(20,000)	(20,000)
– Others	– 其他	6,756	2,675	(1,727)	2,355	(169)	9,890
		6,756	2,675	(1,727)	2,355	(20,169)	(10,110)
Fair value (loss)/gain on investment properties	投資物業之公允價值(虧損)/收益	(843)	—	—	755	—	(88)
Capital expenditure	資本開支	5,780	237	—	1,539	2,096	9,652
Depreciation and amortisation	折舊及攤銷	(5,735)	(6,393)	(248)	(2,780)	(50,601)	(65,757)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Analysis of the Group's results by business segment for the year ended 31st March 2019 is as follows:

5 收入及分部資料(續)

本集團於截至二零一九年三月三十一日止年度按業務分部之業績分析如下：

		Construction materials business 建築材料業務 HK\$'000 千港元	BDS business 建築產品及設計 方案業務 HK\$'000 千港元	Engineering plastics business 工程塑膠業務 HK\$'000 千港元	Property investment and project management business 房地產投資及項目管理業務 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Revenue from contracts with customers	來自客戶合約之收入						
- Recognised at a point in time	- 在某一點點確認	2,164,649	346,775	268,682	—	—	2,780,106
- Recognised over time	- 在一段時間內確認	—	—	—	41,911	2,464	44,375
- Rental income	- 租金收入	—	—	—	58,124	—	58,124
		2,164,649	346,775	268,682	100,035	2,464	2,882,605
Operating profit/(loss)	經營溢利/(虧損)	52,895	26,051	(6,364)	97,624	(95,938)	74,268
Finance income	財務收入	4,180	69	99	78	494	4,920
Finance costs	財務費用	(35,063)	(4,252)	(1,117)	(35,861)	(4,345)	(80,638)
Share of results of investments accounted for using the equity method - net	應佔以權益法入賬之投資業績 - 淨額	(1,377)	—	—	20,653	—	19,276
Profit/(loss) before income tax	除所得稅前溢利/(虧損)	20,635	21,868	(7,382)	82,494	(99,789)	17,826
Other gains/(losses) - net	其他收益/(虧損) - 淨額	22,339	(939)	(5,979)	(7,162)	4,254	12,513
Fair value gain on investment properties	投資物業之公允價值收益	—	—	—	108,865	—	108,865
Capital expenditure	資本開支	1,376	107	23	6,127	859	8,492
Depreciation and amortisation	折舊及攤銷	(6,099)	(801)	(80)	(1,996)	(35,932)	(44,908)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

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

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Hong Kong	香港	1,725,744	1,837,825
Mainland China	中國內地	599,287	1,044,780
		2,325,031	2,882,605

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

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Hong Kong	香港	405,817	437,632
Mainland China	中國內地	1,333,430	1,416,577
		1,739,247	1,854,209

(a) Revenue recognition in relation to contract liabilities

As at 31st March 2020, receipts in advance amounting to HK\$51,296,000 (2019: HK\$27,956,000). The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward receipts in advance:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Revenue recognised that was included in the receipts in advance at the beginning of the year	於年初包含於預收款項並已確認為收入之金額	27,956	24,174

5 收入及分部資料(續)

本集團於香港及中國內地營運。本集團之收入按地域市場分析如下：

除金融工具及遞延所得稅資產以外之非流動資產按地域市場分類如下：

(a) 有關合約負債之收入確認

於二零二零年三月三十一日，預收款項金額為51,296,000港元(二零一九年：27,956,000港元)。下表顯示於本報告期間有關期初之預收款項確認為收入的金額：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Unsatisfied long-term contract

The Group selected to choose a practical expedient and omit disclosure of remaining performance obligations as all related contracts have a duration of one year or less.

5 收入及分部資料(續)

(b) 未履行之長期合約

本集團因其所有相關的合約年期期限為一年或以下，故選擇採用可行之權宜方式，並略去披露其剩餘履約之義務。

6 OTHER (LOSSES)/GAINS - NET

6. 其他(虧損)/收益－淨額

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Realised loss on financial assets at fair value through profit or loss	按公允價值計入損益之金融資產之已變現虧損	—	(1,559)
Net exchange gains/(losses)	淨匯兌收益/(虧損)	2,096	(21,155)
Impairment losses on property, plant and equipment (Note 14)	物業、廠房及設備減值虧損(附註14)	(20,000)	(1,181)
Impairment losses on goodwill	商譽減值虧損	—	(2,494)
Gain on disposal of a subsidiary (Note 36(d))	出售一間附屬公司之收益(附註36(d))	—	5,313
Gain on bargain purchase from the acquisition of a subsidiary (Note 36(c))	來自收購一間附屬公司之溢價收益(附註36(c))	—	18,554
Gain on modification of lease	租賃修訂之收益	109	—
Loss on disposal of a subsidiary and an associate (Note 36(a) and 36(b))	出售一間附屬公司及一間聯營公司之虧損(附註36(a)及36(b))	(41)	—
Penalty income from tenants in relation to early termination of rental agreements	來自提前終止租賃協議租戶之罰款收入	2,022	346
Sundry income	雜項收入	5,704	14,689
		(10,110)	12,513

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7 EXPENSES BY NATURE

Expenses included in “cost of sales”, “selling and distribution expenses”, “reversal of/(impairment loss) on financial assets - net” and “general and administrative expenses” are analysed as follows:

7. 按性質劃分之支出

計入「銷售成本」、「銷售及分銷支出」、「金融資產減值虧損撥回／(計入)－淨額」及「一般及行政支出」內的支出，其分析如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Cost of finished goods sold	製成品銷售成本	1,992,552	2,533,767
(Reversal of)/provision for impairment of inventories	存貨減值 (撥回)／撥備	(2,229)	1,594
Reversal of provision for onerous contracts	有償契約之 撥備撥回	—	(40,656)
Depreciation of property, plant and equipment (Note 14)	物業、廠房及設備之折舊 (附註 14)	40,669	43,195
Depreciation of right-of-use assets (Note 17)	使用權資產之折舊 (附註 17)	23,979	—
Gain on disposals of property, plant and equipment (Note 35(b))	出售物業、廠房及設備之 收益(附註 35(b))	(48)	(1,006)
Amortisation of land use rights (Note 16)	土地使用權之攤銷(附註 16)	—	202
Amortisation of intangible assets (Note 18)	無形資產之攤銷 (附註 18)	1,109	1,511
Employee benefit expenses (Note 8)	僱員福利支出(附註 8)	120,574	128,970
Expenses relating to short-term or low-value leases (Note 17)	有關短期或低價值租賃 之支出(附註 17)	3,125	—
Operating lease rental expenses in respect of retail shops, offices and warehouses	零售商舖、辦公室及 貨倉營業租賃之 租金支出	—	44,408
Property tax for investment properties	投資物業之物業稅	7,239	7,557
(Reversal of)/provision for impairment of trade and bill receivables - net (Note 26)	應收賬款及票據減值(撥回) ／撥備－淨額 (附註 26)	(3,020)	4,262
Professional fee associated with the formation of a joint venture	成立一間合營公司相關 之專業費用	—	55,368
Auditor's remuneration	核數師酬金		
– Audit services	– 核數服務	2,738	2,800
– Non-audit services	– 非核數服務	194	578
Legal and professional fees	法律及專業費用	6,432	12,312
Freight charges	運費	65,983	81,542
Storage and handling charges	倉存及處理費	8,405	7,869
Others	其他	42,319	45,442
Total	總額	2,310,021	2,929,715

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

8 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

8 僱員福利支出(包含董事酬金)

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Salaries and allowances	薪金及津貼	89,404	93,994
Bonus	花紅	15,264	13,504
Pension costs	退休金成本		
- defined contribution plans	- 界定供款計劃	6,357	7,349
Share-based payment	以股份為基礎之支付	1,996	2,311
Welfare and benefits	福利及利益	7,553	11,812
		120,574	128,970

The Group maintains two defined contribution pension schemes for its employees in Hong Kong, the ORSO Scheme and the MPF Scheme. The assets of these schemes are held separately from those of the Group under independently administered funds.

Under the ORSO Scheme, each of the Group and its employees make monthly contribution to the scheme at 5% (2019: 5%) of the employees' salary. The unvested benefits of employees who have terminated employment could be utilised by the Group to reduce its future contributions.

Under the MPF Scheme, each of the Group and its employees make monthly contributions to the scheme at 5% (2019: 5%) of the employee's relevant income, as defined in the Hong Kong Mandatory Provident Fund Scheme Ordinance. Both the Group's and the employee's contributions are subject to a cap of HK\$1,500 per month. The contributions are fully and immediately vested for the employees.

As stipulated by rules and regulations in Mainland China, the Group contributes to state-sponsored retirement plans for employees of its subsidiaries established in Mainland China. The employees are entitled to retirement pension calculated with reference to their basic salaries on retirement and their length of service in accordance with the relevant government regulations. The Group has no further obligations for the actual payment of pensions or post-retirement benefits beyond these contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to retired employees.

本集團持有兩個界定退休金供款計劃予香港之僱員，即公積金計劃及強積金計劃。此兩個計劃之資產均與本集團之資產分開持有，並由獨立基金管理。

根據公積金計劃，本集團及其僱員須各自按該僱員薪金之5% (二零一九年：5%)向該計劃作每月供款。終止僱用之僱員未歸屬之利益均由本集團用作減少未來供款。

根據強積金計劃，本集團及其僱員須各自按香港強制性公積金計劃條例所界定按該僱員有關收入之5% (二零一九年：5%)向該計劃作每月供款。本集團及其僱員之供款上限均為每月1,500港元(供款悉數及即時歸屬予僱員)。

誠如中國內地規則及法規所規定，本集團須為其設立於中國內地之附屬公司僱員提供國家資助退休計劃供款。僱員有權獲得退休金，金額參照僱員退休時之基本薪金及服務年期按有關政府法規計算得出。除該等供款外，本集團毋須另行支付任何實際退休金或退休後福利。該等國家資助退休計劃須負責向退休僱員支付全部退休金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

8 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (CONTINUED)

During the year ended 31st March 2020, the aggregate amount of the Group's contributions to the aforementioned pension schemes was approximately HK\$6,357,000 (2019: HK\$7,349,000), net of forfeited contributions of approximately HK\$223,000 (2019: HK\$283,000). As at 31st March 2019 and 2020, there is no unutilised forfeited contribution which could be utilised to reduce future contributions of the Group.

9 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The remuneration of every director for the year ended 31st March 2020 is set out below:

8 僱員福利支出(包含董事酬金)(續)

截至二零二零年三月三十一日止年度，本集團對上述退休金計劃作出之供款總額約為6,357,000港元(二零一九年：7,349,000港元)，扣除沒收供款約223,000港元(二零一九年：283,000港元)。於二零一九年及二零二零年三月三十一日，並無未動用已沒收供款可用作減少本集團未來之供款。

9 董事及高級管理人員酬金

(a) 董事酬金

截至二零二零年三月三十一日止年度，每位董事薪酬如下：

Name	Fees	Salaries and allowances	Discretionary bonuses (Note (iv))	Share-based payment (Noted (v)) 以股份為基礎之支付 (附註(v))	Employer's contribution to a retirement benefit scheme 僱主對退休福利計劃之供款	Total
名稱	酬金 HK\$'000 千港元	薪金及津貼 HK\$'000 千港元	酌情花紅 (附註(iv)) HK\$'000 千港元	基礎之支付 (附註(v)) HK\$'000 千港元	退休福利 計劃之供款 HK\$'000 千港元	總額 HK\$'000 千港元
Executive Directors 執行董事						
Mr. Yao Cho Fai Andrew	—	5,449	1,950	—	18	7,417
Mr. Lau Chi Chiu	—	1,237	102	—	61	1,400
Independent Non-executive Directors 獨立非執行董事						
Mr. Tam King Ching Kenny	225	—	—	—	—	225
Mr. Xu Lin Bao	207	—	—	—	—	207
Mr. Yeung Wing Sun Mike	180	—	—	—	—	180
Mr. Li Yinquan	180	—	—	—	—	180
	792	6,686	2,052	—	79	9,609

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綜合財務報表附註

9 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (CONTINUED)

9 董事及高級管理人員酬金(續)

(a) Directors' emoluments (Continued)

(a) 董事酬金(續)

The remuneration of every director for the year ended 31st March 2019 is set out below:

截至二零一九年三月三十一日止年度，每位董事薪酬如下：

Name	Fees	Salaries and allowances	Discretionary bonuses (Note (iv))	Share-based payment (Noted (v))	Employer's contribution to a retirement benefit scheme	Total
名稱	酬金	薪金及津貼	酌情花紅	以股份為基礎之支付	僱主對退休福利計劃之供款	總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
Executive Directors						
執行董事						
Mr. Yao Cho Fai Andrew	—	7,194	3,500	—	18	10,712
Ms. Luk Pui Yin Grace (Note (i))	—	1,312	827	19	66	2,224
Mr. Lau Chi Chiu	—	1,237	—	11	61	1,309
Independent Non-executive Directors						
獨立非執行董事						
Mr. Tam King Ching Kenny	225	—	—	—	—	225
Mr. Xu Lin Bao	207	—	—	—	—	207
Mr. Tse Lung Wa Teddy (Note (ii))	69	—	—	—	—	69
Mr. Yeung Wing Sun Mike	701	—	—	—	—	701
Mr. Li Yinquan (Note (iii))	133	—	—	—	—	133
	1,335	9,743	4,327	30	145	15,580

Notes:

- (i) Ms. Luk Pui Yin Grace resigned as an executive director on 13th December 2018. The amounts represent emoluments payable in respect of her services as an executive director up to the date of her resignation.
- (ii) Mr. Tse Lung Wa Teddy retired as an independent non-executive director on 17th August 2018. The amounts represent emoluments payable in respect of his services as an independent non-executive director up to the date of his retirement.

附註：

- (i) 於二零一八年十二月十三日，陸佩然女士辭去執行董事職務。該等款項指直至其辭任日期就其作為執行董事所提供之服務而應付之酬金。
- (ii) 於二零一八年八月十七日，謝龍華先生退任獨立非執行董事職務。該等款項指直至其退任日期就其作為獨立非執行董事所提供之服務而應付之酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

9 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (CONTINUED)

(a) Directors' emoluments (Continued)

Notes: (Continued)

- (iii) Mr. Li Yinquan was appointed as an independent non-executive director on 5th July 2018. The amounts represent emoluments payable in respect of his services as an independent non-executive director from 5th July 2018 to 31st March 2019.
- (iv) The executive directors are entitled to discretionary bonuses which are determined with reference to their performance and the performance of the Group.
- (v) Share-based payment represents charges to the consolidated income statement of the fair value of the share options under the share option scheme measured at the respective grant dates, regardless of whether the share options would be exercised or not.

No incentive payment as an inducement for joining the Group or compensation for loss of office was paid to any director during the years ended 31st March 2019 and 2020. Also, no directors waived their emoluments during the years ended 31 March 2019 and 2020.

(b) Directors' retirement benefits

None of the directors received or will receive any retirement benefits during the years ended 31st March 2019 and 2020.

(c) Directors' termination benefits

None of the directors received or will receive any termination benefits during the years ended 31st March 2019 and 2020.

(d) Consideration provided to third parties for making available directors' services

During the years ended 31st March 2019 and 2020, no consideration was paid by the Company to any third parties for making available directors' services.

9 董事及高級管理人員酬金(續)

(a) 董事酬金(續)

附註：(續)

- (iii) 於二零一八年七月五日，李引泉先生獲委任為獨立非執行董事。該等款項指就其自二零一八年七月五日至二零一九年三月三十一日作為獨立非執行董事所提供之服務而應付之酬金。
- (iv) 執行董事可收取酌情花紅，花紅參考其表現及本集團表現釐定。
- (v) 以股份為基礎之支付的購股權計劃下於各授出日期計量並於綜合損益表列作開支之購股權公允價值，而不論購股權是否獲行使。

於截至二零一九年及二零二零年三月三十一日止年度，概無已付酬金予任何董事以作鼓勵加入本集團或離職補償。此外，並無董事於截至二零一九年及二零二零年三月三十一日止年度放棄其酬金。

(b) 董事退休福利

概無董事於截至二零一九年及二零二零年三月三十一日止年度已收取或將收取任何退休福利。

(c) 董事終止僱傭福利

概無董事於截至二零一九年及二零二零年三月三十一日止年度已收取或將收取任何終止僱傭福利。

(d) 就獲提供之董事服務向第三方支付之代價

於截至二零一九年及二零二零年三月三十一日止年度，概無就獲提供之董事服務向任何第三方支付代價。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

9 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (CONTINUED)

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the years ended 31st March 2019 and 2020, there are no loans, quasi-loans and other dealing arrangements in favour of directors, bodies corporate controlled by and any connected entities with such directors.

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company has a material interest, whether directly or indirectly, subsisted at the end of 31st March 2019 and 2020 or at any time during the years ended 31st March 2019 and 2020.

(g) Five highest paid individuals

The five individuals with highest emoluments in the Group include one director (2019: two) whose emoluments are reflected in the analysis presented in Note 9(a) above. The emoluments paid/payable to the remaining four (2019: three) individuals during the year are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Salaries and allowances	薪金及津貼	7,263	4,345
Bonus	花紅	1,930	1,758
		9,193	6,103

9 董事及高級管理人員酬金(續)

(e) 有關以董事、受該等董事控制之法人團體及該等董事之關聯實體為受益人之貸款、準貸款及其他交易之資料

於截至二零一九年及二零二零年三月三十一日止年度，概無有關以董事、受該等董事控制之法人團體及該等董事之關聯實體為受益人之貸款、準貸款及其他交易安排。

(f) 董事於交易、安排或合約中之重大權益

本公司作為訂約方或本公司董事直接或間接擁有重大權益，於二零一九年及二零二零年三月三十一日年末或於二零一九年及二零二零年三月三十一日止年度內任何時間不存在與本集團業務相關的重大交易、安排及合約。

(g) 五名最高薪人士

本集團五名最高酬金人士包括一位董事(二零一九年：兩位)，彼等之酬金於上文附註9(a)所列分析中反映。本年度已付／應付其餘四位(二零一九年：三位)人士之酬金如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

9 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (CONTINUED)

(g) Five highest paid individuals (Continued)

The emoluments fell within the following bands:

		Number of individuals 人數	
		2020 二零二零年	2019 二零一九年
– HK\$1,000,001 to HK\$2,000,000	– 1,000,001 港元至 2,000,000 港元	2	2
– HK\$2,000,001 to HK\$3,000,000	– 2,000,001 港元至 3,000,000 港元	1	1
– HK\$3,000,001 to HK\$4,000,000	– 3,000,001 港元至 4,000,000 港元	1	—

No emoluments were paid/payable to the five highest paid individuals as an inducement to join the Group or as compensation for loss of office during the year (2019: Same).

9 董事及高級管理人員酬金(續)

(g) 五名最高薪人士(續)

酬金介乎以下範圍：

本年度並無支付／應付任何酬金予五名最高薪人士以作鼓勵加入本集團或作離職補償(二零一九年：相同)。

10 FINANCE INCOME AND COSTS

10 財務收入及費用

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Finance income	財務收入		
Interest income:	利息收入：		
– short-term bank deposits	– 短期銀行存款	1,216	4,920
Finance costs	財務費用		
Interest expenses:	利息支出：		
– bank borrowings	– 銀行借貸	(73,981)	(74,721)
– lease liabilities	– 租賃負債	(2,147)	—
Bank charges	銀行費用	(3,488)	(5,917)
		(79,616)	(80,638)
Net finance costs	淨財務費用	(78,400)	(75,718)

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綜合財務報表附註

11 INCOME TAX EXPENSES

Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profit for the year.

During the year, subsidiaries established in Mainland China are subject to China corporate income tax at 25% (2019: 25%).

The amount of income tax expense recorded in the consolidated income statement represents:

11 所得稅支出

本集團已按經營所在國家之現行稅率就年內估計應課稅溢利計算海外溢利之稅項。

香港利得稅乃根據本年度估計應課稅溢利按稅率 16.5% (二零一九年：16.5%) 作出撥備。

本年度，於中國內地成立之附屬公司按稅率 25% (二零一九年：25%) 繳付中國企業所得稅。

於綜合損益表中列賬之所得稅支出包括：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current income tax	當期所得稅		
– Hong Kong profits tax	– 香港利得稅	2,926	7,093
– China corporate income tax	– 中國企業所得稅	808	3,465
Deferred income tax (Note 22)	遞延所得稅(附註22)	(2,118)	2,889
		1,616	13,447

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

11 INCOME TAX EXPENSES (CONTINUED)

The tax on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities is as follows:

11 所得稅支出(續)

本集團除稅前(虧損)/溢利之稅項與按綜合實體溢利適用之加權平均稅率計算之理論金額有所差異，詳情如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
(Loss)/profit before income tax	除稅前(虧損)/溢利	(86,535)	17,826
Tax calculated at domestic tax rates applicable to profit in the respective jurisdictions	按適用於各司法權區溢利所適用之當地稅率計算之稅項	(14,304)	13,358
Income not subject to tax	毋須課稅之收入	(956)	(1,394)
Expenses not deductible for tax purposes	不可扣稅之支出	6,234	9,644
Tax losses not recognised as deferred income tax assets	並無確認遞延所得稅資產之稅項虧損	10,992	10,313
Deferred income tax liabilities in respect of withholding tax on Mainland China unremitted earnings	就中國內地未分派盈利之遞延所得稅負債	(278)	(307)
Utilisation of previously unrecognised tax loss	使用先前未確認的稅務虧損	(72)	(872)
Recognition of tax losses previously not recognised	確認先前未曾確認的稅項虧損	—	(17,295)
Income tax expenses	所得稅支出	1,616	13,447

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

12 DIVIDENDS

The Board does not recommend the payment of final dividend for the year ended 31st March 2020 (2019: HK2.00 cents per ordinary share).

13 (LOSS)/EARNINGS PER ORDINARY SHARE

(a) Basic

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

12 股息

董事會並不建議就截至二零二零年三月三十一日止年度派付末期股息(二零一九年：每股普通股2.00港仙)。

13. 每股普通股(虧損)/盈利

(a) 基本

每股普通股基本(虧損)/盈利乃按本公司擁有人應佔(虧損)/溢利除以本年度已發行普通股之加權平均數計算。

		2020 二零二零年	2019 二零一九年
(Loss)/profit attributable to owners of the Company (HK\$'000)	本公司擁有人應佔(虧損)/溢利(千港元)	(90,309)	13,888
Weighted average number of ordinary shares in issue ('000)	已發行普通股之加權平均數(千股)	641,232	640,861
Basic (loss)/earnings per ordinary share (HK cents)	每股普通股基本(虧損)/盈利(港仙)	(14.08)	2.17

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

(b) Diluted

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

13. 每股普通股(虧損)/盈利(續)

(b) 攤薄

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

		2020 二零二零年	2019 二零一九年
(Loss)/profit attributable to owners of the Company and used to determine diluted (loss)/earnings per ordinary share (HK\$'000)	本公司擁有人應佔(虧損)/溢利及用以釐定每股普通股攤薄(虧損)/盈利(千港元)	(90,309)	13,888
Weighted average number of ordinary shares in issue ('000)	已發行普通股之加權平均數(千股)	641,232	640,861
Adjustment for share options ('000) (Note)	購股權之調整(千股)(附註)	—	5,692
Weighted average number of ordinary shares for diluted (loss)/earnings per ordinary share ('000)	每股普通股攤薄(虧損)/盈利之普通股加權平均數(千股)	641,232	646,553
Diluted (loss)/earnings per ordinary share (HK cents)	每股普通股攤薄(虧損)/盈利(港仙)	(14.08)	2.15

Note:

Diluted loss per share for the year ended 31st March 2020 was the same as basic loss per share since all potential ordinary shares are anti-dilutive.

附註：

由於所有潛在普通股具有反攤薄效應，故截至二零二零年三月三十一日止年度的每股普通股攤薄虧損與每股普通股基本虧損相同。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

14 PROPERTY, PLANT AND EQUIPMENT

14 物業、廠房及設備

		Buildings	Leasehold improvement, furniture and equipment 租賃物業裝修、傢俬及設備	Machinery	Motor vehicles and vessels	Total
		樓宇	及設備	機器	汽車及船舶	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1st April 2018	於二零一八年四月一日					
Cost	成本	164,118	57,125	33,417	21,144	275,804
Accumulated depreciation	累計折舊	(70,498)	(50,018)	(12,967)	(11,002)	(144,485)
Net book amount	賬面淨額	93,620	7,107	20,450	10,142	131,319
Year ended 31st March 2019	截至二零一九年三月三十一日止年度					
Opening net book amount	期初賬面淨額	93,620	7,107	20,450	10,142	131,319
Transfer to inventory	轉至存貨	—	—	(3)	—	(3)
Additions	添置	—	255	103	2,094	2,452
Acquisition of a subsidiary (Note 36(c))	收購一間附屬公司 (附註36(c))	—	3,292	25,671	204	29,167
Disposals	出售	(926)	(79)	(67)	(411)	(1,483)
Disposal of a subsidiary (Note 36(d))	出售一間附屬公司 (附註36(d))	(2)	—	—	—	(2)
Depreciation	折舊	(32,474)	(3,342)	(5,486)	(1,893)	(43,195)
Impairment loss	減值虧損	—	—	(1,181)	—	(1,181)
Currency translation differences	貨幣匯兌差額	(65)	(114)	—	(128)	(307)
Closing net book amount	期末賬面淨額	60,153	7,119	39,487	10,008	116,767
At 31st March 2019	於二零一九年三月三十一日					
Cost	成本	162,914	60,896	59,211	19,144	302,165
Accumulated depreciation	累計折舊	(102,761)	(53,777)	(19,724)	(9,136)	(185,398)
Net book amount	賬面淨額	60,153	7,119	39,487	10,008	116,767

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

14 物業、廠房及設備(續)

		Buildings	Leasehold improvement, furniture and equipment 租賃物業裝修、傢俬及設備	Machinery	Motor vehicles and vessels	Total
		樓宇	及設備	機器	汽車及船舶	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Year ended 31st March 2020	截至二零二零年三月三十一日止年度					
Opening net book amount	期初賬面淨額	60,153	7,119	39,487	10,008	116,767
Additions	添置	—	2,701	5,194	275	8,170
Disposals	出售	—	(14)	—	(74)	(88)
Disposal of a subsidiary (Note 36(a))	出售一間附屬公司 (附註36(a))	—	(268)	(7,634)	(7,124)	(15,026)
Depreciation	折舊	(32,445)	(2,982)	(4,149)	(1,093)	(40,669)
Impairment loss (Note)	減值虧損(附註)	(20,000)	—	—	—	(20,000)
Currency translation differences	貨幣匯兌差額	—	(69)	—	(106)	(175)
Closing net book amount	期末賬面淨額	7,708	6,487	32,898	1,886	48,979
At 31st March 2020	於二零二零年三月三十一日					
Cost	成本	162,914	59,726	48,979	6,976	278,595
Accumulated depreciation and impairment	累計折舊及減值	(155,206)	(53,239)	(16,081)	(5,090)	(229,616)
Net book amount	賬面淨額	7,708	6,487	32,898	1,886	48,979

Depreciation expense of approximately HK\$3,558,000 (2019: HK\$5,208,000) was charged to "cost of sales" and approximately HK\$37,111,000 (2019: HK\$37,987,000) was charged to "general and administrative expenses" in the consolidated income statement.

折舊支出約3,558,000港元(二零一九年: 5,208,000港元)及約37,111,000港元(二零一九年: 37,987,000港元)分別於綜合損益表之「銷售成本」及「一般及行政支出」中扣除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Note:

During the year ended 31st March 2020, due to the adverse global economic performance, management considered there were indicators of impairment of the Group's Tsing Yi plant and thus undertaken an assessment on the impairment of the related property, plant and equipment. Based on the latest forecast utilisation of the Group's Tsing Yi plant to reflect the current performance and business outlook, the estimated recoverable amounts of certain property, plant and equipment were below its carrying amounts and an impairment charge of HK\$20,000,000 was recognised in "other (losses)/gains – net" for the year ended 31st March 2020.

Property, plant and equipment have been attributed to the lowest cash-generating unit and the recoverable amount has been determined based on value-in-use calculation of present value of expected future cash flows. Management determined the compound annual growth rate of revenue over the period (assuming the lease of the Tsing Yi plant will be renewed for similar terms upon expiry) with compound annual growth rate ranging from 2% - 5%. The discount rate of 19.2% used in the value-in-use calculation reflected specific risks relating to the cash-generating unit.

15 INVESTMENT PROPERTIES

14 物業、廠房及設備(續)

附註：

截至二零二零年三月三十一日止年度，由於全球經濟表現不振，管理層認為本集團青衣廠房有出現減值之跡象，因此就有關物業、廠房及設備進行減值評估。根據本集團青衣廠房近期預測之使用率以反映目前表現及業務展望，若干物業、廠房及設備之估計可收回金額低於其賬面值，並已於截至二零二零年三月三十一日止年度之其他(虧損)/收益－淨額確認減值支出20,000,000港元。

物業、廠房及設備已歸於最小現金產生單位，而可收回金額已按預期未來現金流量現值之使用價值計算釐定。管理層釐定期間內收入之複合年增長率(假設青衣廠房之租賃將於期滿按相若條款續期)，而複合年增長率介乎2%至5%。用於使用價值計算之貼現率19.2%反映與現金產生單位相關之特定風險。

15 投資物業

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At fair value	按公允價值		
At beginning of year	於年初	1,413,227	1,389,377
Capitalised subsequent expenditure	其後開支撥充資本	1,482	6,040
Fair value (loss)/gain on investment properties, net	投資物業之公允價值(虧損)/收益淨額	(88)	108,865
Currency translation differences	貨幣匯兌差額	(89,797)	(91,055)
At end of year	於年末	1,324,824	1,413,227

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 INVESTMENT PROPERTIES (CONTINUED)

(i) Amount recognised in consolidated income statement for investment properties as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Rental income	租金收入	51,718	58,124
Direct operating expenses from properties that generated rental income	來自產生租金收入之物業之直接經營開支	(8,547)	(10,716)
		43,171	47,408

(ii) Non-current assets pledged as security

Investment properties of approximately HK\$1,324,256,000 (2019: HK\$1,404,990,000) was pledged as collaterals for certain of the Group's bank borrowings of approximately HK\$436,942,000 (Note 31) and bill payables of approximately HK\$109,100,000 (2019: bank borrowings of approximately HK\$484,616,000).

(iii) Valuation technique

As at 31st March 2020, investment properties of approximately HK\$1,324,824,000 (2019: HK\$1,413,227,000) were stated at open market value based on valuations assessed by an independent professional qualified valuer and reviewed by the directors.

The following table analyses the investment properties carried at fair value, by valuation method.

15 投資物業(續)

(i) 於綜合損益表中確認之投資物業金額如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Rental income	租金收入	51,718	58,124
Direct operating expenses from properties that generated rental income	來自產生租金收入之物業之直接經營開支	(8,547)	(10,716)
		43,171	47,408

(ii) 質押非流動資產

投資物業約1,324,256,000港元(二零一九年：1,404,990,000港元)已作為本集團若干銀行借貸約436,942,000港元(附註31)及應付票據約109,100,000港元(二零一九年：銀行借貸約484,616,000港元)之抵押品質押。

(iii) 估值技術

於二零二零年三月三十一日，投資物業約1,324,824,000港元(二零一九年：1,413,227,000港元)乃由董事按獨立專業合資格估值師評估之估值以公開市值列示及由董事審閱。

下表以估值法分析以公允價值列賬之投資物業。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 INVESTMENT PROPERTIES (CONTINUED)

(iii) Valuation technique (Continued)

Fair value hierarchy

		Fair value measurement at 31st March 2020 using 於二零二零年三月三十一日 使用下列項目進行之公允價值計量		
Description	描述	Quoted prices in active markets for identical assets 於活躍市場 可識別資產 之報價 (Level 1) (第一層) HK\$'000 千港元	Significant other observable inputs 重大其他 可觀察 輸入數據 (Level 2) (第二層) HK\$'000 千港元	Significant unobservable inputs 重大 不可觀察 輸入數據 (Level 3) (第三層) HK\$'000 千港元
		Recurring fair value measurement – Commercial units – Mainland China	經常性公允價值計量 – 商業單元 – 中國內地	—

15 投資物業(續)

(iii) 估值技術(續)

公允價值等級

		Fair value measurement at 31st March 2019 using 於二零一九年三月三十一日 使用下列項目進行之公允價值計量		
Description	描述	Quoted prices in active markets for identical assets 於活躍市場 可識別資產 之報價 (Level 1) (第一層) HK\$'000 千港元	Significant other observable inputs 重大其他 可觀察 輸入數據 (Level 2) (第二層) HK\$'000 千港元	Significant unobservable inputs 重大 不可觀察 輸入數據 (Level 3) (第三層) HK\$'000 千港元
		Recurring fair value measurement – Commercial units – Mainland China	經常性公允價值計量 – 商業單元 – 中國內地	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 INVESTMENT PROPERTIES (CONTINUED)

(iii) Valuation technique (Continued)

Fair value measurement using significant unobservable inputs (Level 3)

15 投資物業(續)

(iii) 估值技術(續)

使用重大不可觀察輸入之公允價值計量(第三層)

		Mainland China 中國內地 HK\$'000 千港元
As at 1st April 2019	於二零一九年四月一日	1,413,227
Capitalised subsequent expenditure	其後開支撥充資本	1,482
Fair value loss on investment properties, net	投資物業之公允價值虧損·淨額	(88)
Currency translation differences	貨幣匯兌差額	(89,797)
As at 31st March 2020	於二零二零年三月三十一日	1,324,824
Total unrealised loss for the year included in the consolidated income statement for assets held at 31st March 2020	於二零二零年三月三十一日 所持資產於本年度計入綜合損益表 之未變現虧損總額	(88)
As at 1st April 2018	於二零一八年四月一日	1,389,377
Capitalised subsequent expenditure	其後開支撥充資本	6,040
Fair value gain on investment properties	投資物業之公允價值收益	108,865
Currency translation differences	貨幣匯兌差額	(91,055)
As at 31st March 2019	於二零一九年三月三十一日	1,413,227
Total unrealised gains for the year included in the consolidated income statement for assets held at 31st March 2019	於二零一九年三月三十一日 所持資產於本年度計入綜合損益表 之未變現收益總額	108,865

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 INVESTMENT PROPERTIES (CONTINUED)

(iii) Valuation technique (Continued)

Fair value measurement using significant unobservable inputs (Level 3) (Continued)

Information about fair value measurements using significant unobservable inputs (Level 3) as follows:

Description	Fair value (HK\$'000) 公允價值 (千港元)	Valuation technique 估值技術	Unobservable inputs 不可觀察 輸入數據	Range of unobservable inputs 不可觀察 輸入數據範圍	Relationship of unobservable inputs to fair value 不可觀察輸入數據與 公允價值之關係
As at 31st March 2020					
於二零二零年 三月三十一日					
Investment properties – Mainland China	1,324,824	Income capitalisation approach and direct comparison approach	Adjusted market yields	4.00% to 5.00%	The higher the adopted yields, the lower the fair value
投資物業 – 中國內地		收益資本化法及 直接比較法	經調整市場 收益率	4.00%至5.00%	已採納收益率越高， 公允價值越低
As at 31st March 2019					
於二零一九年 三月三十一日					
Investment properties – Mainland China	1,413,227	Income capitalisation approach and direct comparison approach	Adjusted market yields	4.00% to 5.00%	The higher the adopted yields, the lower the fair value
投資物業 – 中國內地		收益資本化法及 直接比較法	經調整市場 收益率	4.00%至5.00%	已採納收益率越高， 公允價值越低

Valuation processes of the investment properties

The Group engages external, independent and qualified valuer to determine the fair value of the investment properties at the end of each financial year. As at 31st March 2020, the fair value of the investment properties owned by the Group was determined by Knight Frank Petty Limited (2019: Same).

The Group's finance department reviews the valuations performed by Knight Frank Petty Limited for financial reporting purpose. These valuation results are then reported to the Group's management for discussions and review in relation to the valuation processes and the reasonableness of valuation results.

15 投資物業(續)

(iii) 估值技術(續)

使用重大不可觀察輸入之公允價值計量(第三層)(續)

有關使用重大不可觀察輸入(第三層)之公允價值計量之資料如下：

投資物業之估值程序

本集團委聘外部獨立及合資格估值師釐定於各財政年度末投資物業之公允價值。於二零二零年三月三十一日，由本集團擁有之投資物業之公允價值已由萊坊測計師行有限公司釐定(二零一九年：相同)。

本集團之財務部門會為財務報告目的所需，檢討由萊坊測計師行有限公司作出之評估。有關估值結果其後將向本集團管理層匯報，以就估值程序及估值結果的合理性進行討論及檢討。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 INVESTMENT PROPERTIES (CONTINUED)

(iii) Valuation technique (Continued)

Valuation processes of the investment properties (Continued)

The main Level 3 input used by the Group is derived and evaluated as follows:

Adjusted market yields

The adjusted market yields have been determined by making reference to the investment returns implied from recent sale transactions, with adjustments to reflect the differences between the comparables and the investment properties in terms of location, building quality and other factors.

16 LAND USE RIGHTS

The Group's interests in land use rights represent prepaid operating lease payments in the PRC with 60 years term and their net book amounts are analysed as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At beginning of year	於年初	9,019	9,316
Change in accounting policy (Note 2.2)	會計政策變動(附註2.2)	(9,019)	—
Amortisation	攤銷	—	(202)
Disposal of a subsidiary (Note 36(d))	出售一間附屬公司(附註36(d))	—	(95)
At end of year	於年末	—	9,019

Land use rights previously presented as a separate line item on the consolidated statement of financial position was reclassified as right-of-use assets with effect from 1st April 2019. See Note 2.2 for adjustments recognised on initial adoption of HKFRS 16 on 1st April 2019.

Amortisation of land use rights has been included in "general and administrative expenses" in the consolidated income statement.

15 投資物業(續)

(iii) 估值技術(續)

投資物業之估值程序(續)

本集團使用的主要第三層輸入來源及評估於如下：

經調整市場收益率

經調整市場收益率乃經參考近期銷售交易隱含投資回報(經調整以反映可比較物業與投資物業所在位置、樓宇質量及其他因素方面之差異)予以釐定。

16 土地使用權

本集團於土地使用權之權益包括於中國為期60年之預付營業租約款項及其賬面淨額分析如下：

先前於綜合財務狀況表呈列為單獨項目之土地使用權已重新分類為使用權資產，並於二零一九年四月一日起生效。有關於二零一九年四月一日首次採納香港財務報告準則第16號所確認之調整，見附註2.2。

土地使用權之攤銷已計入綜合損益表之「一般及行政支出」。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17 LEASES

This note provides information for leases where the group is a lessee.

(i) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

		31st March 2020 二零二零年 三月三十一日 HK\$'000 千港元	1st April 2019* 二零一九年 四月一日* HK\$'000 千港元
Right-of-use assets	使用權資產		
Land use rights	土地使用權	8,817	9,019
Sites, shops, offices and warehouses	工地、商舖、辦公室 及貨倉	23,273	46,374
		32,090	55,393
Lease liabilities	租賃負債		
Current	流動	23,693	22,465
Non-current	非流動	3,499	27,810
		27,192	50,275

* See Note 2.2 for adjustments recognised on initial adoption of HKFRS 16 on 1st April 2019.

Additions to the right-of-use assets during the year ended 31st March 2020 were HK\$12,849,000.

17 租賃

本附註提供租賃(當本集團為承租人)之資料。

(i) 於綜合財務狀況表確認之金額

綜合財務狀況表呈列以下與租賃相關之款項：

* 有關於二零一九年四月一日初始採納香港財務報告準則第16號所確認之調整，見附註2.2。

截至二零二零年三月三十一日止年度添置至使用權資產為12,849,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17 LEASES (CONTINUED)

(ii) Measurement of right-of-use assets

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

17 租賃(續)

(ii) 使用權資產計量

已確認的使用權資產與下列資產類別相關：

		Land use rights 土地使用權 HK\$'000 千港元	Sites, shops, offices and warehouses 工地、商舖、 辦公室及貨倉 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 31st March 2019	於二零一九年 三月三十一日	—	—	—
Change in accounting policy (Note 2.2)	會計政策變動 (附註2.2)	9,019	46,374	55,393
Restated total at 1st April 2019	於二零一九年四月一日 之經重列總額	9,019	46,374	55,393
Additions	添置	—	12,849	12,849
Depreciation	折舊	(202)	(23,777)	(23,979)
Modification of lease contracts	租賃合約修訂	—	(11,845)	(11,845)
Exchange differences	匯兌差額	—	(328)	(328)
At 31st March 2020	於二零二零年 三月三十一日	8,817	23,273	32,090

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17 LEASES (CONTINUED)

(iii) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

	Notes 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Depreciation of right-of-use assets	使用權資產之折舊		
Land use rights	土地使用權	202	—
Sites, shops, offices and warehouses	工地、商舖、辦公室及貨倉	23,777	—
	7	23,979	—
Interest expense for lease liabilities	租賃負債之利息開支	2,147	—
Expenses relating to short-term leases	有關短期租賃之開支	3,125	—

The total cash outflow for leases for the year ended 31st March 2020 was HK\$28,899,000.

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

The Group leases various sites, retail shops, offices and warehouses. Rental contracts are typically made for fixed periods of 1 year to 7 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants. Leased assets may not be used as security for borrowing purposes.

17 租賃(續)

(iii) 於綜合收益表確認之金額

綜合收益表呈列以下與租賃相關之款項：

租賃於截至二零二零年三月三十一日止年度之現金流出總額為28,899,000港元。

(iv) 本集團之租賃活動及其會計方式

本集團租賃各類工地、商舖、辦公室及倉庫。租賃合約一般按固定期限一至七年訂立。

租賃條款按個別基準協商，且包含各種不同條款及條件。租賃協議並無施加任何契約，惟租賃資產不得用作借貸之抵押品。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

18 INTANGIBLE ASSETS

18 無形資產

		Goodwill 商譽 HK\$'000 千港元	Distribution rights 分銷權 HK\$'000 千港元	Customer contracts 客戶合約 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1st April 2018	於二零一八年四月一日				
Cost	成本	13,158	7,939	4,703	25,800
Accumulated amortisation and impairment	累計攤銷 及減值	(10,664)	(7,939)	(590)	(19,193)
Net book amount	賬面淨額	2,494	—	4,113	6,607
Year ended 31st March 2019	截至二零一九年 三月三十一日止年度				
Opening net book amount	期初賬面淨額	2,494	—	4,113	6,607
Amortisation	攤銷	—	—	(1,511)	(1,511)
Impairment	減值	(2,494)	—	—	(2,494)
Closing net book amount	期末賬面淨額	—	—	2,602	2,602
At 31st March 2019	於二零一九年三月三十一日				
Cost	成本	13,158	7,939	4,703	25,800
Accumulated amortisation and impairment	累計攤銷 及減值	(13,158)	(7,939)	(2,101)	(23,198)
Net book amount	賬面淨額	—	—	2,602	2,602
Year ended 31st March 2020	截至二零二零年 三月三十一日止年度				
Opening net book amount	期初賬面淨額	—	—	2,602	2,602
Amortisation	攤銷	—	—	(1,109)	(1,109)
Closing net book amount	期末賬面淨額	—	—	1,493	1,493
At 31st March 2020	於二零二零年三月三十一日				
Cost	成本	13,158	7,939	4,703	25,800
Accumulated amortisation and impairment	累計攤銷 及減值	(13,158)	(7,939)	(3,210)	(24,307)
Net book amount	賬面淨額	—	—	1,493	1,493

18 INTANGIBLE ASSETS (CONTINUED)

(i) Customer contracts

The customer contracts were acquired as part of a business combination, and are recognised at their fair value at the date of acquisition and are subsequently amortised based on the timing of projected cash flows of the contracts over their estimate useful lives.

Amortisation expense of customer contracts has been included in the “general and administrative expenses” in the consolidated income statement.

(ii) Impairment tests for goodwill

Goodwill is allocated to the Group’s cash-generating unit (“CGU”) of Property Investment and Project Management Business - Fanrich Consultants (Shanghai) Limited (“Fanrich”).

During the year ended 31st March 2019, management has performed impairment assessments for the CGU of Fanrich, and concluded its value-in-use was below its carrying amount. Accordingly, impairment of goodwill of HK\$2,494,000 was recognised in the consolidated income statement.

18 無形資產(續)

(i) 客戶合約

客戶合約乃作為業務合併的一部分而收購，並於收購日期按其公允價值確認，其後根據估計可使用年期內合約內預計現金流之時間攤銷。

客戶合約攤銷支出已計入綜合損益表中的「一般行政及管理費用」。

(ii) 商譽減值測試

商譽分配至本集團房地產投資及項目管理業務－永蕃投資諮詢(上海)有限公司(「永蕃」)的現金產生單位(「現金產生單位」)。

於二零一九年三月三十一日止年度內，管理層對永蕃現金產生單位進行一項減值評估，並認為其使用價值低於其賬面值。據此，商譽減值2,494,000港元已於綜合損益表中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

19 FINANCIAL INSTRUMENTS BY CATEGORY

19 金融工具分類

		Loan and receivables	Fair value through profit or loss	Fair value through other comprehensive income	Total
		貸款及應收賬款	計入損益之公允價值	計入其他全面收入之公允價值	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
As at 31st March 2020	於二零二零年三月三十一日				
Assets as per consolidated statement of financial position	綜合財務狀況表內之資產				
Financial assets at fair value through other comprehensive income	按公允價值計入其他全面收入之金融資產	—	—	62	62
Trade and other receivables (excluding non-financial assets)	應收賬款及其他應收賬款 (不包括非金融資產)	383,847	—	—	383,847
Financial assets at fair value through profit or loss	按公允價值計入損益之金融資產	—	15,820	—	15,820
Pledged bank deposits	已抵押銀行存款	9,137	—	—	9,137
Cash and cash equivalents	現金及現金等值	120,045	—	—	120,045
Total	總額	513,029	15,820	62	528,911

		At amortised cost
		按攤銷成本
		HK\$'000
		千港元
As at 31st March 2020	於二零二零年三月三十一日	
Liabilities as per consolidated statement of financial position	綜合財務狀況表內之負債	
Borrowings	借貸	1,415,638
Trade and bill payables	應付賬款及票據	166,929
Other payables (excluding non-financial liabilities)	其他應付賬款 (不包括非金融負債)	46,584
Lease liabilities	租賃負債	27,192
Total	總額	1,656,343

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

19 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

19 金融工具分類(續)

	Loan and receivables 貸款及 應收賬款 HK\$'000 千港元	Fair value through profit or loss 計入損益之 公允價值 HK\$'000 千港元	Fair value through other comprehensive income 計入其他 全面收入之 公允價值 HK\$'000 千港元	Total 總額 HK\$'000 千港元
As at 31st March 2019				
Assets as per consolidated statement of financial position	於二零一九年三月三十一日 綜合財務狀況表內 之資產			
Financial assets at fair value through other comprehensive income	按公允價值 計入其他全面收入 之金融資產	—	144	144
Trade and other receivables (excluding non-financial assets)	應收賬款及其他應收賬款 (不包括非金融資產)	513,037	—	513,037
Financial assets at fair value through profit or loss	按公允價值計入損益 之金融資產	—	36,698	36,698
Pledged bank deposits	已抵押銀行存款	38,884	—	38,884
Cash and cash equivalents	現金及現金等值	126,775	—	126,775
Total	總額	678,696	36,698	715,538

		At amortised cost 按攤銷成本 HK\$'000 千港元
As at 31st March 2019	於二零一九年三月三十一日	
Liabilities as per consolidated statement of financial position	綜合財務狀況表內 之負債	
Borrowings	借貸	1,492,549
Trade and bill payables	應付賬款及票據	189,093
Other payables (excluding non-financial liabilities)	其他應付賬款(不包括非金融負債)	50,600
Total	總額	1,732,242

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

20 SUBSIDIARIES

Details of the principal subsidiaries as at 31st March 2020 are as follows:

20 附屬公司

於二零二零年三月三十一日之主要附屬公司之詳情如下：

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊成立／成立地點 及法律實體性質	Particulars of issued share capital/ registered capital 已發行股本／ 註冊資本之詳情	Percentage of equity interest attributable to the Company 本公司應佔 股本權益百分比		Principal activities and place of operations 主要業務 及經營地點
			2020 二零二零年	2019 二零一九年	
Asia Infrastructure Resources Group Limited 亞洲基建資源集團有限公司	Cayman Islands, limited liability company 開曼群島，有限責任公司	HK\$0.2 0.2港元	100%	100%	Investment holding in Hong Kong 於香港投資控股
Fanrich Consultants (Shanghai) Limited* 永蕃投資諮詢(上海)有限公司	Mainland China, limited liability company 中國內地，有限責任公司	RMB10,000,000 人民幣 10,000,000	42%	42%	Provision of investment consultancy services in Mainland China 於中國內地提供投資諮詢服務
Hongkong and Shanghai Land Capital Ltd. 滬港地產資本有限公司	Cayman Islands, limited liability company 開曼群島，有限責任公司	US\$5 5美元	60%	60%	Fund Management outside Hong Kong and Mainland China 於香港及中國內地以外地區 從事基金管理
Hongkong and Shanghai Land Group Limited 滬港地產集團有限公司	British Virgin Islands, limited liability company 英屬處女群島，有限責任公司	US\$1 1美元	100%	100%	Investment holding in Hong Kong and Mainland China 於香港及中國內地投資控股
HSL Asset Management (HK) Limited 滬港資產管理(香港)有限公司	Hong Kong, limited liability company 香港，有限責任公司	HK\$1 1港元	60%	60%	Provision of management services in Hong Kong 於香港提供管理服務
HSL Investment Advisory (HK) Limited 滬港投資諮詢(香港)有限公司	Hong Kong, limited liability company 香港，有限責任公司	HK\$1 1港元	100%	60%	Provision of investment advisory services in Hong Kong 於香港提供投資諮詢服務
Plentiful Praise Limited 頌裕有限公司	British Virgin Islands, limited liability company 英屬處女群島，有限責任公司	US\$100 100美元	62%	62%	Investment holding in Hong Kong and Mainland China 於香港及中國內地投資控股
Shanghai Bao Shun Chang International Trading Co., Ltd.* 上海寶順昌國際貿易有限公司	Mainland China, limited liability company 中國內地，有限責任公司	RMB27,500,000 人民幣 27,500,000	80.9%	80.9%	Stockholding and trading of steel in Mainland China 於中國內地存銷及買賣鋼材

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

20 SUBSIDIARIES (CONTINUED)

20 附屬公司(續)

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊成立/成立地點 及法律實體性質	Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本之詳情	Percentage of equity interest attributable to the Company 本公司應佔 股本權益百分比		Principal activities and place of operations 主要業務 及經營地點
			2020 二零二零年	2019 二零一九年	
Top Bloom Group Limited	British Virgin Islands, limited liability company 英屬處女群島, 有限責任公司	US\$1 1美元	100%	—	Investment holding in Hong Kong and Mainland China 於香港及中國內地投資控股
Van Shung Chong (B.V.I.) Limited (i)	British Virgin Islands, limited liability company 英屬處女群島, 有限責任公司	US\$6 6美元	100%	100%	Investment holding in Hong Kong 於香港投資控股
Van Shung Chong Hong Limited 萬順昌行有限公司	Hong Kong, limited liability company 香港, 有限責任公司	HK\$2,000 ordinary and HK\$10,000,000 non-voting deferred 2,000港元普通股 及10,000,000港元 無投票權遞延股份	100%	100%	Provision of management services in Hong Kong 於香港提供管理服務
VSC Building Products Company Limited 萬順昌建築材料有限公司	Hong Kong, limited liability company 香港, 有限責任公司	HK\$2 2港元	100%	100%	Trading of sanitary wares, kitchen cabinets and kitchen cabinet installation in Hong Kong 於香港買賣衛浴潔具及廚櫃 以及安裝廚櫃
VSC Building Products (Macau) Company Limited 萬順昌建築材料(澳門)有限公司	Macau, limited liability company 澳門, 有限責任公司	MOP\$30,000 澳門幣30,000元	100%	100%	Trading of sanitary wares in Macau 於澳門買賣衛浴潔具
VSC Construction Steel Solutions Limited	Hong Kong, limited liability company 香港, 有限責任公司	HK\$156,568,000 156,568,000港元	100%	100%	Principally engaged in the provision of steel processing services in Hong Kong 於香港主要從事鋼鐵加工服務
VSC Plastics Company Limited 萬順昌塑膠有限公司	Hong Kong, limited liability company 香港, 有限責任公司	HK\$2 2港元	100%	100%	Trading of engineering plastics in Hong Kong 於香港買賣工程塑膠

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

20 SUBSIDIARIES (CONTINUED)

20 附屬公司(續)

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊成立/成立地點 及法律實體性質	Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本之詳情	Percentage of equity interest attributable to the Company 本公司應佔 股本權益百分比		Principal activities and place of operations 主要業務 及經營地點
			2020 二零二零年	2019 二零一九年	
VSC Steel Company Limited 萬順昌鋼鐵有限公司	Hong Kong, limited liability company 香港, 有限責任公司	HK\$38,000 ordinary and HK\$20,000,000 non-voting deferred 38,000港元普通股 及20,000,000港元 無投票權遞延股份	100%	100%	Stockholding and trading of steel in Hong Kong 於香港存銷及買賣鋼材
VSC Steel Processing Holdings Limited 萬順昌鋼材加工控股有限公司	Hong Kong, limited liability company 香港, 有限責任公司	HK\$1 1港元	100%	100%	Investment holding in Hong Kong, and provision of logistic and management service of steel 於香港投資控股及為鋼材 提供物流及管理服務
VSC Steel Processing Limited 萬順昌鋼材加工有限公司	Hong Kong, limited liability company 香港, 有限責任公司	HK\$1 1港元	100%	100%	Principally engaged in the operation of the land situated in Tsing Yi 主要經營位於青衣之土地
上海个盈置業有限公司	Mainland China, limited liability company 中國內地, 有限責任公司	RMB429,130,000 人民幣429,130,000	100%	100%	Holding property in Mainland China 於中國內地持有物業
上海北盈置業有限公司	Mainland China, limited liability company 中國內地, 有限責任公司	RMB92,835,165 人民幣92,835,165	100%	100%	Holding property in Mainland China 於中國內地持有物業
上海盈蕃資產管理有限公司	Mainland China, limited liability company 中國內地, 有限責任公司	HK\$20,000,000 20,000,000港元	60%	60%	Provision of asset and investment management services in Mainland China 於中國內地提供資產及 投資管理服務

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

20 SUBSIDIARIES (CONTINUED)

20 附屬公司(續)

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊成立/成立地點 及法律實體性質	Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本之詳情	Percentage of equity interest attributable to the Company 本公司應佔 股本權益百分比		Principal activities and place of operations 主要業務 及經營地點
			2020 二零二零年	2019 二零一九年	
上海新施房地產經紀有限公司	Mainland China, limited liability company 中國內地, 有限責任公司	US\$1,500,000 1,500,000美元	60%	60%	Property agent in Mainland China 於中國內地為物業代理
利尚派國際貿易(上海)有限公司	Mainland China, limited liability company 中國內地, 有限責任公司	US\$6,500,000 6,500,000美元	100%	100%	Trading of sanitary wares in Mainland China 於中國內地買賣衛浴潔具
萬順昌(上海)企業管理有限公司	Mainland China, limited liability company 中國內地, 有限責任公司	US\$7,280,000 7,280,000美元	100%	100%	Provision of management service and trading of sanitary wares and kitchen cabinets in Mainland China 於中國內地提供管理服務 以及買賣衛浴潔具及廚櫃
銀運貿易(上海)有限公司	Mainland China, limited liability company 中國內地, 有限責任公司	RMB5,000,000 人民幣5,000,000	100%	100%	Trading of engineering plastics in Mainland China 於中國內地買賣工程塑膠
武漢三金建材有限公司	Mainland China, limited liability company 中國內地, 有限責任公司	RMB10,000,000 人民幣10,000,000	100%	100%	Trading of sanitary wares in Mainland China 於中國內地買賣衛浴潔具

Note:

- (i) The shares of Van Shung Chong (B.V.I.) Limited are held directly by the Company. The shares of other subsidiaries are held indirectly.

The above list includes the subsidiaries of the Company which, in the opinion of the directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

* For identification only

附註:

- (i) Van Shung Chong (B.V.I.) Limited之股份由本公司直接持有。其他附屬公司之股份則間接持有。

以上所列者乃董事認為對本集團之業績或資產有主要影響之附屬公司。董事認為列出其他附屬公司之詳情會令資料過於冗長。

* 僅供識別

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

21 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Set out below are the associates and joint ventures of the Group as at 31st March 2020. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group.

Details of the principal investments in associates and joint ventures as at 31st March 2020 are as follows:

21 以權益法入賬之投資

以下載列本集團於二零二零年三月三十一日之聯營公司及合營公司。以下所列實體僅具有普通股之股本，由本集團間接持有。

於二零二零年三月三十一日於聯營公司及合營公司之主要投資詳情如下：

Name of entity 實體名稱	Place of business/country establishment/incorporation 營業地點/ 註冊成立國家	% of ownership interest 擁有權益百分比		Nature of the relationship 關係性質	Measurement method 計量方法	Carrying amount 賬面值	
		2020 二零二零年 %	2019 二零一九年 %			2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
		百分比	百分比				
HSL Shanghai Office Partners I Limited ("HSO") and its subsidiaries HSL Shanghai Office Partners I Limited (「HSO」)及其附屬公司	Mainland China/ British Virgin Islands 中國內地/ 英屬處女群島	15%	15%	Joint venture (i) 合營公司(i)	Equity method 權益法	266,209	299,747
Skyline Holdings (BVI) Limited ("Skyline") and its subsidiaries Skyline Holdings (BVI) Limited (「Skyline」)及其附屬公司	British Virgin Islands 英屬處女群島	5%	—	Associate (ii) 聯營公司(ii)	Equity method 權益法	47,614	—
Immaterial as below: 以下項目為不重大：							
China Able Limited ("China Able")	Mainland China/ British Virgin Islands 中國內地/ 英屬處女群島	33.33%	33.33%	Associate (iii) 聯營公司(iii)	Equity method 權益法	—	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

21 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

21 以權益法入賬之投資(續)

Name of entity 實體名稱	Place of business/country establishment/incorporation 營業地點/ 註冊成立國家	% of ownership interest 擁有權益百分比		Nature of the relationship 關係性質	Measurement method 計量方法	Carrying amount 賬面值	
		2020 二零二零年 %	2019 二零一九年 %			2020 HK\$'000 千港元	2019 HK\$'000 千港元
		百分比	百分比				
Changshu Baoshunchang Steel Processing Co., Ltd. ("Changshu Baoshunchang") 常熟寶順昌鋼材加工有限公司 (「常熟寶順昌」)	Mainland China 中國內地	—	59.99%	Associate (iv) 聯營公司(iv)	Equity method 權益法	—	—
Total investments accounted for using the equity method 按權益法入賬投資總額						313,823	299,747

Notes:

- (i) HSO and its subsidiaries are principally engaged in property investment and project management business in Mainland China and is owned as to 15% by Plentiful Praise Limited ("Plentiful") (an indirect 62% owned subsidiary of the Company) and 85% by Reco Wisteria Private Limited ("RECO") (an independent third party). As at 31st March 2020, Plentiful has contributed capital, aggregated to US\$ 36,909,000 (2019: Same).
- (ii) Skyline and its subsidiaries are principally engaged in property investment and project management business in Mainland China and is owned as to 95% by Apollo Skyline Holding Limited ("Apollo") (an independent third party) and 5% by Top Bloom Group Limited ("Top Bloom") (an indirect-wholly owned subsidiary of the Company). As at 31st March 2020, Top Bloom has contributed capital, aggregated to US\$6,086,000 (equivalent to HK\$47,614,000).

附註：

- (i) HSO及其附屬公司主要於中國內地從事房地產投資及項目管理業務，其由頌裕有限公司(「頌裕」，由本公司擁有62%之間接附屬公司)擁有15%及由Reco Wisteria Private Limited(「RECO」，屬獨立第三方)擁有85%。於二零二零年三月三十一日，頌裕已合共出資36,909,000美元(二零一九年：相同)。
- (ii) Skyline及其附屬公司主要於中國內地從事房地產投資及項目管理業務，其由Apollo Skyline Holding Limited(「Apollo」，屬獨立第三方)擁有95%及由Top Bloom Group Limited(「Top Bloom」，為本公司間接全資附屬公司)擁有5%。於二零二零年三月三十一日，Top Bloom已合共出資6,086,000美元(相當於47,614,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

21 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

Notes: (Continued)

(iii) China Able was engaged in the property business. It is a contractual joint venture which is held in equal shares among Fit Team Holdings Limited, an indirect wholly-owned subsidiary of the Company, Nanyang Industrial (China) Limited, an independent third party, and Marvel Champ Investments Limited, another independent third party. It remains inactive since distribution was made to shareholders in prior years. The Group has shared the losses of this associate to the extent of the Group's interest in this associate.

(iv) Changshu Baoshunchang is engaged in the processing of steel. It is a contractual joint venture established in Mainland China with an operating period of 30 years to 2034. On 3rd December 2018, VSC (China) Investments Limited, an indirect wholly-owned subsidiary of the Company, acquired the entire issued share capital of WS Holdings Limited at a consideration of US\$1 and WS Holdings Limited holds 10% equity interest of Changshu Baoshunchang. As such, the Company holds 59.99% equity interest of Changshu Baoshunchang after the acquisition of WS Holdings Limited. Management assessed the Group maintained significant influence and no control over the operating activities of the entity since there is no change in the composition of board and the voting right after the acquisition of WS Holdings Limited.

During the year ended 31st March 2020, the Group disposed its entire 59.99% equity interest of Changshu Baoshunchang. See Note 36(b) for details.

21 以權益法入賬之投資(續)

附註：(續)

(iii) China Able 從事房地產業務。其為本公司一間間接全資附屬公司 Fit Team Holdings Limited，一獨立第三方南洋工業(中國)有限公司及另一名獨立第三方 Marvel Champ Investments Limited 以共同持有等額股份之一間合營企業。其於過往年間向股東作出分派起暫無業務。本集團已就此聯營公司之權益分攤此聯營公司之虧損。

(iv) 常熟寶順昌從事鋼鐵加工。為於中國內地成立之合作企業，經營期限為30年至二零三四年止。於二零一八年十二月三日，本公司間接全資擁有附屬公司萬順昌(中國)投資有限公司收購 WS Holdings Limited 的全部已發行股本，代價為1美元，而 WS Holdings Limited 持有常熟寶順昌 10% 的權益。因此，於收購 WS Holdings Limited 後，本公司持有常熟寶順昌 59.99% 的股權。由於收購 WS Holdings Limited 後董事會的構成及投票權並無變動，故管理層評估本集團對該實體之經營活動維持重大影響力性並無控制權。

於截至二零二零年三月三十一日止年度，本集團已出售其於常熟寶順昌之所有 59.99% 權益。有關詳情見附註 36(b)。

Commitments in respect of associates and joint ventures

有關聯營公司及合營公司之承擔

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Commitment – associate	承擔－聯營公司		
– Commitment to provide funding for associate's capital commitments, if called	– 承諾於有需要時為聯營公司之資本承擔提供資金	30,348	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

21 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

21 以權益法入賬之投資(續)

The movements of interests in associates and joint ventures are as follows:

於聯營公司及合營公司之權益變動如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At beginning of year	於年初	299,747	19,931
Share of (loss)/profit of investments accounted for using the equity method, net	應佔按權益法入賬之投資(虧損)/溢利, 淨額	(12,947)	19,276
Transfer to a subsidiary (Note 36(c))	轉撥至一間附屬公司(附註36(c))	—	(18,554)
Investment in HSO (Note (i))	於HSO之投資(附註(i))	—	289,590
Investment in Skyline (Note (ii))	於Skyline之投資(附註(ii))	47,614	—
Currency translation differences	貨幣匯兌差額	(20,591)	(10,496)
At end of year	於年末	313,823	299,747

Notes:

- (i) On 18th April 2018, the Company, Plentiful, Hongkong and Shanghai Land Capital Ltd. ("Venture Manager") (an indirect 60% subsidiary of the Company) and HSO entered into the subscription and shareholders' agreement, pursuant to which Plentiful subscribed for 0.45 share of HSO at US\$4,500 and RECO subscribed for 2.55 shares of HSO at US\$25,500 (the "Transaction"). The Transaction was completed on 1st June 2018, since then HSO is owned as to 15% by Plentiful and 85% by RECO.

During the year ended 31st March 2019, Plentiful has contributed US\$36,909,000 (equivalent to HK\$289,590,000) to HSO.

附註：

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

21 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

Notes: (Continued)

- (ii) On 27th November 2019, Top Bloom, Apollo and Skyline entered into a framework agreement (“Framework Agreement”) for the purpose of acquiring 100% of equity interests in Shanghai Skyway Grand Hotel Co., Ltd which held majority of the gross floor area of Great Wall Financial Building. Pursuant to the Framework Agreement, Apollo subscribed 95 shares and Top Bloom subscribed 4 shares of Skyline, together with the 1 share held by Top Bloom before the subscription, Skyline is then owned as to 95% by Apollo and 5% by Top Bloom.

Apollo and Top Bloom committed to make a contribution to Skyline in the form of shareholder loan of US\$190 million and US\$10 million, respectively. As at 31st March 2020, Apollo and Top Bloom have contributed aggregated of US\$115,638,000 (equivalent to HK\$904,661,000) and US\$6,086,000 (equivalent to HK\$47,614,000) to Skyline, by way of interest-free shareholder loans, respectively. In regards of these shareholder loans, they are interest-free and the repayment requires a unanimous approval of all directors of Skyline. As such, these shareholder loans are regarded as part of the investment in the associate.

The acquisition of equity interest in Shanghai Skyway Grand Hotel Co., Ltd was completed in June 2020.

21 以權益法入賬之投資(續)

附註：(續)

- (ii) 於二零一九年十一月二十七日，Top Bloom、Apollo與Skyline訂立框架協議(「框架協議」)，用於收購Shanghai Skyway Grand Hotel Co., Ltd (其持有長城金融大廈之大部份建築面積)之100%股權。根據框架協議，Apollo及Top Bloom分別認購Skyline之95股股份及4股股份，連同Top Bloom於認購前所持有之1股股份，Skyline其後分別由Apollo及Top Bloom擁有95%及5%。

Apollo與Top Bloom承諾分別以股東貸款形式向Skyline注資190,000,000美元及10,000,000美元。於二零二零年三月三十一日，Apollo與Top Bloom已分別以免息股東貸款之形式向skyline注資合共為115,638,000美元(相等於904,661,000港元)及6,086,000美元(相等於47,614,000港元)。該等股東貸款為免息，而還款須獲Skyline全體董事一致同意。因此，該等股東貸款被視為於聯營公司投資之一部分。

收購Shanghai Skyway Grand Hotel Co., Ltd之股權已於二零二零年六月完成。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

21 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

Summarised financial information for joint ventures and associates

The tables below provide summarised financial information for the joint venture and the associate that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint venture and associate and not the Group's share of those amounts.

21 以權益法入賬之投資(續)

合營公司及聯營公司財務資料概要

下表提供對本集團而言屬重要之合營公司及聯營公司之財務資料概要。所披露之資料僅反映呈列於相關合營公司及聯營公司財務報表內之金額，而非本集團之應佔金額。

		HSO (Note (i)) HSO (附註(i))		Skyline Skyline		Total 合共	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Summarised statement of financial position	財務狀況表概要						
Cash and cash equivalents	現金及現金等值	9,907	10,757	717	—	10,624	10,757
Other current assets	其他流動資產	93,531	121,705	—	—	93,531	121,705
Total current assets	流動資產總額	103,438	132,462	717	—	104,155	132,462
Financial liabilities and total current liabilities	金融負債及總流動負債	(72,317)	(60,195)	—	—	(72,317)	(60,195)
Non-current assets	非流動資產	3,878,510	4,112,486	951,558	—	4,830,068	4,112,486
Other non-current liabilities	其他非流動負債	(2,134,905)	(2,186,440)	—	—	(2,134,905)	(2,186,440)
Net assets	資產淨額	1,774,726	1,998,313	952,275	—	2,727,001	1,998,313

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

21 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

21 以權益法入賬之投資(續)

Summarised financial information for joint ventures and associates (Continued)

合營公司及聯營公司財務資料概要(續)

		HSO (Note (i)) HSO (附註(i))		Skyline Skyline		Total 合共	
		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Summarised statement of comprehensive income	全面損益表概要						
Revenue	收入	109,505	66,207	—	—	109,505	66,207
Finance income	財務收入	782	2,039	—	—	782	2,039
Finance cost	財務費用	(125,699)	(69,669)	—	—	(125,699)	(69,669)
(Loss)/profit before tax	除稅前(虧損)/溢利	(86,791)	194,262	—	—	(86,791)	194,262
Income tax credit/(expense)	所得稅抵免/(支出)	478	(56,575)	—	—	478	(56,575)
(Loss)/profit for the year	年度(虧損)/溢利	(86,313)	137,687	—	—	(86,313)	137,687
Currency translation differences	貨幣匯兌差額	(137,274)	(69,974)	—	—	(137,274)	(69,974)
Total comprehensive (loss)/income for the year	年度全面(虧損)/收入總額	(223,587)	67,713	—	—	(223,587)	67,713

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

21 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

Summarised financial information for joint ventures and associates (Continued)

Reconciliation of summarised financial information for individually material joint venture and associate

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interests in the joint venture and the associate.

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Summarised financial information	財務資料概要		
Net assets at beginning of year	於年初之資產淨額	1,998,313	—
Capital injection by shareholders (Note (ii))	股東之注資(附註(ii))	952,275	1,930,600
(Loss)/profit for the year	年度(虧損)/溢利	(86,313)	137,687
Currency translation differences	貨幣匯兌差額	(137,274)	(69,974)
Net assets at end of year	於年末之資產淨額	2,727,001	1,998,313
Investments accounted for using the equity method	使用權益法入賬之投資		
– Carrying value	– 賬面值	313,823	299,747

Notes:

- (i) HSO engages external, independent and qualified valuer to determine the fair value of the investment properties at the end of the financial year. As at 31st March 2020, the fair value of the investment properties was determined by Jones Lang LaSalle Corporate Appraisal and Advisory Limited (2019: same).
- (ii) For HSO, during the year ended 31st March 2019, Plentiful and RECO made a capital injection, totalled to US\$246,060,000 (equivalent to HK\$1,930,600,000) to HSO on a pro rata basis. For Skyline, during the year ended 31st March 2020, Top Bloom and Apollo made a capital injection, totalled to US\$121,724,000 (equivalent to HK\$952,275,000).

21 以權益法入賬之投資(續)

合營公司及聯營公司財務資料概要(續)

個別重大合營公司及聯營公司之財務資料概要對賬

所呈報財務資料概要與本集團於合營公司及聯營公司之權益之賬面金額對賬。

附註：

- (i) HSO 委聘外部獨立合資格估值師，以釐定於各財政年度年終投資物業之公允價值。於二零二零年三月三十一日，投資物業之公允價值由仲量聯行企業評估及諮詢有限公司釐定(二零一九年：相同)。
- (ii) 就 HSO 而言，截至二零一九年三月三十一日止年度內，頌裕及 RECO 按比例合共注資 246,060,000 美元(相當於 1,930,600,000 港元)。就 Skyline 而言，截至二零二零年三月三十一日止年度，Top Bloom 及 Apollo 合共注資 121,724,000 美元(相當於 952,275,000 港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

21 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

Summarised financial information for joint ventures and associates (Continued)

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interests in individually immaterial associates and joint venture

In addition to the interests in the joint venture and the associate disclosed above, the Group also has interests in a number of individually immaterial associates and joint venture that are accounted for using the equity method.

21 以權益法入賬之投資(續)

合營公司及聯營公司財務資料概要(續)

所呈列之財務資料概要與本集團於個別非重大聯營公司及合營公司之權益賬面值之對賬

除以上所披露於合營公司及聯營公司之權益外，本集團亦於若干個別非重大聯營公司及合營公司擁有權益，並以權益法入賬。

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Aggregate amounts of the Group's share of:	本集團應佔總金額：		
Loss for the year	年度虧損	—	(1,377)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

22 DEFERRED INCOME TAX ASSETS/ (LIABILITIES)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The offset amounts are as follows:

22 遞延所得稅資產／(負債)

當具有將即期所得稅資產與即期所得稅負債抵銷之合法強制執行權，以及當同一稅務機關向該應課稅實體或不同應課稅實體就遞延所得稅資產及遞延所得稅負債徵收所得稅，其中有關結餘擬按淨額基準清償時，遞延所得稅資產與負債方可互相抵銷。抵銷金額如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Deferred income tax assets:	遞延所得稅資產：		
– Deferred income tax assets expected to be recovered after 12 months	– 預期將於十二個月後收回之遞延所得稅資產	39,737	33,215
– Deferred income tax assets expected to be recovered within 12 months	– 預期將於十二個月內收回之遞延所得稅資產	13,367	13,867
		53,104	47,082
Deferred income tax liabilities:	遞延所得稅負債：		
– Deferred income tax liabilities expected to be settled after 12 months	– 預期將於十二個月後清償之遞延所得稅負債	(89,541)	(92,162)
Net deferred income tax liabilities	遞延所得稅負債淨額	(36,437)	(45,080)

The movements in net deferred income tax liabilities are as follows:

遞延所得稅負債淨額變動如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At beginning of year	於年初	(45,080)	(46,339)
Effect of adoption of HKFRS 16 (Note 2.2(a))	採納香港財務報告準則第16號之影響(附註2.2(a))	650	—
As 1st April, as restated	於四月一日(經重列)	(44,430)	(46,339)
Credited/(charged) to the consolidated income statement (Note 11)	已於綜合損益表中計入/(扣除)(附註11)	2,118	(2,889)
Disposal of a subsidiary (Note 36 (d))	出售一間附屬公司(附註36(d))	—	(490)
Currency translation differences	貨幣匯兌差額	5,875	4,638
At end of year	於年末	(36,437)	(45,080)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

22 DEFERRED INCOME TAX ASSETS/ (LIABILITIES) (CONTINUED)

The movements in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred income tax assets:

22 遞延所得稅資產／(負債)(續)

本年度遞延所得稅資產及負債(並無計及同一稅務司法權區內之結餘抵銷)之變動如下:

遞延所得稅資產:

		Cumulative tax losses 累計 稅項虧損 HK\$'000 千港元	Decelerated depreciation 減慢折舊 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1st April 2018	於二零一八年四月一日	33,572	461	—	34,033
Credited/(charged) to the consolidated income statement	已於綜合損益表中 計入／(扣除)	22,790	4,188	—	26,978
Disposal of a subsidiary (Note 36 (d))	出售一間附屬公司 (附註36(d))	(490)	—	—	(490)
Currency translation differences	貨幣匯兌差額	(562)	—	—	(562)
At 31st March 2019	於二零一九年三月三十一日	55,310	4,649	—	59,959
Effect of adoption of HFRS 16 (Note 2.2(a))	採納香港財務報告準則 第16號之影響 (附註2.2(a))	—	—	650	650
As 1st April, as restated (Charged)/credited to the consolidated income statement	於四月一日(經重列) 已於綜合損益表中 (扣除)／計入	55,310	4,649	650	60,609
Currency translation differences	貨幣匯兌差額	(4,574)	4,757	402	585
		(424)	—	—	(424)
At 31st March 2020	於二零二零年三月三十一日	50,312	9,406	1,052	60,770

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

22 DEFERRED INCOME TAX ASSETS/ (LIABILITIES) (CONTINUED)

22 遞延所得稅資產／(負債)(續)

Deferred income tax liabilities:

遞延所得稅負債：

		Investment properties 投資物業 HK\$'000 千港元	Withholding tax 預扣稅 HK\$'000 千港元	Accelerated depreciation 加速折舊 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1st April 2018 (Charged)/credited to the consolidated income statement	於二零一八年四月一日 已於綜合損益表中 (扣除)／計入	(77,157)	(610)	(2,605)	(80,372)
Currency translation differences	貨幣匯兌 差額	(27,216)	307	(2,958)	(29,867)
		5,200	—	—	5,200
At 31st March 2019 Credited to the consolidated income statement	於二零一九年三月三十一日 已於綜合損益表中 計入	(99,173)	(303)	(5,563)	(105,039)
Currency translation differences	貨幣匯兌 差額	22	278	1,233	1,533
		6,299	—	—	6,299
At 31st March 2020	於二零二零年三月三十一日	(92,852)	(25)	(4,330)	(97,207)

As at 31st March 2020, investment properties located in Mainland China amounted to HK\$1,324,824,000 (2019: HK\$1,413,227,000) are held by certain subsidiaries with a business model to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. The Group has measured the deferred tax relating to the temporary differences of these investment properties using the tax rates and the tax bases that are consistent with the expected manner of recovery of the investment properties.

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. As at 31st March 2020, the deferred income tax assets recognised from tax losses of approximately HK\$45,706,000 (2019: HK\$47,167,000) can be carried forward indefinitely. The remaining tax losses of approximately HK\$4,606,000 (2019: HK\$8,143,000) will expire in five years from the year they were incurred.

由若干附屬公司持有位於中國大陸之投資物業合計1,324,824,000港元(二零一九年：1,413,227,000港元)，其業務模式為隨時間耗用投資物業絕大部分經濟利益，而非通過物業出售。本集團計量該等投資物業遞延稅項之暫時差額，使用與投資物業預期回本狀況一致的稅率及稅基。

遞延所得稅資產乃因應相關稅務利益透過未來應課稅溢利變現而就所結轉之稅項虧損作確認。於二零二零年三月三十一日，已就稅項虧損確認之遞延所得稅資產約45,706,000港元(二零一九年：47,167,000港元)可以無限期結轉。餘下稅項虧損約4,606,000港元(二零一九年：8,143,000港元)將於產生年度後五年內失效。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

22 DEFERRED INCOME TAX ASSETS/ (LIABILITIES) (CONTINUED)

The Group did not recognise deferred income tax assets of approximately HK\$47,533,000 (2019: HK\$46,929,000) and approximately HK\$7,066,000 (2019: HK\$6,390,000) in respect of tax losses amounting to approximately HK\$288,076,000 (2019: HK\$284,419,000) that can be carried forward indefinitely and approximately HK\$28,263,000 (2019: HK\$25,558,000) that will be expired in five years from the year they were incurred respectively.

23 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial asset at fair value through other comprehensive income, which is stated at fair value and denominated in HK\$, represents shares listed on The Stock Exchange of Hong Kong Limited.

22 遞延所得稅資產／(負債)(續)

本集團並無就約288,076,000港元(二零一九年：284,419,000港元)之稅項虧損確認約47,533,000港元(二零一九年：46,929,000港元)之遞延所得稅資產，該金額可以無限期結轉，及約28,263,000港元(二零一九年：25,558,000港元)之稅項虧損確認約7,066,000港元(二零一九年：6,390,000港元)之遞延所得稅資產，其將於產生年度後五年內失效。

23 按公允價值計入其他全面收入之金融資產

按公允價值計入其他全面收入之金融資產按公允價值列賬並以港元計值，指於香港聯合交易所有限公司上市之股份。

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At beginning of year	於年初	144	286
Change in fair value recognised in other comprehensive income (Note 34)	於其他全面收入中確認之 公允價值變動(附註34)	(82)	(142)
At end of year	於年末	62	144

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

24 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

24 按公允價值計入損益之金融資產

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Structured bank products, at quoted price (Note) 結構性銀行產品報價(附註)	15,820	36,698

Note:

The investments in structured bank products were denominated in RMB. Changes in fair value were recognised in "other gains – net" in the consolidated income statement. As at 31st March 2020, structured bank products of RMB 11,000,000 (equivalent to HK\$12,001,000) (2019: Nil) was pledged as collateral for the Group's bill payables.

附註：

結構性銀行產品投資以人民幣計值。公允價值變動於綜合損益表「其他收益－淨額」中確認。於二零二零年三月三十一日，結構性銀行產品人民幣11,000,000元(相當於12,001,000港元)(二零一九年：無)已作為本集團應付票據之抵押品作質押。

25 INVENTORIES

25 存貨

	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Finished goods 製成品	349,751	289,156
Work in progress 在製品	5,108	1,503
	354,859	290,659

The costs of inventories recognised as expenses and included in "cost of sales" in the consolidated income statement amounted to approximately HK\$1,992,552,000 (2019: HK\$2,533,767,000).

The Group made inventory provision for obsolete inventories and write-down of the inventories to net realisable value. As at 31st March 2020, there is a provision of HK\$12,452,000 (2019: HK\$15,035,000) was net off with the inventories in the consolidated statement of financial position. A reversal of provision for impairment of inventories of HK\$2,229,000 (2019: provision for HK\$1,594,000) was included in "cost of sales" in the consolidated income statement.

約1,992,552,000港元(二零一九年：2,533,767,000港元)之存貨成本已確認為支出，並已計入綜合損益表之「銷售成本」中。

本集團就過時存貨計提存貨撥備並將存貨撇減至可變現淨值。於二零二零年三月三十一日，一項撥備12,452,000港元(二零一九年：15,035,000港元)抵銷綜合財務狀況表中的存貨。存貨減值撥備撥回2,229,000港元(二零一九年：撥備1,594,000港元)已計入綜合損益表之「銷售成本」中。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26 TRADE AND BILL RECEIVABLES

26 應收賬款及票據

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Trade receivables	應收賬款		
– from third parties	– 來自第三方	302,689	436,887
– from an associate and a joint venture	– 來自聯營公司及合營公司	—	20,049
Bill receivables	應收票據	75,148	46,801
Less: Provision for impairment	減：減值撥備	(18,905)	(23,214)
Trade and bill receivables - net	應收賬款及票據－淨額	358,932	480,523

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

銷售均以信用證或具信貸期之記賬方式進行，信貸期一般介乎0至90日不等。

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

應收賬款及票據根據發票日期之賬齡分析如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
0 to 60 days	0至60日	276,458	340,981
61 to 120 days	61至120日	42,819	82,306
121 to 180 days	121至180日	20,419	39,709
181 to 365 days	181至365日	14,668	16,813
Over 365 days	超過365日	23,473	23,928
Less: Provision for impairment	減：減值撥備	(18,905)	(23,214)
		377,837	503,737
		(18,905)	(23,214)
		358,932	480,523

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables. To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and the aging from billing. See Note 3.1(b) for further information about expected credit loss provision.

本集團符合香港財務報告第9號採用簡化法計提預期信貸虧損，其中允許就應收賬款使用全期預期虧損撥備。對計量預期信貸虧損，此等應收款項已按共同信貸風險特性及票據賬齡歸類。有關預期信貸虧損撥備之進一步資料見附註3.1(b)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26 TRADE AND BILL RECEIVABLES (CONTINUED)

Movements on the provision for impairment of trade and bill receivables are as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
At 1st April	於四月一日	23,214	22,726
(Reversal of)/provision for impairment, net	減值撥備淨額 (撥回)/撥備	(3,020)	4,262
Write off during the year as uncollectible	年內撇銷為不可收回	(281)	(2,283)
Currency translation differences	貨幣匯兌差額	(1,008)	(1,491)
At 31st March	於三月三十一日	18,905	23,214

The carrying amounts of net trade and bill receivables approximated their fair values as at 31st March 2020.

The carrying amounts of net trade and bill receivables were denominated in the following currencies:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
RMB	人民幣	158,292	238,736
HK\$	港元	197,931	226,068
US\$	美元	2,654	15,719
Other	其他	55	—
		358,932	480,523

26 應收賬款及票據(續)

應收賬款及票據之減值撥備變動如下：

應收賬款及票據淨額之賬面金額與其於二零二零年三月三十一日之公允價值相若。

應收賬款及票據淨額之賬面金額以下列貨幣計值：

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綜合財務報表附註

27 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

27 預付款項、按金及其他應收賬款

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Prepayments for purchases	預付採購款項	52,490	79,129
Prepayments for property, plant and equipment	預付物業、廠房及設備款項	—	133
Rental and other deposits	租金及其他按金	14,670	16,890
Value-added tax recoverable	可收回增值稅	22,476	22,718
Compensation receivable in relation to an unfulfilled contract	未履行合約應收賠償款項	—	2,915
Others	其他	10,245	12,709
		99,881	134,494
Less: Non-current	減：非即期	(18,038)	(19,084)
Current	即期	81,843	115,410

The carrying amounts of prepayments, deposits and other receivables approximated their fair values as at 31st March 2020 and were denominated in the following currencies:

預付款項、按金及其他應收賬款之賬面金額與其於二零二零年三月三十一日之公允價值相若，並以下列貨幣計值：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
RMB	人民幣	95,778	86,982
HK\$	港元	3,502	47,072
US\$	美元	583	241
Others	其他	18	199
		99,881	134,494

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綜合財務報表附註

28 PLEDGED BANK DEPOSITS/CASH AND CASH EQUIVALENTS

28 已抵押銀行存款／現金及現金等值

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Cash on hand	手頭現金	147	210
Cash at bank	銀行存款	113,527	165,449
Short-term bank deposits	短期銀行定期存款	15,508	—
		129,182	165,659
Less: Pledged bank deposits	減：已抵押銀行存款	(9,137)	(38,884)
Cash and cash equivalents	現金及現金等值	120,045	126,775

Pledged bank deposits and cash and cash equivalents were denominated in the following currencies:

已抵押銀行存款及現金及現金等值以下列貨幣計值：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
HK\$	港元	75,965	76,182
RMB	人民幣	20,069	69,082
US\$	美元	33,106	20,349
Others	其他	42	46
		129,182	165,659

The carrying amounts of pledged bank deposits and cash and cash equivalents approximated their fair values as at 31st March 2020.

已抵押銀行存款及現金及現金等值之賬面金額與其於二零二零年三月三十一日之公允價值相若。

The effective interest rate on the bank deposit is 1.75% (2019: 1.11%) per annum. These deposits have an average maturity of 17 days (2019: 11 days).

銀行存款之實際利率為每年1.75%（二零一九年：1.11%）。該等存款的平均到期日為十七日（二零一九年：十一日）。

As at 31st March 2020, the Group's bank deposits of approximately HK\$9,137,000 (2019: HK\$38,884,000) were pledged as collateral for the Group's bill payables.

於二零二零年三月三十一日，本集團的銀行存款約為9,137,000港元（二零一九年：38,884,000港元）已抵押作為本集團應付票據之抵押品。

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綜合財務報表附註

28 PLEDGED BANK DEPOSITS/CASH AND CASH EQUIVALENTS (CONTINUED)

As at 31st March 2020, pledged bank deposits and cash and bank deposits totalling approximately HK\$18,556,000 (2019: HK\$63,029,000) were denominated in RMB and kept in banks in Mainland China. These funds are not freely convertible in the international market with exchange rate determined by the People's Bank of China.

29 TRADE AND BILL PAYABLES

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

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

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
0 to 60 days	0至60日	166,472	188,702
61 to 120 days	61至120日	185	18
121 to 180 days	121至180日	70	174
181 to 365 days	181至365日	—	22
Over 365 days	超過365日	202	177
		166,929	189,093

28 已抵押銀行存款／現金及現金等值(續)

於二零二零年三月三十一日，已抵押銀行存款以及現金及銀行存款合共約18,556,000港元（二零一九年：63,029,000港元）以人民幣計值並存於中國內地。此等貨幣並不能在國際市場自由兌換及其匯率由中國人民銀行釐定。

29 應付賬款及票據

與供應商之付款條款均以信用證或具信貸期之記賬方式進行，信貸期一般介乎30至60日不等。

應付賬款及票據根據發票日期之賬齡分析如下：

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29 TRADE AND BILL PAYABLES (CONTINUED)

The carrying amounts of trade and bill payables approximated their fair values as at 31st March 2020. They were denominated in the following currencies:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
RMB	人民幣	95,700	114,764
HK\$	港元	3,119	26,412
US\$	美元	68,110	47,917
		166,929	189,093

29 應付賬款及票據(續)

應付賬款及票據之賬面金額與其於二零二零年三月三十一日之公允價值相若。應付賬款及票據以下列貨幣計值：

30 ACCRUED LIABILITIES AND OTHER PAYABLES

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Accrual for employee benefit expenses	應計僱員福利支出	10,235	14,597
Accrual for operating expenses	應計經營支出	31,908	33,875
Rental deposits received	已收租賃按金	14,676	16,725
Value-added tax payables	應付增值稅	1,495	2,868
		58,314	68,065
Less: Non-current	減：非即期	(11,144)	(15,246)
Current	即期	47,170	52,819

The carrying amounts of accrued liabilities and other payables approximated their fair values as at 31st March 2020.

應計負債及其他應付賬款之賬面金額與其於二零二零年三月三十一日之公允價值相若。

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綜合財務報表附註

30 ACCRUED LIABILITIES AND OTHER PAYABLES (CONTINUED)

Accrued liabilities and other payables were denominated in the following currencies:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
HK\$	港元	25,117	29,075
RMB	人民幣	28,379	32,954
US\$	美元	4,818	6,036
		58,314	68,065

30 應計負債及其他應付賬款(續)

應計負債及其他應付賬款以下列貨幣計值：

31 BORROWINGS

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current	即期		
– Trust receipts bank loans (i)	– 信託收據銀行貸款(i)	480,312	658,918
– Short-term bank loans (i)	– 短期銀行貸款(i)	22,911	90,818
– Current portion of long-term bank loans, secured (ii)	– 部份即期長期銀行貸款，有抵押(ii)	57,332	37,974
		560,555	787,710
Non-current	非即期		
– Long-term bank loans, secured (ii)	– 長期銀行貸款，有抵押(ii)	855,083	704,839
Total borrowings	借貸總額	1,415,638	1,492,549

31 借貸

Notes:

- (i) As at 31st March 2020 and 2019, trust receipts bank loans and short-term bank loans were secured by corporate guarantee.
- (ii) As at 31st March 2020, the long-term bank loans of approximately HK\$436,942,000 (2019: HK\$484,616,000) were secured by the pledge of the Group's investment property of approximately HK\$1,317,928,000 (2019: HK\$1,404,990,000) (Note 15) and corporate guarantee. The remaining long-term bank loans of approximately HK\$475,473,000 (2019: HK\$258,197,000) were secured by corporate guarantee and Group's equity interests in certain subsidiaries.

附註：

- (i) 於二零二零年及二零一九年三月三十一日，信託收據銀行貸款及短期銀行貸款以公司擔保作抵押。
- (ii) 於二零二零年三月三十一日，約436,942,000港元(二零一九年：484,616,000港元)之長期銀行貸款由本集團投資物業約1,317,928,000港元(二零一九年：1,404,990,000港元)作質押(附註15)及企業擔保。剩餘475,473,000港元(二零一九年：258,197,000港元)之長期銀行貸款由企業擔保及由本集團於若干附屬公司的權益作抵押。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 BORROWINGS (CONTINUED)

The maturity of the Group's borrowings in accordance with the repayment schedule:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Within one year	1年內	560,555	787,710
Between one and two years	1至2年	47,300	91,158
Between two and five years	2至5年	807,783	613,681
		1,415,638	1,492,549

Borrowings were denominated in the following currencies:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
HK\$	港元	710,716	822,565
RMB	人民幣	459,853	554,516
US\$	美元	244,361	115,468
Others	其他	708	—
		1,415,638	1,492,549

The effective interest rates of borrowings (per annum) at the reporting dates are as follows:

		2020 二零二零年	2019 二零一九年
RMB	人民幣	5.9%	5.8%
HK\$	港元	4.3%	4.5%
US\$	美元	4.5%	4.0%

All the Group's borrowings as at 31st March 2020 are on floating rate basis and the carrying amounts of the borrowings approximated their fair values.

31 借貸(續)

本集團借貸基於還款時間表之到期情況如下：

借貸以下列貨幣計值：

於報告日，借貸之實際利率(每年)如下：

於二零二零年三月三十一日，本集團之所有借貸均按浮動利率計息及借貸之賬面金額與其公允價值相若。

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綜合財務報表附註

31 BORROWINGS (CONTINUED)

The Group has the following floating rate undrawn borrowing facilities:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
- expiring within one year	- 一年內到期	745,445	451,468
- expiring beyond one year	- 一年後到期	60,820	250,755
		806,265	702,223

31 借貸(續)

本集團有以下未提取之浮息借貸融資：

32 SHARE CAPITAL

		Authorised (Ordinary shares of HK\$0.10 each)		Issued and fully paid (Ordinary shares of HK\$0.10 each)	
		Number of shares	Nominal value	Number of shares	Nominal value
		'000	HK\$'000	'000	HK\$'000
		千股	千港元	千股	千港元
As at 31st March 2018	於二零一八年三月三十一日	1,000,000	100,000	640,547	64,055
Exercise of share options	行使購股權	—	—	685	68
As at 31st March 2019 and 2020	於二零一九年及二零二零年三月三十一日	1,000,000	100,000	641,232	64,123

32 股本

33 SHARE OPTIONS

The Company has two share option schemes in which the share option scheme adopted since 12th November 2001 (the “2001 Share Option Scheme”) was terminated on 11th August 2011 and the other share option scheme was adopted since 11th August 2011 (the “2011 Share Option Scheme”). Upon termination of the 2001 Share Option Scheme, no further options will be granted thereunder but in all other respects the provisions of the 2001 Share Option Scheme shall remain in force and all options granted prior to such termination shall continue to be valid and exercisable in accordance therewith. The 2011 Share Option Scheme shall be valid and effective for a period of ten years commencing on the adoption date (i.e. 11th August 2011) and will expire on 10th August 2021. The 2011 Share Option Scheme may grant options to any person being an employee, agent, consultant or representative (including executive directors and non-executive directors) of the Group to subscribe for shares in the Company, subject to a maximum of 30% of the issued share capital of the Company from time to time, excluding for the shares issued on the exercise of options. The exercise price will be determined by the Company’s Board of Directors and must be at least the highest of (i) the closing price of the Company’s shares quoted on The Stock Exchange of Hong Kong Limited on the date of grant of the options, which must be a business day; (ii) the average closing prices of the Company’s shares quoted on The Stock Exchange of Hong Kong Limited for the five business days immediately preceding the date of grant of the options; and (iii) the nominal value of the Company’s shares of HK\$0.10 each.

33 購股權

本公司設有兩項購股權計劃，其中於二零零一年十一月十二日採納之購股權計劃（「二零零一年購股權計劃」）已於二零一一年八月十一日終止，而另一項購股權計劃（「二零一一年購股權計劃」）於二零一一年八月十一日採納。二零零一年購股權計劃終止後，將不會再按二零零一年購股權計劃授出購股權，惟其所有其他條款仍然有效，而於該計劃終止前授出之所有購股權仍然有效及可按條款行使。二零一一年購股權計劃之有效期自採納日期（即二零一一年八月十一日）起計，為期十年，並將於二零二一年八月十日屆滿。二零一一年購股權計劃，其可授予任何人士即本集團之僱員、代理人、顧問或代表（包括執行董事及非執行董事）購股權以認購本公司之股份，但最多為本公司不時已發行股本之30%，其中不包括因行使購股權而發行之股份。行使價將由本公司董事會釐定及最少必須以下列最高者為準：(i) 本公司股份於授出購股權日期（必須為營業日）在香港聯合交易所有限公司所報之收市價；(ii) 本公司股份於緊接授出購股權日期前五個營業日在香港聯合交易所有限公司所報之平均收市價；及(iii) 本公司股份面值每股0.10港元。

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綜合財務報表附註

33 SHARE OPTIONS (CONTINUED)

Movements of share options for the year ended 31st March 2020 were as follows:

33 購股權(續)

於截至二零二零年三月三十一日止年度之購股權變動如下：

Date of grant	Validity period	Exercise price per share	Adjusted exercise price per share (i)	As at 1st April 2019	Granted	Cancelled/lapsed	Exercised	As at 31st March 2020
授予日期	有效期	每股行使價	每股行使價(i)	於二零一九年四月一日	授予	註銷/失效	已行使	於二零二零年三月三十一日
		HK\$	HK\$	'000	'000	'000	'000	'000
		港元	港元	千股	千股	千股	千股	千股
20th January 2015	20th January 2015 to 19th January 2025	0.928	0.928	3,100	—	(1,000)	—	2,100
二零一五年一月二十日	二零一五年一月二十日至二零二五年一月十九日							
27th November 2013	27th November 2013 to 26th November 2023	1.300	1.043	1,246	—	—	—	1,246
二零一三年十一月二十七日	二零一三年十一月二十七日至二零二三年十一月二十六日							
16th November 2012	16th November 2012 to 15th November 2022	0.670	0.537	2,344	—	—	—	2,344
二零一二年十一月十六日	二零一二年十一月十六日至二零二二年十一月十五日							
13th October 2009	13th October 2009 to 12th October 2019	0.504	0.404	12,206	—	(12,206)	—	—
二零零九年十月十三日	二零零九年十月十三日至二零一九年十月十二日							
18th September 2009	18th September 2009 to 17th September 2019	0.586	0.470	625	—	(625)	—	—
二零零九年九月十八日	二零零九年九月十八日至二零一九年九月十七日							
				19,521	—	(13,831)	—	5,690

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綜合財務報表附註

33 SHARE OPTIONS (CONTINUED)

Movements of share options for the year ended 31st March 2019 were as follows:

33 購股權(續)

於截至二零一九年三月三十一日止年度之購股權變動如下：

Date of grant	Validity period	Exercise price per share	Adjusted exercise price per share (i)	As at 1st April 2018	Granted	Cancelled/lapsed	Exercised	As at 31st March 2019
授予日期	有效期	每股行使價	每股行使價(i)	於二零一八年四月一日	授予	註銷/失效	已行使	於二零一九年三月三十一日
		HK\$	HK\$	'000	'000	'000	'000	'000
		港元	港元	千股	千股	千股	千股	千股
20th January 2015	20th January 2015 to 19th January 2025	0.928	0.928	10,800	—	(7,700)	—	3,100
二零一五年一月二十日	二零一五年一月二十日至二零二五年一月十九日							
27th November 2013	27th November 2013 to 26th November 2023	1.300	1.043	9,474	—	(8,228)	—	1,246
二零一三年十一月二十七日	二零一三年十一月二十七日至二零二三年十一月二十六日							
16th November 2012	16th November 2012 to 15th November 2022	0.670	0.537	8,078	—	(5,360)	(374)	2,344
二零一二年十一月十六日	二零一二年十一月十六日至二零二二年十一月十五日							
13th October 2009	13th October 2009 to 12th October 2019	0.504	0.404	12,206	—	—	—	12,206
二零零九年十月十三日	二零零九年十月十三日至二零一九年十月十二日							
18th September 2009	18th September 2009 to 17th September 2019	0.586	0.470	937	—	—	(312)	625
二零零九年九月十八日	二零零九年九月十八日至二零一九年九月十七日							
19th June 2008	19th June 2008 to 18th June 2018	0.780	0.626	1,247	—	(1,247)	—	—
二零零八年六月十九日	二零零八年六月十九日至二零一八年六月十八日							
				42,742	—	(22,535)	(686)	19,521

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綜合財務報表附註

33 SHARE OPTIONS (CONTINUED)

Note:

- (i) The exercise prices and number of share options granted prior to 17th December 2014 under the 2001 Share Option Scheme and 2011 Share Option Scheme were adjusted for the open offer completed in December 2014.

No options were exercised and 13,831,000 share options were lapsed during the year ended 31st March 2020. During the year ended 31st March 2019, options exercised resulted in approximately 685,000 shares being issued, at weighted average exercise price of HK\$0.5 per ordinary share with total proceeds of approximately HK\$344,000. The related weighted average price at the time of exercise was HK\$0.68. During the year ended 31st March 2019, approximately 22,535,000 share options were lapsed.

No share options were granted during the year ended 31st March 2020 (2019: Nil).

34 RESERVES

33 購股權(續)

附註：

- (i) 根據二零零一年購股權計劃及二零一一年購股權計劃於二零一四年十二月十七日前及授出之購股權數目行使價已就二零一四年十二月完成公開發售作出調整。

於截至二零二零年三月三十一日止年度內，概無購股權獲行使，而13,831,000份購股權已失效。於截至二零一九年三月三十一日止年度內，已行使購股權導致約685,000股股份以加權平均行使價每股普通股0.5港元發行，所得款項總額為約344,000港元。行使時相關加權平均行使價為0.68港元。於截至二零一九年三月三十一日止年度內，約22,535,000份購股權已失效。

截至二零二零年三月三十一日止年度，概無授出任何購股權(二零一九年：無)。

34 儲備

		Share premium	Share option reserve	Capital redemption reserve (ii)	Statutory reserves (i)	Capital reserve	Other reserve	Financial assets at fair value through other comprehensive income fair value reserve	Cumulative foreign currency translation reserve	Retained earnings	Total
		股份溢價	購股權儲備	資本贖回儲備(ii)	法定儲備(i)	資本儲備	其他儲備	按公允價值計入其他全面收入之金融資產之公允價值儲備	累計外幣匯兌調整	保留溢利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1st April 2018	於二零一八年四月一日	425,869	10,232	80,624	16,748	58,355	(15,703)	(203)	66,874	346,180	988,976
Loss for the year	年度虧損	—	—	—	—	—	—	—	—	13,888	13,888
Currency translation differences	貨幣匯兌差額	—	—	—	—	—	—	—	(69,029)	—	(69,029)
Change in financial assets at fair value through other comprehensive income	按公允價值計入其他全面收入之金融資產之變動	—	—	—	—	—	—	(142)	—	—	(142)
Appropriation of statutory reserves	撥充法定儲備	—	—	—	1,275	—	—	—	—	(1,275)	—
Share-based payment	以股份為基礎之支付	—	2,311	—	—	—	—	—	—	—	2,311
Exercise of share options	行使購股權	384	(108)	—	—	—	—	—	—	—	276
Lapse of share options	購股權失效	—	(5,244)	—	—	—	—	—	—	5,244	—
Dividends paid to owners of the Company	已付本公司擁有人之股息	—	—	—	—	—	—	—	—	(10,057)	(10,057)
At 31st March 2019	於二零一九年三月三十一日	426,253	7,191	80,624	18,023	58,355	(15,703)	(345)	(2,155)	353,980	926,223

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

34 RESERVES (CONTINUED)

34 儲備(續)

		Share premium	Share option reserve	Capital redemption reserve (ii)	Statutory reserves (i)	Capital reserve	Other reserve	Financial assets at fair value through other comprehensive income fair value reserve	Cumulative foreign currency translation reserve	Retained earnings	Total
		股份溢價	購股權儲備	資本贖回儲備 (ii)	法定儲備 (i)	資本儲備	其他儲備	按公允價值計入全面收入之金融資產之公允價值儲備	累計外幣匯兌調整	保留溢利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1st April 2019	於二零一九年四月一日	426,253	7,191	80,624	18,023	58,355	(15,703)	(345)	(2,155)	353,980	926,223
Changes in accounting policy (Note 2.2)	會計政策之變動(附註2.2)	—	—	—	—	—	—	—	—	(3,239)	(3,239)
Restated balance as at 1st April 2019	於二零一九年四月一日之重列結餘	426,253	7,191	80,624	18,023	58,355	(15,703)	(345)	(2,155)	350,741	922,984
Loss for the year	年度虧損	—	—	—	—	—	—	—	—	(90,309)	(90,309)
Currency translation differences	貨幣匯兌差額	—	—	—	—	—	—	—	(80,042)	—	(80,042)
Change in financial assets at fair value through other comprehensive income (Note 23)	按公允價值計入其他全面收入之金融資產之變動(附註23)	—	—	—	—	—	—	(82)	—	—	(82)
Appropriation of statutory reserves	提撥法定儲備	—	—	—	45	—	—	—	—	(45)	—
Share-based payment	以股份為基礎之支付	—	1,996	—	—	—	—	—	—	—	1,996
Lapse of share options	購股權失效	—	(1,336)	—	—	—	—	—	—	1,336	—
Dividends paid to owners of the Company	已付本公司擁有人之股息	—	—	—	—	—	—	—	—	(12,825)	(12,825)
At 31st March 2020	於二零二零年三月三十一日	426,253	7,851	80,624	18,068	58,355	(15,703)	(427)	(82,197)	248,898	741,722

Notes:

- (i) Statutory reserves represent enterprise expansion reserve fund and general reserve fund set up by certain subsidiaries in Mainland China. As stipulated by regulations in Mainland China, the subsidiaries established and operated in Mainland China are required to appropriate a portion of their after-tax profit (after offsetting prior year losses) to the enterprise expansion reserve fund and general reserve fund, at rates determined by their respective boards of directors. The general reserve fund may be used for making up losses and increasing capital, while the enterprise expansion reserve fund may be used for increasing capital.
- (ii) The capital redemption reserve has been established upon repurchase of shares.

附註：

- (i) 法定儲備即由中國內地若干附屬公司設立之企業發展儲備基金及一般儲備基金。按照中國內地法規訂明，於中國內地成立及經營之附屬公司須於其除稅後溢利(經抵銷過往年度虧損)撥出部分至企業發展儲備基金及一般儲備基金，比率乃由各自董事會釐定。一般儲備基金可用作抵銷虧損及增加股本，而企業發展儲備基金可用作增加股本。
- (ii) 資本贖回儲備已於購回股份時設立。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35 CONSOLIDATED STATEMENT OF CASH FLOWS

35 綜合現金流量表

(a) Reconciliation of (loss)/profit before income tax to net cash generated from/(used in) operations is as follows:

(a) 除所得稅前(虧損)/溢利與經營所得/(所用)之現金淨額對賬如下:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
(Loss)/profit before income tax	除所得稅前(虧損)/溢利	(86,535)	17,826
Share of results of investments accounted for using the equity method - net	應佔按權益法入賬之投資之業績 — 淨額	12,947	(19,276)
Interest income	利息收入	(1,216)	(4,920)
Interest expenses	利息支出	79,616	80,638
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	40,669	43,195
Depreciation of right-of-use assets	使用權資產之折舊	23,979	—
Gain on bargain purchase arising from the acquisition of a subsidiary	分階段收購一間附屬公司產生之收購溢價收益	—	(18,554)
Gain on disposals of property, plant and equipment	出售物業、廠房及設備之收益	(48)	(1,006)
Gain on modification of lease	租賃修訂之收益	(109)	—
Unrealised exchange (gain)/loss	未變現匯兌(收益)/虧損	(2,963)	16,860
Loss/(gain) on disposal of a subsidiary	出售附屬公司之虧損/(收益)	41	(5,313)
Impairment losses of goodwill	商譽減值虧損	—	2,494
Impairment losses of property, plant and equipment	物業、廠房及設備之減值虧損	20,000	1,181
Amortisation of land use rights	土地使用權之攤銷	—	202
Amortisation of intangible assets	無形資產之攤銷	1,109	1,511
Fair value loss/(gain) on investment properties	投資物業之公允價值虧損/(收益)	88	(108,865)
(Reversal of)/provision for impairment of trade and bill receivables - net	應收賬款及票據減值(撥回)/撥備—淨額	(3,020)	4,262
(Reversal of)/provision for impairment of inventories - net	存貨減值(撥回)/撥備—淨額	(2,229)	1,594
Share-based payment	以股份為基礎之支付	1,996	2,311
Reversal of provision for onerous contracts	有償契約之撥備撥回	—	(40,656)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35 CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

35 綜合現金流量表(續)

(a) Reconciliation of (loss)/profit before income tax to net cash generated from/(used in) operations is as follows: (Continued)

(a) 除所得稅前(虧損)/溢利與經營所得/(所用)之現金淨額對賬如下:
(續)

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Operating profit/(loss) before working capital changes	營運資金變動前之經營收益/(虧損)	84,325	(26,516)
- Inventories	- 存貨	(67,303)	(2,627)
- Trade and bill receivables	- 應收賬款及票據	111,405	30,459
- Prepayments, deposits and other receivables	- 預付款項、按金及其他應收賬款	34,613	66,200
- Amounts due from joint ventures	- 應收合營公司款項	—	(2,403)
- Trade and bill payables	- 應付賬款及票據	(14,467)	(116,810)
- Receipts in advance	- 預收款項	23,340	3,782
- Accrued liabilities and other payables	- 應計負債及其他應付賬款	(9,829)	10,993
Net cash generate from/(used in) operations	經營所得/(所用)之現金淨額	162,084	(36,922)

(b) In the consolidated statement of cash flows, proceeds from disposals of property, plant and equipment comprise:

(b) 於綜合現金流量表中，出售物業、廠房及設備之所得款項包括：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Net book amount (Note 14)	賬面淨額(附註14)	88	1,483
Gain on disposals of property, plant and equipment (Note 7)	出售物業、廠房及設備之收益(附註7)	48	1,006
Sales proceeds of disposals of property, plant and equipment	出售物業、廠房及設備所得之銷售所得款項	136	2,489

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35 CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

35 綜合現金流量表(續)

(c) Reconciliation of liabilities from financing activities

(c) 融資活動之負債對賬

		Liabilities from financing activities 融資活動負債			
		Borrowing due within 1 year 一年內 到期之借款 HK\$'000 千港元	Borrowing due after 1 year 一年後 到期之借款 HK\$'000 千港元	Lease liabilities 租賃負債 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Net debt as at 1st April 2018	於二零一八年 四月一日之淨債務	947,565	611,292	—	1,558,857
Proceeds from bank borrowings	銀行借貸 所得款項	55,997	254,372	—	310,369
Repayment of bank borrowings	償還銀行 借貸	(120,531)	(129,683)	—	(250,214)
Net decreased in trust receipt bank loans	信託收據銀行貸款 淨額減少	(90,962)	—	—	(90,962)
Other non-cash movements	其他非現金 變動	3,621	2,759	—	6,380
Foreign exchange adjustments	外匯 調整	(7,980)	(33,901)	—	(41,881)
Net debt as at 31st March 2019	於二零一九年 三月三十一日之淨債務	787,710	704,839	—	1,492,549
Recognised on adoption of HKFRS 16 (Note 2.2)	於採納香港財務報告 準則第16號時確認 (附註2.2)	—	—	50,275	50,275

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35 CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

35 綜合現金流量表(續)

(c) Reconciliation of liabilities from financing activities (Continued)

(c) 融資活動之負債對賬(續)

		Liabilities from financing activities 融資活動負債			
		Borrowing due within 1 year 一年內 到期之借款 HK\$'000 千港元	Borrowing due after 1 year 一年後 到期之借款 HK\$'000 千港元	Lease liabilities 租賃負債 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Net debt as at 1st April 2019	於二零一九年 四月一日之淨債務	787,710	704,839	50,275	1,542,824
Proceeds from bank borrowings	銀行借貸 所得款項	24,002	446,766	—	470,768
Repayment of bank borrowings	償還銀行 借貸	(87,469)	(247,240)	—	(334,709)
Net decreased in trust receipt bank loans	信貸收據銀行貸款 淨額減少	(178,606)	—	—	(178,606)
Additions	添置	—	—	12,849	12,849
Interest expenses on lease liabilities	租賃負債之 利息支出	—	—	2,147	2,147
Payment for lease liabilities	租賃負債 付款	—	—	(25,774)	(25,774)
Other non-cash movements	其他非現金 變動	20,504	(19,634)	(11,954)	(11,084)
Foreign exchange adjustments	外匯 調整	(5,586)	(29,648)	(351)	(35,585)
Net debt as at 31st March 2020	於二零二零年 三月三十一日之淨債務	560,555	855,083	27,192	1,442,830

(d) In the consolidated statement of cash flow, proceeds from modification of a lease comprise:

(d) 於綜合現金流量表，租賃修訂之所得款項包括：

		2020 二零二零年 HK\$'000 千港元
Carrying amount of respective right-of-use assets	相關使用權資產之 賬面值	11,845
Carrying amount of respective lease liabilities	相關租賃負債之 賬面值	(11,954)
Net gain on modification of a lease	租賃修訂之收益淨額	(109)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

36 ACQUISITIONS AND DISPOSAL

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

On 17th April 2019, Green Success Global Limited (“Green Success”), an indirect wholly-owned subsidiary of the Company, and an independent third party entered into a sales and purchase agreement pursuant to which the independent third party agreed to acquire and Green Success agreed to sell the entire issued share capital of He Tai, which is principally engaged in trading of recycling steel in Hong Kong, at a consideration of HK\$15,000,000. A loss on disposal of He Tai of HK\$41,000 was recognised for the year ended 31st March 2020.

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

An analysis on loss on disposal of He Tai is as follows:

		HK\$'000 千港元
Consideration received as at disposal date:	於出售日期之已收代價：	
– Cash received	– 已收現金	15,000
– Direct expenses	– 直接支出	(15)
		14,985
Assets:	資產：	
– Property, plant and equipment	– 物業、廠房及設備	(15,026)
Total identifiable net assets disposed	已售可識別資產總額	(15,026)
Loss on disposal of a subsidiary	出售一間附屬公司之虧損	(41)
An analysis on net cash flows arising from the disposal:	因出售產生的現金流淨值分析如下：	
Net cash consideration	現金淨值代價	15,000
Less:	減：	
– Deposit received	– 已收按金	(1,500)
– Direct expenses paid	– 已付直接支出	(15)
Net cash inflow from the disposal of a subsidiary	出售一間附屬公司之現金流入淨額	13,485

36 收購及出售

(a) 出售和泰鋼鐵有限公司(「和泰」)

於二零一九年四月十七日，本公司之間接全資附屬公司Green Success Global Limited(「Green Success」)與獨立第三方訂立買賣協議，據此，獨立第三方已同意收購而Green Success亦已同意出售和泰(主要於香港從事買賣回收鋼鐵)全部已發行股本，代價為15,000,000港元。出售和泰之虧損41,000港元已於截至二零二零年三月三十一日止年度內確認。

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

出售和泰之虧損分析如下：

36 ACQUISITIONS AND DISPOSAL (CONTINUED)

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

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

(c) Acquisition of VSC Construction Steel Solutions Limited

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

36 收購及出售(續)

(b) 出售常熟寶順昌鋼材加工有限公司 (「常熟寶順昌」)

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

(c) 收購VSC construction Steel Solutions Limited

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

36 ACQUISITIONS AND DISPOSAL (CONTINUED)

(c) Acquisition of VSC Construction Steel Solutions Limited (Continued)

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

The Group satisfied the Share Subscription of HK\$45,000,000 through the conversion of amount due from a joint venture into capital contribution and such conversion formed a part of the investment in VSC Construction as at 31st March 2019.

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

36 收購及出售(續)

(c) 收購VSC construction Steel Solutions Limited (續)

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

本集團透過將應收一間合營公司45,000,000港元之款項轉換為出資支付股份認購事項, 該轉換構成於二零一九年三月三十一日於VSC Construction投資之一部分。

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

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綜合財務報表附註

36 ACQUISITIONS AND DISPOSAL (CONTINUED)

(c) Acquisition of VSC Construction Steel Solutions Limited (Continued)

The following table summarises the consideration paid for the acquisition, the fair value of assets acquired and liabilities assumed at the acquisition date.

36 收購及出售(續)

(c) 收購VSC construction Steel Solutions Limited (續)

下表概述於收購日期已付收購之代價、所收購資產及所承擔負債被定為公允價值。

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

36 ACQUISITIONS AND DISPOSAL (CONTINUED)

(c) Acquisition of VSC Construction Steel Solutions Limited (Continued)

The acquired business contributed revenue of HK\$114,237,000 and net loss of HK\$36,123,000 to the Company for the period from 10th May 2018 to 31st March 2019. If the acquisition had occurred on 1st April 2018, the consolidated revenue and consolidated profit after tax of the Company for the year ended 31st March 2019 would have been HK\$2,884,447,000 and HK\$3,003,000 respectively.

(d) Disposal of Vantage Godown Company Limited ("Vantage")

On 30th November 2018, the Group disposed of its 100% equity interest of Vantage to an independent third party at a consideration of approximately HK\$5,900,000.

Vantage is principally engaged in provision of warehousing services in Hong Kong.

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

36 收購及出售(續)

(c) 收購VSC construction Steel Solutions Limited (續)

所收購業務於二零一八年五月十日至二零一九年三月三十一日期間為本公司貢獻收入114,237,000港元及虧損淨額36,123,000港元。倘收購事項於二零一八年四月一日發生，本公司截至二零一九年三月三十一日止年度之除稅後綜合收入及綜合溢利應分別為2,884,447,000港元及3,003,000港元。

(d) 出售順發貨倉有限公司(「順發」)

於二零一八年十一月三十日，本集團已向一名獨立第三方出售其於順發之100%股權，代價為約5,900,000港元。

順發主要於香港從事提供倉庫服務。

出售一間附屬公司之收益之分析如下：

		HK\$'000 千港元
Consideration received as at disposal date	於出售日期之已收代價	5,900
Assets and liabilities:	資產及負債：	
– Land use rights	– 土地使用權	95
– Property and equipment	– 物業及設備	2
– Deferred tax asset	– 遞延稅項資產	490
Total identifiable net assets disposed	已售可識別資產淨值總額	587
Gain on disposal of a subsidiary	出售一間附屬公司之收益	5,313

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

36 ACQUISITIONS AND DISPOSAL (CONTINUED)

(d) Disposal of Vantage Godown Company Limited (“Vantage”) (Continued)

An analysis on net cash flows arising from the disposal:

		HK\$'000 千港元
Net cash consideration	現金淨值代價	5,900
Less: Cash and cash equivalents disposed	減：已售現金及現金等值	—
Net cash inflow from the disposal of a subsidiary	出售一間附屬公司之現金流入淨額	5,900

37 COMMITMENTS

(a) Commitments under operating leases

(i) Lessor

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

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

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Not later than one year	未逾1年	22,493	30,829

(ii) Lessee

The Group leases various retail shops, offices, warehouses and sites under non-cancellable operating lease agreements. The majority of lease agreements are renewable at the end of the lease period at market rate. From 1st April 2019, the Group has recognised right-of-use assets for these leases, except for short-term leases. See Note 17 for further information.

36 收購及出售(續)

(d) 出售順發貨倉有限公司(「順發」)(續)

因出售產生的現金流淨值分析如下：

37 承擔

(a) 營業租賃承擔

(i) 出租人

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

就出租物業而訂立之多份不可撤銷營業租賃之應收承擔總額分析如下：

(ii) 承租人

本集團根據不可撤銷之營業租約承租多個商舖、辦公室、貨倉及工地。大部分租約可在租期屆滿後以市場租值續簽。自二零一九年四月一日起，本集團已確認該等租賃之使用權資產，惟短期租賃除外。進一步資料見附註17。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 COMMITMENTS (CONTINUED)

(a) Commitments under operating leases (Continued)

(ii) Lessee (Continued)

Total commitments payable under various non-cancellable operating lease agreements in respect of short-term and low-value leases (2019: in respect of retail shops, offices, warehouses and site) are analysed as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Not later than one year	未逾1年	54	28,258
Later than one year and not later than five years	逾1年及未逾5年	—	29,751
		54	58,009

(b) Capital commitments

Significant commitment contracted for at the end of the reporting period but not recognised as liabilities or capital contribution to the associate is as follows:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Contracted but not provided for: – renovation work for an investment property	已訂約但尚未撥備： — 一個投資物業之翻修工程	62	1,403
Commitment to provide funding for associate's capital commitments, if called	按要求於聯營公司資本注資之承擔	30,348	—
		30,410	1,403

37 承擔(續)

(a) 營業租賃承擔(續)

(ii) 承租人(續)

就短期及低價值租賃(二零一九年：就零售商舖、辦公室、貨倉及工地)而訂立之各份不可撤銷營業租約之應付承擔總額分析如下：

(b) 資本承擔

於報告期末已訂約但尚未確認為負債或向聯營公司作出之資本投入之重大承擔如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

38 RELATED PARTY TRANSACTIONS

(a) Transactions

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

			2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Management fee income for services provided to joint ventures	提供服務予合營公司之管理費收入	(i)	35,703	40,800
Sales of goods to:	銷售貨品予：			
– a joint venture	– 一間合營公司	(ii)	—	3,256
– an associate	– 一間聯營公司	(iii)	6,365	76,489
			6,365	79,745
Purchase of goods from:	購買貨品自：			
– a joint venture	– 一間合營公司	(iv)	—	189
– an associate	– 一間聯營公司	(v)	15,178	56,856
			15,178	57,045
Rental expense paid to a joint venture	付予一間合營公司之租金支出	(vi)	1,045	191

Notes:

- (i) During the year ended 31st March 2020, management services were provided by Hongkong and Shanghai Land Capital Limited, an indirect subsidiary of the Company, to a joint venture at prices mutually agreed by both parties.

During the year ended 31st March 2019, management services were provided by Hongkong and Shanghai Land Capital Limited and VSC Steel Processing Holdings Limited, indirect subsidiaries of the Company, to joint ventures at prices mutually agreed by both parties.

- (ii) Goods were sold by VSC Steel Company Limited, an indirect wholly-owned subsidiary of the Company to VSC Construction, a joint venture of the Company, at prices mutually agreed by both parties. The Company acquired the remaining 50% equity interest of VSC Construction and it becomes an indirect wholly-owned subsidiary of the Company upon completion of the acquisition on 30th April 2019. See Note 36(c) for details.

38 與關聯方之交易

(a) 交易

於本集團正常業務過程中進行之重大關連人士交易概要如下：

附註：

- (i) 截至二零二零年三月三十一日止年度，由本公司的一間間接附屬公司滬港地產資本有限公司按雙方同意之價格向一間合營公司提供之管理服務。

於截至二零一九年三月三十一日止年度，由本公司的間接附屬公司滬港地產資本有限公司及萬順昌鋼材加工控股有限公司按雙方同意之價格向合營公司提供之管理服務。

- (ii) 由本公司的一間間接全資附屬公司萬順昌鋼鐵有限公司銷售予本公司一間合營公司 VSC Construction 之貨品按雙方同意之價格收取。本公司已收購 VSC Construction 餘下 50% 的權益，而其於二零一九年四月三十日收購完成後成為本公司全資擁有附屬公司。詳情見附註 36(c)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

38 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions (Continued)

Notes: (Continued)

- (iii) Goods were sold by Shanghai Bao Shun Chang International Trading Co., Ltd., an indirect subsidiary of the Company, to an associate at prices mutually agreed by both parties.
- (iv) VSC Steel Company Limited and He Tai Steel Co., Limited, indirect wholly-owned subsidiaries of the Company, purchased goods from a joint venture at prices mutually agreed by the relevant parties.
- (v) Shanghai Bao Shun Chang International Trading Co., Ltd., an indirect subsidiary of the Company, purchased goods from an associate at prices mutually agreed by both parties.
- (vi) Rental expenses were paid by 上海盈蕃資產管理有限公司, 上海新施房地產經紀有限公司 and 永蕃投資諮詢(上海)有限公司, indirect subsidiaries of the Company, to a joint venture, for providing rental service at prices mutually agreed by both parties.

(b) Key management compensation

38 與關聯方之交易(續)

(a) 交易(續)

附註：(續)

- (iii) 本公司的一間間接附屬公司上海寶順昌國際貿易有限公司以雙方同意之價格向聯營公司出售貨物。
- (iv) 本公司的間接全資擁有附屬公司萬順昌鋼鐵有限公司及和泰鋼鐵有限公司以有關雙方同意之價格向一間合營公司購買貨品。
- (v) 本公司的一間間接附屬公司上海寶順昌國際貿易有限公司以雙方同意之價格向一間聯營公司購買貨品。
- (vi) 由本公司的間接附屬公司上海盈蕃資產管理有限公司、上海新施房地產經紀有限公司及永蕃投資諮詢(上海)有限公司支付予一間合營公司之租金支出，按雙方協定之價格提供租賃服務。

(b) 主要管理層報酬

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Salaries and allowances	薪金及津貼	13,527	14,282
Bonus	花紅	3,659	5,483
Pension costs - defined contribution schemes	退休金成本－界定供款計劃	343	315
Share-based payment	以股份為基礎之支付	—	33
		17,529	20,113

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綜合財務報表附註

39 CONTINGENT LIABILITIES

In carrying out the ordinary course of business, the Group is subject to the risk of being named as defendant in legal actions, claims and disputes in connection with its business activities. The nature of the legal proceedings initiated against the Group mainly includes claims for compensation by the Group's existing or former employees for work related injuries. The Group maintains insurance cover and, in the opinion of the directors, based on current available evidence, any such existing claims and legal proceedings against the Group are not expected to have significant adverse financial impact to the Group as at 31st March 2020 (2019: Same).

39 或然負債

於日常業務過程中，本集團面對與業務相關訴訟、索償及爭議而成為被告之風險。對本集團提出之法律程序性質主要包括本集團現任或前僱員就工傷提出之賠償申索。本集團已投購保險，而根據目前可取得之證據，董事認為任何該等對本集團之現有索償及法律程序於二零二零年三月三十一日(二零一九年：相同)預期不會對本集團造成重大嚴重財務影響。

40 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

40 本公司財務狀況表及儲備變動

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司之投資	642,820	657,564
Current assets	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他 應收賬款	92	66
Cash and cash equivalents	現金及現金等值	1,094	802
		1,186	868
Total assets	總資產	644,006	658,432
Equity	權益		
Capital and reserves attributable to owners of the Company	本公司擁有人應佔股本及儲備		
Share capital	股本	64,123	64,123
Reserves	儲備	579,151	593,456
Total equity	權益總額	643,274	657,579
Liabilities	負債		
Current liabilities	流動負債		
Accrued liabilities and other payables	應計負債及其他應付賬款	732	853
Total equity and liabilities	權益及負債總額	644,006	658,432

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

40 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

40 本公司財務狀況表及儲備變動 (續)

(a) Reserve movement of the Company

(a) 本公司儲備變動

		Share premium 股份溢價 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Capital redemption reserve 資本贖回儲備 HK\$'000 千港元 Note (i) 附註(i)	Contributed surplus 繳入盈餘 HK\$'000 千港元 Note (ii) 附註(ii)	Retained earnings 保留溢利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1st April 2018	於二零一八年四月一日	425,869	7,691	80,624	53,986	38,189	606,359
Loss for the year	年度虧損	—	—	—	—	(3,178)	(3,178)
Share-based payment	以股份為基礎之支付	—	56	—	—	—	56
Exercise of share option	行使購股權	384	(108)	—	—	—	276
Lapse of share option	購股權失效	—	(5,244)	—	—	5,244	—
Dividends paid	已付股息	—	—	—	—	(10,057)	(10,057)
At 31st March 2019	於二零一九年三月三十一日	426,253	2,395	80,624	53,986	30,198	593,456
Loss for the year	年度虧損	—	—	—	—	(1,480)	(1,480)
Lapse of share option	購股權失效	—	(1,336)	—	—	1,336	—
Dividends paid	已付股息	—	—	—	—	(12,825)	(12,825)
At 31st March 2020	於二零二零年三月三十一日	426,253	1,059	80,624	53,986	17,229	579,151

Notes:

- (i) The capital redemption reserve has been established upon repurchase of shares.
- (ii) The contributed surplus of the Company represents the difference between the aggregate of the nominal values of the shares of the subsidiaries acquired at the date of acquisition, over the nominal value of the shares of the Company issued in exchange thereof.

In addition to the retained profits, under the Companies Act 1981 of Bermuda (as amended), contributed surplus is also available for distribution to shareholders. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if (i) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

附註：

- (i) 資本贖回儲備已於購回股份時設立。
- (ii) 本公司繳入盈餘指於收購日期收購附屬公司之股份面值總額與本公司因此發行以作交換之股份面值兩者間之差額。

除保留溢利外，根據百慕達一九八一年公司法(經修訂)，繳入盈餘亦可分派予股東。然而，倘(i)本公司不能或於繳款後將不能支付到期之負債；或(ii)本公司之可變現資產價值低於其負債及已發行股本及股份溢價賬之總額，則本公司不得自繳入盈餘中宣派或派發股息或作出分派。



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