



Easyknit International Holdings Limited
永義國際集團有限公司

(Stock Code 股份代號 : 1218)

2020

INTERIM REPORT

中期業績報告



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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Ms. Koon Ho Yan Candy
(President and Chief Executive Officer)
Ms. Lui Yuk Chu (Vice President)
Mr. Tse Wing Chiu Ricky (Vice President)

Independent Non-Executive Directors

Mr. Tsui Chun Kong
Mr. Jong Koon Sang
Mr. Lau Chak Hang Charles

AUDIT COMMITTEE

Mr. Tsui Chun Kong (Chairman)
Mr. Jong Koon Sang
Mr. Lau Chak Hang Charles

REMUNERATION COMMITTEE

Mr. Jong Koon Sang (Chairman)
Mr. Tsui Chun Kong
Mr. Lau Chak Hang Charles
Mr. Tse Wing Chiu Ricky

NOMINATION COMMITTEE

Mr. Lau Chak Hang Charles (Chairman)
Mr. Tsui Chun Kong
Mr. Jong Koon Sang
Mr. Tse Wing Chiu Ricky

EXECUTIVE COMMITTEE

Ms. Koon Ho Yan Candy (Chairman)
Ms. Lui Yuk Chu
Mr. Tse Wing Chiu Ricky

COMPANY SECRETARY

Mr. Lee Po Wing Simon

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditor
35/F One Pacific Place
88 Queensway
Hong Kong

LEGAL ADVISERS

As to Hong Kong law:
David Norman & Co

As to Bermuda law:
Conyers Dill & Pearman

董事會

執行董事

官可欣女士
(主席兼首席行政總裁)
雷玉珠女士(副主席)
謝永超先生(副主席)

獨立非執行董事

徐震港先生
莊冠生先生
劉澤恒先生

審核委員會

徐震港先生(主席)
莊冠生先生
劉澤恒先生

薪酬委員會

莊冠生先生(主席)
徐震港先生
劉澤恒先生
謝永超先生

提名委員會

劉澤恒先生(主席)
徐震港先生
莊冠生先生
謝永超先生

執行委員會

官可欣女士(主席)
雷玉珠女士
謝永超先生

公司秘書

李寶榮先生

核數師

德勤•關黃陳方會計師行
執業會計師
註冊公眾利益實體核數師
香港
金鐘道88號
太古廣場一座35樓

法律顧問

香港法律：
David Norman & Co

百慕達法律：
康德明律師事務所

Corporate Information (continued)

公司資料 (續)

PRINCIPAL BANKER

Hang Seng Bank Limited

主要往來銀行

恒生銀行有限公司

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS

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Hong Kong Spinners Building, Phase 6
481-483 Castle Peak Road
Cheung Sha Wan, Kowloon
Hong Kong

主要營業地點

香港
九龍長沙灣
青山道481-483號
香港紗廠大廈第6期
7樓A座

BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
4th Floor North Cedar House
41 Cedar Avenue
Hamilton HM12
Bermuda

百慕達主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited
4th Floor North Cedar House
41 Cedar Avenue
Hamilton HM12
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

香港股份過戶登記分處

卓佳秘書商務有限公司
香港
皇后大道東183號
合和中心54樓

STOCK CODE

1218

股份代號

1218

WEBSITE ADDRESS

www.easyknit.com

網址

www.easyknit.com

Management Discussion and Analysis 管理層討論及分析

The board of directors (“**Board**”) of Easyknit International Holdings Limited (“**Company**”) is pleased to announce the results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 September 2020 (the “**Period**”). These interim results have not been audited but have been reviewed by the Company’s audit committee.

INTERIM RESULTS

The Group’s unaudited consolidated loss attributable to the shareholders of the Company for the Period was approximately HK\$73,881,000 as compared to a consolidated loss of approximately HK\$170,767,000 for the corresponding period in 2019 (“**2019 Period**”). The loss for the Period was mainly attributable to, among other things, (i) the loss on changes in fair value of investment properties; (ii) the write-down on properties held for development for sale; and (iii) loss on change in fair value of financial assets at fair value through profit or loss. Such loss was partially offset by the gain on bargain purchase of additional interests in associates. The Period’s gross profit margin was approximately 94.8%, compared to the 2019 Period of approximately 96.5%.

The basic and diluted loss per share for the Period was approximately HK\$0.81 (2019 Period: HK\$1.87).

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Period (2019 Period: nil).

永義國際集團有限公司(「本公司」)董事會(「董事會」)欣然公佈本公司及其附屬公司(統稱「本集團」)截至2020年9月30日止六個月(「本期間」)之業績。本中期業績未經審核但已由本公司之審核委員會審閱。

中期業績

於本期間，本公司股東應佔本集團之未經審核綜合虧損約為73,881,000港元，相比2019年同期(「2019期間」)之綜合虧損約為170,767,000港元。期內虧損主要歸因於(其中包括)(i)投資物業公平值變動虧損；(ii)持作出售發展物業之減值；及(iii)按公平值計入損益之金融資產之公平值變動虧損等所引致，此等虧損被議價購買聯營公司額外權益所獲得的收益部分抵消。本期間毛利率錄得約94.8%，相比2019期間約96.5%。

本期間的每股基本及攤薄虧損約為0.81港元(2019期間：1.87港元)。

中期股息

董事會不建議就本期間派發中期股息(2019期間：無)。

Management Discussion and Analysis (continued)

管理層討論及分析 (續)

BUSINESS REVIEW

During the Period, the Group was principally engaged in the property development, property investment, investment in securities and loan financing business which property development and property investment are the core businesses of the Group. Below sets out the performance of each principal business segment of the Group:

(i) Property Development

One of the core businesses of the Group is property development. The Group has extensive experience in property redevelopment, in particular, acquisition of old buildings for renewal and redevelopment. There was no revenue recorded from the property development segment for the Period (2019 Period: nil).

(a) Project Waterloo Road

The Group, through its wholly subsidiary, owns the site at Nos. 93, 93A, 95 and 95A Waterloo Road, Kowloon, Hong Kong (also known as the Remaining Portion of Section C of Kowloon Inland Lot No. 2145) which has a site area of approximately 9,800 sq. ft. (“**Waterloo Road Site**”).

The Waterloo Road Site is being developed into a luxurious residential accommodation with club house facilities and car parks, and the estimated gross floor area is approximately 48,977 sq. ft. The development works is in progress and expected to be completed in mid 2022.

業務回顧

於本期間，本集團主要從事物業發展、物業投資、證券投資及貸款融資業務。物業發展及物業投資為本集團之核心業務。下文列出本集團各主要業務分部之表現：

(i) 物業發展

本集團的核心業務之一是物業發展。本集團在物業重建方面擁有豐富經驗，尤其是收購舊樓以進行翻新及重建。物業發展分部於本期間沒有錄得營業額(2019期間：無)。

(a) 窩打老道項目

本集團透過其全資附屬公司擁有香港九龍窩打老道93、93A、95及95A號(也被稱為九龍內地段第2145號C分段的餘段)，地盤總面積約9,800平方呎(「**窩打老道地盤**」)。

窩打老道地盤將發展成為具有會所設施及停車場的豪華住宅，估計總建築面積約為48,977平方呎。建築工程正在進行中，預期將於2022年中完成。

Management Discussion and Analysis (continued) 管理層討論及分析 (續)

(b) Chatham Road North

The Company, through its wholly-owned subsidiary, holds more than 80% of the properties at Nos. 470, 472, 474, 476 and 478 Chatham Road North, Kowloon, Hong Kong (“**Chatham Road North**”). The total site area of Chatham Road North is approximately 4,653 sq. ft. On 29 November 2018, the Company filed an application to the Lands Tribunal for an order to auction all the undivided shares of Chatham Road North (including those owned by the Group) for the purposes of redevelopment.

The Lands Tribunal has set the hearing of the application for an order for sale of Chatham Road North on 1 December 2020 and thereafter, it is expected the Lands Tribunal will, inter alia, make an order for the sale of the same by public auction and set a reserve price and date for the auction.

If the Group successfully acquires all the remaining units, the Chatham Road North site will be 100% owned by the Group and will be re-developed into a composite area of residential and commercial use. The estimated gross floor area after redevelopment is expected to be approximately 41,597 sq. ft.

Details of Chatham Road North are set out in the announcements of the Company dated 16 May 2018, 8 June 2018, 30 November 2018 and 11 September 2020 respectively, and the circulars of the Company dated 25 June 2018 and 23 October 2020.

(b) 漆咸道北

本公司透過其全資附屬公司持有位於香港九龍漆咸道北470、472、474、476及478號之該等物業(「**漆咸道北**」)的逾80%。漆咸道北之總地盤面積約為4,653平方呎。於2018年11月29日，本公司向土地審裁處申請頒令拍賣漆咸道北之所有不分割份數(包括本集團所擁所有者)，旨在進行重新發展。

土地審裁處已定於2020年12月1日進行有關申請出售漆咸道北之聆訊，而於該聆訊進行後，預期土地審裁處將(其中包括)頒令以公開拍賣方式售賣該大廈，並設定底價及該拍賣之日期。

倘本集團成功收購所有剩餘單位，本集團將擁有漆咸道北地盤100%，並將其重新發展成為一個住宅及商業用途的綜合區。重建後預計的總建築面積約為41,597平方呎。

有關漆咸道北之詳情分別載於本公司日期為2018年5月16日、2018年6月8日、2018年11月30日及2020年9月11日的公佈，以及本公司日期為2018年6月25日及2020年10月23日的通函。

Management Discussion and Analysis (continued)

管理層討論及分析 (續)

(c) Inverness Road Property – “Ayton”

“Ayton” is a residential building on Inverness Road, Kowloon, Hong Kong (also known as New Kowloon Inland Lot No. 6573) developed by the Group, comprising 60 residential units, 29 car parking spaces and 3 motor parking spaces. The total saleable area of approximately 40,742 sq. ft. The Group had launched its first phase of the sale of “Ayton” in May 2020. As at 30 September 2020, 19 units were sold. It was expected that the relevant transactions would be completed by the end of the year or early next year, and revenue for sale of properties will be recorded in the second half of current financial year.

(ii) Property Investment

Another core business of the Group is property investment. The Group’s investment properties comprise residential, commercial and industrial properties in Hong Kong.

Revenue arising from property rental for the Period was approximately HK\$16,027,000 (2019 Period: approximately HK\$19,797,000), representing approximately HK\$3,770,000 or approximately 19.0% decrease over 2019 Period. The decrease in rental income was primarily due to adjustment of rent for the shop located at Yun Ping Road, Causeway Bay, Hong Kong.

(c) 延文禮士道物業 – 「雋睿」

「雋睿」是由本集團發展位於香港九龍延文禮士道的住宅物業(亦稱為新九龍內地段第6573號)。該物業包含60個住宅單位、29個車位及3個電單車車位。其總銷售面積約為40,742平方呎。本集團已於2020年5月開始第一階段出售「雋睿」。截至2020年9月30日，已售出19個單位，預期相關交易將於本年底或明年初完成，物業銷售收益將於本財政年度下半年入賬。

(ii) 物業投資

本集團的另一項核心業務為物業投資。本集團的投資物業包括位於香港的住宅、商業及工業物業。

本期間的物業租賃營業額約為16,027,000港元(2019期間：約19,797,000港元)，較2019期間減少約3,770,000港元或約19.0%。租金收入減少主要歸因於位於香港銅鑼灣恩平道商舖之租金調整。

Management Discussion and Analysis (continued)

管理層討論及分析 (續)

As at 30 September 2020, the occupancy rate of commercial units and industrial units of the Group's investment properties were 77.2% and 96.2% respectively. Income from building management for the Period amounted to approximately HK\$757,000, an increase of approximately HK\$163,000 compared to the 2019 Period (2019 Period: approximately HK\$594,000). A loss on changes in fair value of investment properties of approximately HK\$58,840,000 (2019 Period: approximately HK\$2,427,000) was recognized during the Period. The overall results for the property investment segment was approximately a loss of HK\$51,583,000 for the Period (2019 Period: approximately HK\$2,793,000), representing an increase in loss of approximately HK\$48,790,000 compared to the 2019 Period.

(iii) Securities Investment

The Group maintains a portfolio comprising bluechip stocks and top-tier investments products which generate high yield in Hong Kong. The Group takes into account the following criteria when determining whether to take up an investment opportunity: (i) potential return on investment in terms of capital appreciation and dividend payment for the targeted holding period; (ii) risks exposure in comparison with the Group's risk tolerance level at the prevailing time; and (iii) diversification of the existing investment portfolio.

於2019年9月30日，本集團投資物業中之商業物業及工業單位的出租率分別為77.2%及96.2%。本期間的物業管理收入約為757,000港元，較去年上升約163,000港元（2019期間：約594,000港元）。本集團於本期間內錄得投資物業公平值變動虧損約58,840,000港元（2019期間：約2,427,000港元）。於本期間物業投資分部的整體業績的虧損約為51,583,000港元（2019期間：約為2,793,000港元），較2019期間增加虧損約48,790,000港元。

(iii) 證券投資

本集團持有的投資組合包括在香港的藍籌股及高收益的一級投資產品。本集團在決定是否承攬投資項目時會考慮以下準則：(i)投資項目在目標持有期間於資本增值及股息派付方面的投資回報潛力；(ii)當時與本集團風險承受程度相比下的風險承擔；及(iii)現有投資組合的多元化。

Management Discussion and Analysis (continued)

管理層討論及分析 (續)

During the Period, the Group invested in the shares and equity link notes of several blue chip companies, including China Construction Bank Corporation (Stock code: 939), Industrial and Commercial Bank of China Limited (Stock code: 1398), Alibaba Group Holding Limited (Stock code: 9988), Ping An Insurance (Group) Company of China, Ltd. (Stock code: 2318), Bank of China Limited (Stock code: 3988), etc. In addition, the Group made further investment in the shares of its associate, Eminence Enterprise Limited (“**Eminence**”) as follows:

(a) Acquisition of Eminence Shares

During the Period, the Group has acquired additional equity interest in Eminence through on-market purchase of a total 19,800,000 shares at an aggregate consideration of approximately HK\$4,950,000 (exclusive of transaction costs), equivalent to an average price of approximately HK\$0.25 per Eminence Share. As a result, the Group’s interest in Eminence increased from 27.47% to 29.6%. As the fair value of the net assets attributable to Eminence Shares acquired was higher than the aggregate purchase price, the Group recorded a gain on bargain purchase of additional interests in associates of approximately HK\$58,471,000.

As at 30 September 2020, the Group, through Ace Winner Investment Limited, Landmark Profits Limited (“**Landmark Profits**”) and Goodco Development Limited (“**Goodco**”) (all of which are wholly-owned subsidiaries of the Company), held a total of 275,687,665 Eminence Shares, representing approximately 29.60% of the total issued share capital of Eminence.

於本期間，本集團投資於數家藍籌公司的股份及股票掛鈎票據，包括中國建設銀行股份有限公司(股份代號：939)、中國工商銀行股份有限公司(股份代號：1398)、阿里巴巴集團控股有限公司(股份代號：9988)、中國平安保險(集團)股份有限公司(股份代號：2318)、中國銀行股份有限公司(股份代號：3988)等。此外，本集團進一步投資了其聯營公司高山企業有限公司(「**高山**」)的股份，詳情如下：

(a) 購入高山股份

於本期間，本集團收購了額外之高山股權，透過市場買入合共19,800,000股股份，總代價約為4,950,000港元(未計交易成本)，相當於平均價每股高山股份約0.25港元。因此，本集團於高山之權益由27.47%增加至29.6%。由於運樂收購的高山股份之相關淨資產的公平值高於總購入價，因此本集團錄得於收購額外聯營公司權益時之議價收購收益約為58,471,000港元。

截至2020年9月30日，本集團透過運樂投資有限公司、Landmark Profits Limited (「**Landmark Profits**」)和佳豪發展有限公司(「**佳豪**」)(均為本公司之全資附屬公司)持有合共275,687,665股高山股份，佔高山已發行股本總數約29.60%。

Management Discussion and Analysis (continued)

管理層討論及分析 (續)

(b) Subscription of Eminence Convertible Notes

On 1 March 2017, Eminence and Goodco entered into a subscription agreement in respect of the issue by Eminence of its 2017 (May) Convertible Note to Goodco in the principal amount of HK\$16,000,000 (“**2017 CN1**”). On 7 August 2017, Eminence and Goodco entered into a subscription agreement in respect of the issue by Eminence of its 2017 (September) Convertible Note to Goodco in the principal amount of HK\$28,200,000 (“**2017 CN2**”). On 17 June 2019, Eminence and Goodco entered into a subscription agreement in respect of the issue by Eminence of its 2019 Convertible Note to Goodco in the principal amount of HK\$70,000,000 (“**2019 CN**”).

During the Period, no exercise of the conversion rights under the aforesaid convertible notes held by Goodco was made and the outstanding principal amount of the aforesaid three notes as at 30 September 2020 was HK\$97,280,000 (the outstanding principal amount of 2017 CN1, 2017 CN2 and 2019 CN was HK\$16,000,000, HK\$11,280,000 and HK\$70,000,000 respectively). The aggregate fair value of the three notes was approximately HK\$74,110,000 as at 30 September 2020 (31 March 2020: approximately HK\$85,914,000). During the Period, an unrealised fair value loss of approximately HK\$10,345,000 was recognised and the Group received a total interest income of approximately HK\$1,459,000 from such convertible notes.

(b) 認購高山可換股票據

於2017年3月1日，高山及佳豪訂立一份認購協議，內容有關高山發行其本金金額為16,000,000港元之2017年(5月)可換股票據予佳豪(「**2017票據1**」)。於2017年8月7日，高山及佳豪訂立一份認購協議，內容有關高山發行其本金金額為28,200,000港元之2017年(9月)可換股票據予佳豪(「**2017票據2**」)。於2019年6月17日，高山及佳豪訂立一份認購協議，內容有關高山發行其本金金額為70,000,000港元之2019年可換股票據予佳豪(「**2019票據**」)。

於本期間內，佳豪所持有之上述可換股票據之兌換權沒有被行使，因此截止2020年9月30日上述三隻票據之未償還本金金額為97,280,000港元(2017票據1、2017票據2及2019票據之未償還本金金額分別為16,000,000港元、11,280,000港元及70,000,000港元)。於2020年9月30日，三張票據的總公允價值約為74,110,000港元(2020年3月31日：約85,914,000港元)。於本期間，已確認未變現公平值虧損約10,345,000港元，及本集團從該等可換股票據獲得總利息收入約為1,459,000港元。

Management Discussion and Analysis (continued)

管理層討論及分析 (續)

On 18 September 2020, Eminence and Goodco entered into three deeds of amendment in respect of the proposed alteration of the terms of the aforesaid convertible notes ("**Proposed Alteration**"), pursuant to which both parties agreed that the conversion price of such convertible notes will be revised to HK\$0.25 per Eminence Share (subject to adjustment) and, the maturity date of the notes will be extended to 28 August 2024 upon the deeds of amendment becoming unconditional. As a result of the Proposed Alteration, a total of 389,120,000 Eminence Shares would be allotted and issued upon full conversion of the aforesaid convertible notes at the revised conversion price of HK\$0.25.

As at 30 September 2020, the Group's investment in equity securities listed in Hong Kong and the United States of America amounted to approximately HK\$165,075,000 (31 March 2020: approximately HK\$61,411,000). During the Period, there was (i) a conversion of equity-linked investments of approximately HK\$28,225,000; (ii) net disposal of securities of approximately HK\$20,265,000; (iii) net acquisition of securities of approximately HK\$97,051,000; and (iv) net decrease in market value of securities of approximately HK\$1,347,000. As at 30 September 2020, the Group's investment portfolio comprises 9 (31 March 2020: 6) equity securities which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and New York Stock Exchange.

於2020年9月18日，高山及佳豪就建議修訂上述可換股票據之條款（「**建議修訂**」）訂立三份修訂契據，根據雙方同意，該等可換股票據之兌換價將調整為每股股份0.25港元（可予調整），並在修訂契據變為無條件後，該等可換股票據到期日將延至2024年8月28日。由於建議修訂，將按經調整之兌換價0.25港元悉數兌換上述可換股票據的情況下配發和發行合共389,120,000股高山股份。

於2020年9月30日，本集團投資於香港及美國上市之證券金額達165,075,000港元（2020年3月31日：約61,411,000元）。此乃源於(i)於本年度內股票掛鈎投資的轉換約28,225,000港元；(ii)出售證券淨額約為20,265,000港元；(iii)購入證券淨額約為97,051,000港元；及(iv)證券市值金額淨減少約1,347,000港元。於2020年9月30日，本集團之投資組合包括9隻（2020年3月31日：6隻）於香港聯合交易所有限公司（「**聯交所**」）及紐約交易所主板上市的證券。

Management Discussion and Analysis (continued)

管理層討論及分析 (續)

The Group reported a segment loss of approximately HK\$16,177,000 (2019 Period: approximately HK\$8,406,000) during the Period. The Group received dividend income from the listed securities of approximately HK\$2,413,000 (2019 Period: approximately HK\$2,233,000) during the Period.

The Group considers the prospects in respect of the listed shares investments are healthy. The Board understands that the performance of the investments may be affected by volatility in stock markets and subject to other external factors. Accordingly, the Group will continue to maintain a diversified portfolio of investments in different segments of markets to minimize the possible financial risks. The Group will also closely monitor the performance and progress of the investment portfolio from time to time.

(iv) Loan Financing

During the Period, the Group recorded an interest income from the loan financing business amounting to approximately HK\$6,927,000 (2019 Period: approximately HK\$12,391,000), representing approximately 29.2% of the total revenue of the Group. The decrease in interest income from loan financing was primarily due to the decrease in average level of loans receivable during the Period compared with 2019 Period. Profit derived from loan financing business for the Period was approximately HK\$1,204,000 (2019 Period: approximately HK\$933,000). The carrying amount of loans receivable as at 30 September 2020 was approximately HK\$211,097,000 (31 March 2020: approximately HK\$236,751,000). At 30 September 2020, the Group recognised an impairment allowance under expected credit loss model amounting to approximately HK\$2,482,000 in its loan financing business.

於本期間，本集團錄得分部虧損約為16,177,000港元(2019期間：約為8,406,000港元)。於本期間內，本集團從上市證券中獲得股息收入約為2,413,000港元(2019期間：約2,233,000港元)。

本集團認為有關上市證券投資的前景屬健康。董事會明白投資表現可能受到股市波動及其他外部因素影響。因此，本集團將繼續維持同市場分部的多元化投資組合，以盡量降低潛在的金融風險。本集團亦將不時密切監察投資組合的表現及進展。

(iv) 貸款融資

於本期間，本集團錄得來自貸款融資業務之利息收入約6,927,000港元(2019期間：約12,391,000港元)，佔本集團總營業額約29.2%。來自貸款融資之利息收入減少，主要歸因於本期間之應收貸款平均水平較2019期間減少。本期間，來自貸款融資業務之溢利約為1,204,000港元(2019期間：約933,000港元)。應收貸款於2020年9月30日之金額約為211,097,000港元(2020年3月31日：約236,751,000港元)。於2020年9月30日，本集團的貸款融資業務確認預期信貸虧損模式下之減值撥備約2,482,000港元。

Management Discussion and Analysis (continued)

管理層討論及分析 (續)

Below were the major transactions of the Group on loan financing business during the Period:

以下是本集團貸款融資業務於本期間的主要交易：

1. Co-lending Agreement

On 18 June 2019, Planetic International Limited (“**Planetic**”), a wholly-owned subsidiary of the Company, entered into a co-lending agreement with STI Partners Limited (“**STI**”) and China Yinsheng Finance Limited (“**China Yinsheng**”), pursuant to which, inter alia, Planetic, STI and China Yinsheng, as co-lenders, agreed to enter into a loan agreement with an independent third party, as borrower, and make available to the borrower, an aggregate loan of HK\$64,000,000 (of which HK\$45,000,000 was from Planetic) for a period of twelve (12) months from the drawdown date. The interest rate charged by Planetic was 8.50% per annum. Such loan was secured by charge on properties of the borrower. During the Period, the Group received a total interest income from such lending of approximately HK\$366,000. The loan was fully repaid in May 2020.

2. Sale of Junior Notes

Charming Flash Limited (“**Charming Flash**”), a wholly-owned subsidiary of the Company, as subscriber, entered into a junior notes subscription agreement dated 31 October 2018 with Golden Glow Limited (the “**Issuer**”), as issuer, pursuant to which Charming Flash subscribed for the fixed-rate unsecured junior notes (the “**Junior Notes**”) issued by the Issuer in the amount of US\$4,500,000 (equivalent to approximately HK\$35,100,000) at an interest rate of 14.65% per annum.

1. 共同借貸協議

於2019年6月18日，Planetic International Limited(「**Planetic**」)(本公司之全資附屬公司)與STI Partners Limited(「**STI**」)及中國銀盛財務有限公司(「**中國銀盛**」)訂立共同借貸協議，據此(其中包括)Planetic、STI及中國銀盛(為共同貸款人)同意與一名獨立第三方(為借款人)簽訂貸款協議並向借款人提供合共64,000,000港元之貸款(Planetic佔當中之45,000,000港元)，貸款期為自提取日期起計十二(12)個月。Planetic所收取之年利率為8.50厘。該貸款以借款人的物業作抵押。於本期間內，本集團從該貸款獲得總利息收入約366,000港元。該貸款已於2020年5月完全償還。

2. 出售次級票據

Charming Flash Limited(「**Charming Flash**」)(本公司之全資附屬公司，作為認購方)與Golden Glow Limited(「**發行人**」)(作為發行人)訂立日期為2018年10月31日之次級票據認購協議，據此，Charming Flash認購由發行人發行之價值4,500,000美元(相當於約35,100,000港元)之固定利率無抵押次級票據(「**次級票據**」)，年利率為14.65厘。

Management Discussion and Analysis (continued)

管理層討論及分析 (續)

Charming Flash later entered into a tripartite agreement (the “**Tripartite Agreement**”) dated 20 February 2020 with Green Heyday Limited (“**Green Heyday**”) and the Issuer, under which Charming Flash agreed to sell and Green Heyday agreed to acquire, the Junior Notes at a consideration of US\$4,700,000 (equivalent to approximately HK\$36,660,000). The consideration will be paid by three (3) instalments. Charming Flash will have all rights attached or accruing to the Junior Notes, including the rights to receive all payments, dividends and distributions from the Junior Notes, until such time as it receives full payment of the consideration from Green Heyday and completes the sale and purchase of the Junior Notes under the Tripartite Agreement. As at 30 September 2020, US\$4,700,000 (equivalent to approximately HK\$36,480,000) of consideration had been received by the Company. The Company is expected to recognize a gain of approximately US\$200,000 (equivalent to approximately HK\$1,560,000) from the sale, which is calculated on the basis of the difference between the face value of the Junior Notes of US\$4,500,000 (equivalent to approximately HK\$35,100,000) as at 20 February 2020 and the consideration of US\$4,700,000 (equivalent to approximately HK\$36,660,000).

Further information can be found in the announcements of the Company dated 11 August 2017, 2 November 2018 and 20 February 2020 respectively.

Charming Flash 其後與 Green Heyday Limited (「**Green Heyday**」) 及發行人簽訂日期為 2020 年 2 月 20 日之三方協議 (「**三方協議**」)，據此，Charming Flash 同意按代價 4,700,000 美元 (相當於約 36,660,000 港元) 出售而 Green Heyday 同意收購次級票據。代價將分三 (3) 期支付。Charming Flash 將擁有次級票據之所有或應計權利，包括收取次級票據之所有款項、股息和紅利之權利，直到其從 Green Heyday 獲得全部代價的款項並根據三方協議完成買賣次級票據。截至 2020 年 9 月 30 日，本公司已收取 4,700,000 美元 (相當於約 36,480,000 港元) 之代價。本公司預期將從該出售錄得約 200,000 美元 (相當於約 1,560,000 港元) 之收益，金額乃按於 2020 年 2 月 20 日次級票據的面值約 4,500,000 美元 (相當於約 35,100,000 港元) 及代價 4,700,000 美元 (相當於約 36,660,000 港元) 之差額計算。

詳情請參閱本公司日期分別為 2017 年 8 月 11 日、2018 年 11 月 2 日及 2020 年 2 月 20 日之公佈。

Management Discussion and Analysis (continued)

管理層討論及分析 (續)

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group financed its operations through internally generated cash flow and bank borrowings. As at 30 September 2020, the bank balances (including cash and deposits) were approximately HK\$57,236,000 (31 March 2020: approximately HK\$117,920,000), representing a decrease of approximately HK\$60,684,000 compared to 31 March 2020. The Group's bank borrowings amounted to approximately HK\$1,471,756,000 (31 March 2020: approximately HK\$1,428,186,000). The gearing ratio of the Group, calculated as a ratio of total borrowings to total equity, as at 30 September 2020 was approximately 0.46 (31 March 2020: approximately 0.44).

As at 30 September 2020, the Group has net current assets of approximately HK\$1,516,260,000 (31 March 2020: approximately HK\$1,549,088,000), exhibiting a decrease approximately of HK\$32,828,000. Current ratio as at 30 September 2020 was approximately 2.3 (31 March 2020: approximately 2.5).

Capital Structure

As at 30 September 2020, the total number of issued ordinary shares of the Company was 91,320,403 shares (2019 Period: 91,320,403 shares).

Capital Expenditures

During the Period, the Group invested nil (2019 Period: approximately HK\$32,000) on the acquisitions of property, plant and equipment and expended nil (2019 Period: approximately HK\$3,077,000) on additions of investment properties.

財務回顧

流動資金及財務資源

本集團透過內部營運產生的現金流及銀行借貸提供資金。於2020年9月30日，銀行結餘(包括現金及存款)為約57,236,000港元(2020年3月31日：約117,920,000港元)，較2020年3月31日減少約60,684,000港元。本集團之銀行借貸為約1,471,756,000港元(2020年3月31日：約1,428,186,000港元)。於本期間，本集團的資產負債比率(即借貸總額佔總資產之百分比)於2020年9月30日為約0.46(2020年3月31日：約0.44)。

於2020年9月30日，本集團之流動資產淨值為約1,516,260,000港元(2020年3月31日：約1,549,088,000港元)，反映減少約32,828,000港元。於2020年9月30日，流動比率為約2.3(2020年3月31日：約2.5)。

股本結構

於2020年9月30日，本公司已發行普通股股份總數為91,320,403股(2019期間：91,320,403股)。

資本開支

於本期間，本集團並無(2019期間：約32,000港元)購買物業、廠房及設備及並無增置投資物業(2019期間：約3,077,000港元)。

Management Discussion and Analysis (continued)

管理層討論及分析 (續)

Capital Commitments

As at 30 September 2020, the Group had no capital commitments in respect of capital expenditure contracted for but not provided (31 March 2020: nil).

Material Acquisitions and Disposals

The Group had no material acquisitions or disposals of subsidiaries or associated companies during the Period.

Charge on Assets

As at 30 September 2020, bank loans amounting to approximately HK\$1,471,756,000 (31 March 2020: approximately HK\$1,428,186,000) were secured by the assets of the Group having a net book value of approximately HK\$3,644,525,000 (31 March 2020: approximately HK\$3,480,944,000).

Exposure on Foreign Exchange Fluctuations

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

Contingent Liabilities

The Group did not have significant contingent liabilities as at 30 September 2020 (31 March 2020: nil).

Changes in Fair Value of Investment Properties

As at 30 September 2020, there was a loss of approximately HK\$58,840,000 arising from changes in fair value of investment properties (2019 Period: approximately HK\$2,427,000).

資本承擔

於2020年9月30日，本集團並無已訂約但未撥備之資本性開支的資本承擔(2020年3月31日：無)。

重大收購及出售

本集團於本期間並無有關附屬公司或聯營公司的重大收購或出售事項。

資產抵押

於2020年9月30日，銀行貸款約1,471,756,000港元(2020年3月31日：約1,428,186,000港元)有抵押以本集團賬面淨值約為3,644,525,000港元(2020年3月31日：約3,480,944,000港元)的資產作為抵押。

外匯波動之風險

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

或然負債

於2020年9月30日，本集團並無任何重大或然負債(2020年3月31日：無)。

投資物業之公平值變動

於2020年9月30日，投資物業之公平值變動產生之虧損為約58,840,000港元(2019期間：約2,427,000港元)。

Management Discussion and Analysis (continued)

管理層討論及分析 (續)

Finances Costs

Finance costs was approximately HK\$8,867,000, decreased by approximately HK\$2,415,000 from approximately HK\$11,282,000 in 2019 Period.

Changes since 31 March 2020

There were no other significant changes in the Group's financial statements or from the information disclosed under Management Discussion and Analysis in 2020 Annual Report.

PROSPECTS

The Group will continue focusing its efforts in the development of its existing principal businesses: property development, property investment, securities investment, loan financing business while exploring other potential projects with a view to providing steady and favourable returns for the Shareholders and bring increased growth to the Group.

Despite the uncertainties on global economic outlook caused by the softening global economic growth and the outbreak of COVID-19, the Group is prudently optimistic about the prospects of the property and securities market in Hong Kong and believes these markets will continue to grow over the longer term.

In line with its investment strategy and policy, the Company will continue to identify appropriate investment and divestment opportunities that fit the objective and investment criteria of the Company, and will continue to seek opportunities to replenish its property portfolio as an ongoing business exercise. The Board would exercise utmost caution, so as to bring positive impact on the operating and financial results to the Company in the foreseeable future.

融資成本

融資成本為約8,867,000港元，較2019期間的約11,282,000港元減少約2,415,000港元。

自2020年3月31日起變動

本集團的財務報表或2020年年報中管理層討論及分析所披露的資料並無其他重大變動。

展望

本集團將繼續集中發展其現有主要業務：物業發展、物業投資、證券投資、貸款融資業務及開拓其他潛在項目，期望為股東提供穩定而有利的回報，並為本集團帶來有成果的增長。

儘管由於環球經濟增長放緩及2019冠狀病毒病爆發帶來環球經濟不明朗，但本集團對香港物業及證券市場之前景持審慎樂觀的態度，並認為該等市場長遠將持續增長。

根據其投資策略及政策，本公司將繼續物色合適的投資及撤資機會，以符合本公司之目標及投資標準，並將繼續尋找機會補充其作為一項持續業務活動之物業投資組合。董事會將審慎行事，以在可預見未來對本公司的經營及財務業績帶來積極影響。

Disclosure of Interests 權益披露

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2020, the interests or short positions of the directors of the Company (the “**Directors**”) and chief executive 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 were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange, to be notified to the Company and the Stock Exchange, were as follows:

Interests in the Company (long position)

Name of Director	Capacity	Number of ordinary shares held 持有普通股股份數目	Aggregate number of ordinary shares held 持有普通股股份總數	Approximate percentage of interests 權益之概約百分比
Ms. Lui Yuk Chu 雷玉珠女士	Interest of controlled corporation (<i>Note i</i>) 受控制法團之權益(附註i)	17,429,664	17,429,664	19.09%
Ms. Koon Ho Yan Candy 官可欣女士	Beneficiary of a trust (<i>Note ii</i>) 信託受益人(附註ii)	29,179,480	29,179,480	31.95%

董事及主要執行人員於股份、 相關股份及債權證之權益

於2020年9月30日，本公司董事(「**董事**」)及主要執行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)的股份、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益或淡倉(包括彼等根據證券及期貨條例之該等條文被假設或視為擁有之權益或淡倉)，或記載於本公司按證券及期貨條例第352條須存置之登記冊內的權益或淡倉，或根據聯交所證券上市規則(「**上市規則**」)附錄10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**」)須知會本公司及聯交所的權益或淡倉如下：

於本公司之權益(好倉)

Disclosure of Interests (continued)

權益披露 (續)

Notes:

- (i) 17,429,664 shares of the Company are owned by Sea Rejoice Limited which is wholly-owned by Ms. Lui Yuk Chu, an executive director of the Company.
- (ii) 29,179,480 shares of the Company are registered in the name of and are beneficially owned by Magical Profits Limited which is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by The Winterbotham Trust Company Limited as trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Koon Ho Yan Candy). As a result, Ms. Koon Ho Yan Candy is deemed to be interested in the shares by virtue of her capacity as one of the beneficiaries of The Magical 2000 Trust.

Save as disclosed above, as at 30 September 2020, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18, was granted any right to subscribe for the equity or debt securities of the Company or other body corporate nor had exercised any such right.

附註：

- (i) 本公司之17,429,664股股份由樂洋有限公司實益擁有，該公司乃由本公司執行董事雷玉珠女士全資擁有。
- (ii) 本公司之29,179,480股股份以Magical Profits Limited之名義登記及由其實益擁有，該公司乃由Accumulate More Profits Limited全資擁有，而Accumulate More Profits Limited則由作為The Magical 2000 Trust(其受益人包括官可欣女士)之信託人溫特博森信託有限公司全資擁有。故此，官可欣女士因作為The Magical 2000 Trust受益人之一被視為於股份中擁有權益。

除上文所披露者外，於2020年9月30日，本公司董事或主要執行人員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)的股份、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益或淡倉(包括彼等根據證券及期貨條例之該等條文被假設或視為擁有的權益或淡倉)，或記載於本公司按證券及期貨條例第352條須存置之登記冊內的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉。

董事認購股份或債權證之權利

本公司或其任何附屬公司於本期間內任何時間概無訂立任何安排，致使董事可藉購買本公司或任何其他法人團體之股份或債權證而獲益，以及並無董事或其配偶或18歲以下之子女獲授予任何權利以認購本公司或其他法人團體之股本或債務證券，或已行使任何該等權利。

Disclosure of Interests (continued)

權益披露 (續)

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

主要股東於股份及相關股份之權益

As at 30 September 2020, the persons (other than the Directors or the chief executive of the Company) who had an interest or a short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

於2020年9月30日，於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部的條文須向本公司披露或記載於本公司按證券及期貨條例第336條須存置之登記冊內的權益或淡倉之人士(本公司董事或主要執行人員除外)如下：

Name of Shareholder	Notes	Capacity	Number of ordinary shares held (long position) 持有普通股股份數目(好倉)	Approximate percentage of interests 權益之概約百分比
股東名稱	附註	身份		
Mr. Koon Wing Yee 官永義先生	<i>i & iii</i>	Interest of spouse 配偶權益	17,429,664	19.09%
Sea Rejoice Limited 樂洋有限公司	<i>i</i>	Beneficial owner 實益擁有人	17,429,664	19.09%
Magical Profits Limited	<i>ii</i>	Beneficial owner 實益擁有人	29,179,480	31.95%

Disclosure of Interests (continued)

權益披露 (續)

Name of Shareholder	Note	Capacity	Number of ordinary shares held (long position) 持有普通股 股份數目 (好倉)	Approximate percentage of interest 權益之概約 百分比
股東名稱	附註	身份		
Accumulate More Profits Limited	ii	Interest of controlled Corporation 受控制法團之權益	29,179,480	31.95%
The Winterbotham Trust Company Limited 溫特博森信託有限公司	ii	Trustee 信託人	29,179,480	31.95%
Winterbotham Holdings Limited	ii	Interest of controlled corporation 受控制法團之權益	29,179,480	31.95%
Christopher Geoffrey Douglas Hooper	ii	Interest of controlled corporation 受控制法團之權益	29,179,480	31.95%

Notes:

- (i) 17,429,664 Shares are owned by Sea Rejoice Limited which is wholly-owned by Ms. Lui Yuk Chu, an executive director of the Company.
- (ii) 29,179,480 shares of the Company are registered in the name of and are beneficially owned by Magical Profits Limited, which is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by The Winterbotham Trust Company Limited as trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Koon Ho Yan Candy, an executive director of the Company). The Winterbotham Trust Company Limited is owned as to 75% by Winterbotham Holdings Limited. Winterbotham Holdings Limited is owned as to approximately 99.99% by Mr. Christopher Geoffrey Douglas Hooper.
- (iii) Mr. Koon Wing Yee, being the spouse of Ms. Lui Yuk Chu, is deemed to be interested in the 17,429,664 shares of the Company by virtue of the SFO.

附註:

- (i) 17,429,664股股份由樂洋有限公司實益擁有，該公司乃由本公司執行董事雷玉珠女士全資擁有。
- (ii) 29,179,480股本公司股份以Magical Profits Limited之名義登記及由其實益擁有，該公司乃由Accumulate More Profits Limited全資擁有，而Accumulate More Profits Limited則由作為The Magical 2000 Trust（其受益人包括本公司執行董事官可欣女士）之信託人溫特博森信託有限公司全資擁有。Winterbotham Holdings Limited於溫特博森信託有限公司擁有75%權益。Christopher Geoffrey Douglas Hooper先生擁有Winterbotham Holdings Limited約99.99%之權益。
- (iii) 官永義先生為雷玉珠女士之配偶，根據證券及期貨條例被視為於17,429,664股本公司股份中擁有權益。

Disclosure of Interests (continued)

權益披露 (續)

Save as disclosed above, as at 30 September 2020, the Company had not been notified by any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEMES

On 5 July 2012, a share option scheme (“**Share Option Scheme**”) was adopted and approved by the shareholders of the Company for a period of 10 years commencing on the adoption date whereby the Board, may at its discretion, grant share options to any eligible participants (including Directors and employees of the Group) to subscribe for the shares in the Company subject to the terms and conditions as stipulated in the Share Option Scheme.

The scheme mandate limit for the Share Option Scheme was refreshed in August 2019 to allow the Company to issue a maximum of 9,132,040 share options under the Share Option Scheme, representing 10% of the total number of issued shares of the Company (i.e. 91,320,403 shares) as at 30 September 2019.

During the Period, no share option(s) were outstanding, granted, exercised, cancelled or lapsed under the Share Option Scheme.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company’s issued shares were held by the public as at the date of this report.

除上文所披露者外，於2020年9月30日，概無任何人士(本公司董事或主要執行人員除外)曾知會本公司擁有根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露或記載於本公司按證券及期貨條例第336條須存置之登記冊內的本公司股份或相關股份之權益或淡倉。

購股權計劃

於2012年7月5日，本公司股東已採納及批准一項新購股權計劃(「**購股權計劃**」)，年期由採納日期起計10年，董事會可酌情向任何合資格參與者(包括董事及本集團僱員)授出購股權以認購本公司股份，惟須受購股權計劃的條款及細則所限。

購股權計劃之計劃授權於2019年8月獲更新，批准本公司根據購股權計劃發行最多9,132,040份購股權，佔本公司於2019年9月30日已發行股份總數(即91,320,403股股份)之10%。

於本期間內，購股權計劃概無購股權尚未行使、獲授出、行使、被註銷或已失效。

公眾持股量

根據本公司可公開獲得的資料及董事所知，於本報告日期，本公司已發行股份的至少25%由公眾持有。

Corporate Governance and Other Information

企業管治及其他資料

CORPORATE GOVERNANCE

The Company has applied the principles and complied with all the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 of the Listing Rules during the Period, with the exception of the following deviations:

Code Provision A.2.1

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

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

企業管治

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

守則條文第A.2.1條

主席與行政總裁之角色應有區分，並不應由一人同時兼任

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

Corporate Governance and Other Information (continued)

企業管治及其他資料 (續)

Code Provision C.2.5

The issuer should have an internal audit function

Code provision C.2.5 of the CG Code provides that the Group should have an internal audit function. The Group does not have an internal audit function. During the Period, the Board reviewed the effectiveness of the internal control system of the Group and there were no major issues but areas for improvement have been identified by the Audit Committee and appropriate measures have been taken. In addition, the Board was of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. The situation will be reviewed annually.

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, since the date of the Company's latest published 2020 Annual Report and up to the date of this report, the changes in the Directors' information are set out below:

- (a) The Director's fee of each of the independent non-executive directors had been increased to HK\$150,000 per annum with effect from 1 April 2020.
- (b) With effect from 6 August 2020, (1) Mr. Hon Tam Chun retired as an independent non-executive Director at the conclusion of the AGM 2020 and ceased to be the chairman and a member of the Nomination Committee, and a member of the Audit Committee and the Remuneration Committee; and (2) Mr. Lau Chak Hang Charles was appointed as an independent non-executive Director, the chairman and a member of the Nomination Committee, and a member of the Audit Committee and the Remuneration Committee.
- (c) With effect from 13 August 2020, (i) Ms. Koon is re-designated from an executive Director and a member of the Executive Committee to the president and chief executive officer of the Company, and the chairman of the Executive Committee; and (ii) Mr. Tse is re-designated from the president and chief executive officer of the Company, and the chairman of the Executive Committee to the vice president of the Company and an executive Director, and a member of the Executive Committee.

守則條文第C.2.5條

發行人應設立內部審核功能

根據企業管治守則第C.2.5條守則條文的規定，本集團應設立內部審核功能。本集團沒有設立內部審核功能。於本期間，董事會已對本集團內部監控制度的有效性進行了檢討，並沒有發現重大問題，但審核委員會已經確定有待改進的範疇，並採取了適當措施。此外，董事會認為，鑑於本集團業務規模、性質及複雜性，本集團目前並無設立內部審核功能的急切需要。本集團將每年審查上述情況。

董事資料的變動

根據上市規則第13.51B (1)條，董事資料自本公司最近刊發之2020年報日期起至本報告日期止變動如下：

- (a) 本公司每名獨立執行董事之董事袍金增加至每年150,000港元，自2020年4月1日起生效。
- (b) 自2020年8月6日起，(1)韓譚春先生已於2020年股東週年大會結束時退任為獨立非執行董事，並不再擔任提名委員會主席兼成員，以及審核委員會及薪酬委員會成員；及(2)劉澤恒先生已獲委任為獨立非執行董事、提名委員會主席兼成員，以及審核委員會及薪酬委員會成員。
- (c) 自2020年8月13日起，(i)官女士由執行董事及行政委員會成員調任為本公司主席兼首席行政總裁及行政委員會主席；及(ii)謝先生由本公司主席兼首席行政總裁及行政委員會主席調任為本公司副主席兼執行董事，以及行政委員會成員。

Corporate Governance and Other Information *(continued)*

企業管治及其他資料 *(續)*

(d) The Board, as recommended by the Remuneration Committee, approved the provision of a housing benefit to Ms. Koon with effect from 1 October 2020.

Save as disclosed above, there is no other change in information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors, who are likely to be in possession of inside information in relation to the securities of the Company. All Directors have confirmed, following specific enquiries by the Company, their compliance with the required standards set out in the Model Code throughout the Period.

THE AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) comprises three independent non-executive directors of the Company, namely Mr. Tsui Chun Kong (Chairman of the Audit Committee), Mr. Jong Koon Sang and Mr. Lau Chak Hang Charles. The Audit Committee has reviewed the accounting policies adopted by the Group and discussed auditing, internal control and financial reporting matters, including the review of the Group’s unaudited condensed consolidated financial statements for the six months ended 30 September 2020, the interim results announcement and this interim report.

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

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

(d) 在薪酬委員會之建議下，董事會批准向官女士提供一項住房福利，自2020年10月1日起生效。

除上文所披露者外，概無其他董事資料變動須根據上市規則第13.51B(1)條須予。

遵守標準守則

本公司已採納上市規則附錄10所載之標準守則，作為其本身有關董事(可能擁有與本公司證券有關的內幕消息)進行證券交易之行為守則。經本公司作出特定查詢後，本公司所有董事確認，彼等於本期間內一直遵守標準守則所規定之準則。

審核委員會

本公司審核委員會(「**審核委員會**」)由本公司由三位獨立非執行董事組成，分別為徐震港先生(審核委員會主席)、莊冠生先生及劉澤恒先生。審核委員會已審議本集團採用之會計政策，並商討審計、內部監控及財務匯報事項，包括審議本集團截至2020年9月30日止六個月之未經審核簡明綜合財務報表、中期業績公佈及本中期報告。

購買、出售或贖回本公司之上市證券

於本期間，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

Corporate Governance and Other Information (continued)

企業管治及其他資料 (續)

HUMAN RESOURCES

As at 30 September 2020, the Group has 30 employees (30 September 2019: 29). Staff costs (including Directors' emoluments) amounted to approximately HK\$14,014,000 for the Period (2019 Period: approximately HK\$15,140,000). The Group adopts competitive remuneration packages which are based on its employees' performance, experience and prevailing industry practice. The Group has also participated the Mandatory Provident Fund Scheme for its Hong Kong's employees. The Group has the Share Option Scheme to motivate employees.

人力資源

於2020年9月30日，本集團共有30名僱員(2019年9月30日：29名)。於本期間，員工成本(包括董事袍金)約為14,014,000港元(2019期間：約15,140,000港元)。本集團提供具競爭力的薪酬待遇，乃基於其僱員的表現、經驗及現行業內慣例。本集團已參與為香港僱員設立強制性公積金計劃。本集團設有一項購股權計劃，以鼓勵優秀員工。

EVENT AFTER THE REPORTING PERIOD

Acquisition of Davis Street and Catchick Street Properties

On 5 November 2020 (as supplemented by a supplemental agreement dated 9 November 2020), the Company and Eminence Enterprise Limited ("**Eminence**") (stock code: 616) entered into a sale and purchase agreement, pursuant to which, among other things, the Company conditionally agreed to purchase, and Eminence conditionally agreed to sell, the entire issued shares of Above Ace Limited ("**Above Ace**") and Success Edge Limited ("**Success Edge**"), both being wholly-owned subsidiaries of Eminence, and Eminence agreed to procure the assignment to the Company of each of the shareholders' loans owing by Above Ace and Success Edge to the Company at completion, at an aggregate consideration of HK\$1,100,000,000 (subject to adjustments). The completion of the sale and purchase agreement is subject to the approval of Eminence's independent shareholders and the Company's shareholders, and is conditional on Eminence's successful bid for Nos. 93 and 95 Catchick Street, Hong Kong in the public auction pursuant to the Land (Compulsory Sale for Redevelopment) Ordinance (Chapter 545 of the Laws of Hong Kong).

Further information can be found in the joint announcement of the Company and Eminence dated 9 November 2020.

報告期後事項

收購爹核士街及吉席街物業

於2020年11月5日(及日期為2020年11月9日之補充協議所補充)，本公司及高山企業有限公司(「**高山**」)(股份代號：616)訂立買賣協議，據此(其中包括)，本公司有條件同意收購，而高山有條件同意出售Above Ace Limited(「**Above Ace**」)及Success Edge Limited(「**Success Edge**」)(均為高山之全資附屬公司)之全部已發行股份，高山同意促使於完成時Above Ace及Success Edge各自欠高山之股東貸款轉讓給本公司，總代價為1,100,000,000港元(可予調整)。買賣協議須待高山獨立股東及本公司股東批准後完成，以及高山按照香港法例第545章《土地(為重新發展而強制售賣)條例》在香港吉席街93及95號的公開拍賣中成功中標為條件。

詳細資料請參閱本公司及高山於日期為2020年11月9日的聯合公佈。

Corporate Governance and Other Information *(continued)*
企業管治及其他資料 *(續)*

FORWARD LOOKING STATEMENTS

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

By Order of the Board
Easyknit International Holdings Limited

KOON HO YAN CANDY
President and Chief Executive Officer

Hong Kong, 27 November 2020

前瞻性陳述

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

承董事會命
永義國際集團有限公司

官可欣
主席兼首席行政總裁

香港，2020年11月27日

In case of any inconsistency, the English version of this interim report shall prevail over the Chinese version.

本中期報告之中、英文版如有任何歧義，概以英文版為準。

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income 簡明綜合損益及其他全面收益表

For the six months ended 30 September 2020

截至2020年9月30日止六個月

		Six months ended 30 September 截至9月30日止六個月	
		2020 HK\$'000 千港元 (Unaudited) (未經審核)	2019 HK\$'000 千港元 (Unaudited) (未經審核)
		NOTES 附註	
Revenue	營業額		
Rental income	租金收入	16,027	19,797
Interest income from loan financing	來自貸款融資之利息收入	6,927	12,391
Building management	樓宇管理	757	594
Total revenue	營業額總額	23,711	32,782
Cost of services rendered	提供服務成本	(1,237)	(1,141)
Gross profit	毛利	22,474	31,641
Other income, gains and losses	其他收入、收益及虧損	4,219	5,296
Distribution and selling expenses	經銷成本	(2,200)	(6,412)
Administrative expenses	行政開支	(21,094)	(27,110)
Write-down on properties held for development for sale	持作出售發展物業之減值	(31,231)	-
Write-down on properties held for sale	持作出售物業之減值	(100)	-
Loss on changes in fair value of investment properties	投資物業之公平值變動虧損	(58,840)	(2,427)
Loss on changes in fair value of financial assets at fair value through profit or loss ("FVTPL")	按公平值計入損益之金融資產之公平值變動虧損	(16,382)	(20,650)
Release on disposal of debt instruments at fair value through other comprehensive income ("FVTOCI")	解除出售按公平值計入其他全面收益之債務工具	685	-
Reversal of (impairment loss) on financial assets:	金融資產之撥回(減值虧損):		
- Debt instruments at FVTOCI	- 按公平值計入其他全面收益之債務工具	(236)	77
- Other debt instruments at amortised cost	- 按攤銷成本計量之其他債務工具	1,650	(1,762)
- Loans receivable, net	- 淨應收貸款	(2,482)	(3,899)
Share of result of associates	聯營公司分佔業績	(19,392)	(2,171)
Gain on bargain purchase of additional interests in associates	於收購額外聯營公司權益時之議價收購收益	58,471	-
Loss on deemed partial disposal of equity interests in associates	於視為出售聯營公司部份股權權益時之虧損	-	(130,957)
Share of result of a joint venture	一間合營公司分佔業績	(5)	(1)
Finance costs	融資成本	(8,867)	(11,282)
Loss before taxation	除稅前虧損	(73,330)	(169,657)
Taxation	稅項	(664)	(1,230)
Loss for the period	本期間虧損	(73,994)	(170,887)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)

簡明綜合損益及其他全面收益表 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

		Six months ended 30 September 截至9月30日止六個月	
		2020 HK\$'000 千港元 (Unaudited) (未經審核)	2019 HK\$'000 千港元 (Unaudited) (未經審核)
Other comprehensive income (expense)	其他全面收入(開支)		
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>隨後可能重新分類至損益之項目：</i>		
Share of other comprehensive income (expense) of associates:	分佔聯營公司之其他全面收入(開支)：		
Share of translation reserve of associates	分佔聯營公司之匯兌儲備	6,569	(5,886)
Share of FVTOCI reserve of associates	分佔聯營公司之按公平值計入其他全面收益儲備	849	(163)
Reclassification of translation reserve to profit or loss upon deemed partial disposal of interests in associates without loss of significant influence	於沒有失去重大影響之視為出售聯營公司部分權益時重新分類至損益之匯兌儲備	-	1,350
Reclassification of FVTOCI reserve to profit or loss upon deemed partial disposal of interests in associates without loss of significant influence	於沒有失去重大影響之視為出售聯營公司部分權益時重新分類至損益之按公平值計入其他全面收益儲備	-	(36)
		7,418	(4,735)
Release on disposal of debt instruments at FVTOCI	解除出售按公平值計入其他全面收益之債務工具	(685)	-
Change in fair value of debt instruments at FVTOCI	按公平值計入其他全面收益之債務工具之公平值變動	446	(218)
Impairment loss (reversal of impairment loss) on debt instruments at FVTOCI included in profit or loss, net	按公平值計入其他全面收益之債務工具之淨減值虧損(減值虧損撥回)包括在損益中	236	(77)
Other comprehensive income (expense) for the period	本期間之其他全面收入(開支)	7,415	(5,030)
Total comprehensive expense for the period	本期間之全面開支總額	(66,579)	(175,917)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)

簡明綜合損益及其他全面收益表 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

		Six months ended 30 September 截至9月30日止六個月	
		2020 HK\$'000 千港元 (Unaudited) (未經審核)	2019 HK\$'000 千港元 (Unaudited) (未經審核)
		NOTE 附註	
Loss for the period attributable to:	本期間虧損分佔：		
Owners of the Company	本公司股東	(73,881)	(170,767)
Non-controlling interest	非控股權益	(113)	(120)
		(73,994)	(170,887)
Total comprehensive expense for the period attributable to:	本期間全面開支分佔：		
Owners of the Company	本公司股東	(66,466)	(175,797)
Non-controlling interest	非控股權益	(113)	(120)
		(66,579)	(175,917)
Basic and diluted loss per share	每股基本及攤薄虧損	6	
		HK\$(0.81)港元	HK\$(1.87)港元

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 September 2020

於2020年9月30日

		NOTES 附註	30 September 9月30日 2020 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2020 HK\$'000 千港元 (Audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備		76,919	79,146
Right-of-use assets	使用權資產		770	1,231
Investment properties	投資物業	8	1,206,200	1,265,040
Interests in associates	聯營公司權益	9	840,347	788,883
Interest in a joint venture	一間合營公司權益		57	62
Financial assets at FVTPL	按公平值計入 損益之金融資產	10	74,291	100,162
Debt instruments at FVTOCI	按公平值計入其他全面 收益之債務工具	11	7,946	25,700
Other debt instrument at amortised cost	按攤銷成本計量之 其他債務工具	12	15,212	15,215
Loans receivable	應收貸款	13	15,877	13,278
Intangible asset	無形資產		500	500
Deferred tax assets	遞延稅項資產		2,632	2,632
Deposits	按金		205	205
			2,240,956	2,292,054
Current assets	流動資產			
Properties held for development for sale	持作出售發展 物業	14	1,987,583	1,984,981
Properties held for sale	持作出售物業		118,503	118,603
Financial assets at FVTPL	按公平值計入 損益之金融資產	10	241,715	72,696
Debt instruments at FVTOCI	按公平值計入其他全面 收益之債務工具	11	3,810	3,843
Trade and other receivables	貿易及其他應收款項	15	41,435	9,199
Tax recoverable	可收回稅項		672	530
Loans receivable	應收貸款	13	195,220	223,473
Bank balances and cash	銀行結餘及現金		57,236	117,920
			2,646,174	2,531,245
Assets classified as held for sale	分類為持作出售之資產	12	-	34,830
			2,646,174	2,566,075

Condensed Consolidated Statement of Financial Position (continued)

簡明綜合財務狀況表 (續)

At 30 September 2020

於2020年9月30日

			30 September	31 March
			9月30日	3月31日
			2020	2020
		NOTES	HK\$'000	HK\$'000
		附註	千港元	千港元
			(Unaudited)	(Audited)
			(未經審核)	(經審核)
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	16	36,547	52,162
Contract liabilities	合約負債		63,551	-
Amount due to non-controlling shareholder	應付非控股股東金額	17	94,314	90,348
Tax payable	應付稅項		50,924	50,351
Lease liabilities	租賃負債		386	851
Secured bank borrowings	有抵押銀行借貸	18	884,192	823,275
			1,129,914	1,016,987
Net current assets	流動資產淨值		1,516,260	1,549,088
Total assets less current liabilities	資產總額減流動負債		3,757,216	3,841,142
Non-current liabilities	非流動負債			
Secured bank borrowings	有抵押銀行借貸	18	587,564	604,911
Lease liabilities	租賃負債		410	410
			587,974	605,321
			3,169,242	3,235,821
Capital and reserves	資本及儲備			
Share capital	股本	19	9,132	9,132
Reserves	儲備		3,160,672	3,227,138
Equity attributable to owners of the Company	本公司之擁有人應佔權益		3,169,804	3,236,270
Non-controlling interest	非控股權益		(562)	(449)
			3,169,242	3,235,821

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 September 2020
截至2020年9月30日止六個月

		Attributable to owners of the Company 本公司股東應佔											
		Share capital	Share premium	Capital reserve	Translation reserve	Special reserve	Contributed surplus	FVTOCI reserve	Property revaluation reserve	Accumulated profits	Total	Non-controlling interest	Total
		股本	股份溢價	股本儲備	匯兌儲備	特別儲備	繳入盈餘	按公平值計入其他全面收益儲備	物業重估儲備	累計溢利	總計	非控股權益	總計
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(Note a)		(Note b)	(Note c)		(Note d)				
				(附註a)		(附註b)	(附註c)		(附註d)				
At 1 April 2020 (audited)	於2020年4月1日 (經審核)	9,132	271,333	196,565	(9,508)	9,800	220,937	(404)	69,872	2,468,543	3,236,270	(449)	3,235,821
Change in fair value of debt instruments at FVTOCI	按公平值計入其他全面收益之債務工具之公平值變動	-	-	-	-	-	-	446	-	-	446	-	446
Impairment loss on debt instruments at FVTOCI included in profit or loss	計入損益中之按公平值計入其他全面收益之債務工具之減值虧損	-	-	-	-	-	-	236	-	-	236	-	236
Release on disposal of debt instruments at FVTOCI	解除出售按公平值計入其他全面收益之債務工具	-	-	-	-	-	-	(685)	-	-	(685)	-	(685)
Share of other comprehensive income of associates	分佔聯營公司其他全面收入	-	-	-	6,569	-	-	849	-	-	7,418	-	7,418
Loss for the period	本期間虧損	-	-	-	-	-	-	-	-	(73,881)	(73,881)	(113)	(73,994)
Total comprehensive income (expense) for the period	本期間全面收入(開支)總額	-	-	-	6,569	-	-	846	-	(73,881)	(66,466)	(113)	(66,579)
At 30 September 2020 (unaudited)	於2020年9月30日 (未經審核)	9,132	271,333	196,565	(2,939)	9,800	220,937	442	69,872	2,394,662	3,169,804	(562)	3,169,242

Condensed Consolidated Statement of Changes in Equity (continued)

簡明綜合權益變動表 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

		Attributable to owners of the Company 本公司股東應佔											
		Share capital	Share premium	Capital reserve	Translation reserve	Special reserve	Contributed surplus	FVTOCI reserve 按公平值計入其他全面收益	Property revaluation reserve 物業重估儲備	Accumulated profits	Total	Non-controlling interest	Total
		股本	股份溢價	股本儲備	匯兌儲備	特別儲備	繳入盈餘	儲備	儲備	累計溢利	總計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(Note a) (附註a)		(Note b) (附註b)	(Note c) (附註c)	(Note d) (附註d)		(Note d) (附註d)			
At 1 April 2019 (audited)	於2019年4月1日 (經審核)	9,132	271,333	196,565	(2,893)	9,800	220,937	1,865	69,872	2,770,864	3,547,495	(145)	3,547,350
Net loss on debt instruments at FVTOCI	按公平值計入其他全面收益之債務工具之淨虧損	-	-	-	-	-	-	(218)	-	-	(218)	-	(218)
Reversal of impairment loss on debt instruments at FVTOCI included in profit or loss	按公平值計入其他全面收益之債務工具之減值虧損撥回包括在損益中	-	-	-	-	-	-	(77)	-	-	(77)	-	(77)
Share of other comprehensive expense of associates	分佔聯營公司其他全面開支	-	-	-	(4,536)	-	-	(199)	-	-	(4,735)	-	(4,735)
Loss for the period	本期間虧損	-	-	-	-	-	-	-	-	(170,767)	(170,767)	(120)	(170,887)
Total comprehensive expense for the period	本期間全面開支總額	-	-	-	(4,536)	-	-	(494)	-	(170,767)	(175,797)	(120)	(175,917)
2019 final dividend paid (note 7)	2019年度已支付末期股息(附註7)	-	-	-	-	-	-	-	-	(4,566)	(4,566)	-	(4,566)
At 30 September 2019 (unaudited)	於2019年9月30日 (未經審核)	9,132	271,333	196,565	(7,429)	9,800	220,937	1,391	69,872	2,595,531	3,367,132	(265)	3,366,867

Notes:

附註:

- (a) The capital reserve of the Group represents the credit arising from the reduction of share capital of the Company in October 2006.
- (a) 本集團之股本儲備代表藉於2006年10月股本削減所產生之進賬。
- (b) The special reserve of the Group represents the difference between the nominal value of the share capital issued by the Company and the nominal value of the share capital and share premium of the companies forming the Group pursuant to the group reorganisation prior to the listing of the Company's shares in 1995.
- (b) 本集團之特別儲備代表本公司已發行股本面值與現時組成本集團(根據本公司股份在1995年上市前之集團重組)屬下各公司之股本面值及股份溢價之差額。
- (c) The contributed surplus of the Group represents the credit arising from the reduction of certain reserves of the Company in August 2004.
- (c) 本集團之繳入盈餘代表本公司於2004年8月削減若干儲備之進賬。
- (d) The property revaluation reserve of the Group includes (i) the gain on revaluation of certain leasehold properties of the Group, (ii) share of the gain on revaluation of prepaid lease payments and property, plant and equipment of the Group's former associates, both arising from the transfer of the Group's leasehold properties or associates' prepaid lease payments and property, plant and equipment to investment properties in prior years, net of (iii) the transfer to accumulated profits upon deemed disposal of subsidiaries in prior years.
- (d) 本集團之物業重估儲備包括(i)本集團若干租約物業之重估收益、(ii)分佔本集團前聯營公司之預付租賃款項及物業、廠房及設備之重估收益，皆因於過往年度本集團之租約物業或聯營公司之預付租賃款項及物業、廠房及設備轉撥至投資物業所致，扣除(iii)於過往年度於視為出售附屬公司時轉撥至累計溢利。

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 September 2020
截至2020年9月30日止六個月

	Six months ended 30 September 截至9月30日止六個月	2019 HK\$'000 千港元 (Unaudited) (未經審核)	2019 HK\$'000 千港元 (Unaudited) (未經審核)
Loss before taxation	除稅前虧損	(73,330)	(169,657)
Adjustments for:	經調整：		
Gain on bargain purchase at date of deemed acquisition of additional interests in associates	於視為收購額外聯營公司權益時之議價收購收益	(58,471)	-
Loss on deemed partial disposal of equity interests in associates	於視為出售聯營公司部份股權權益之虧損	-	130,957
Loss on changes in fair value of investment properties	投資物業之公平值變動虧損	58,840	2,427
Write-down on properties held for development for sale	持作出售發展物業之減值	31,231	-
Other non-cash items	其他非現金項目	45,395	39,580
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	3,665	3,307
Increase in properties held for development for sale	持作出售發展物業增加	(23,484)	(37,263)
(Increase) decrease in trade and other receivables	貿易及其他應收款項(增加)減少	(32,418)	82,999
(Increase) decrease in financial assets at FVTPL	按公平值計入損益之金融資產(增加)減少	(76,816)	34,210
Increase in contract liabilities	合約負債增加	63,551	-
Other cash flows from (used in) operating activities	來自(用於)經營活動之其他現金流量	24,034	(74,633)
Net cash (used in) from operating activities	(用於)來自經營活動之現金淨額	(41,468)	8,620
Investing activities	投資活動		
Acquisitions of financial assets at FVTPL	購入按公平值計入損益之金融資產	(160,192)	(98,000)
Acquisitions of debt instruments at FVTOCI	購入按公平值計入其他全面收益之債務工具	(11,566)	-
Acquisition of additional interest of associates	收購額外聯營公司權益	(4,967)	-
Redemption of financial assets at FVTPL	贖回按公平值計入損益之金融資產	59,000	14,001
Proceeds from disposal of other debt instrument at amortised cost	出售按攤銷成本計量之其他債務工具之所得款項	21,000	-
Redemption of debt instruments at FVTOCI	贖回按公平值計入其他全面收益之債務工具	29,799	-
Proceeds from disposal of financial assets at FVTPL	出售按公平值計入損益之金融資產之所得款項	14,413	-
Additions of investment properties	添置投資物業	-	(3,077)
Purchase of property, plant and equipment	購入物業、廠房及設備	-	(32)
Other investing cash flows	其他投資現金流量	5,143	4,224
Net cash used in investing activities	用於投資活動之現金淨額	(47,370)	(82,884)
Financing activities	融資活動		
Bank borrowings raised	籌集銀行借貸	332,969	43,762
Advance from non-controlling shareholder	一位非控股股東之墊支	3,966	3,089
Repayment of bank borrowings	償還銀行貸款	(289,399)	(14,053)
Interest paid	已付利息	(18,888)	(23,659)
Repayment of lease liabilities	償還租賃負債	(494)	(661)
Repayment to non-controlling shareholder	償還予非控股股東	-	(17,600)
Dividend paid	已付股息	-	(4,566)
Net cash from (used in) financing activities	來自(用於)融資活動之現金淨額	28,154	(13,688)
Net decrease in cash and cash equivalents	現金及等同現金減少淨額	(60,684)	(87,952)
Cash and cash equivalents at beginning of the period	期初現金及等同現金	117,920	191,670
Cash and cash equivalents at end of the period, represented by bank balances and cash	期末現金及等同現金，指銀行結餘及現金	57,236	103,718

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2020

截至2020年9月30日止六個月

1. BASIS OF PREPARATION

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

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

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) and application of an accounting policy which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2020 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2020.

1. 編製基準

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

本公司於百慕達註冊成立之獲豁免有限公司而其股份於聯交所上市。

2. 主要會計政策

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

除應用經修訂香港財務報告準則(「香港財務報告準則」)及與本集團有關之會計政策導致額外會計政策外，截至2020年9月30日止六個月之簡明綜合財務報表所採納之會計政策及計算方法與本集團編製截至2020年3月31日止年度之全年綜合財務報表所採用者相同。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Application of amendments to HKFRSs

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2020 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

Except as described below, the application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

2. 主要會計政策(續)

應用經修訂香港財務報告準則

於本中期期間，本集團已首次應用下列由香港會計師公會所頒佈之有關對香港財務報告準則中概念框架之修訂及經修訂香港財務報告準則，就編製本集團之簡明綜合財務報表而言，該等準則及修訂乃於2020年4月1日或之後開始之年度期間強制生效：

香港會計準則第1號及香港會計準則第8號修訂本	重大性的定義
香港財務報告準則第3號	業務的定義
香港財務報告準則第9號，香港會計準則第39號及香港財務報告準則第7號之修訂本	利率基準改革

除下文所述者外，應用有關對香港財務報告準則中概念框架之修訂及經修訂香港財務報告準則並無對本集團於本期間及過往期間的財務表現及狀況及／或簡明綜合財務報表所載披露有任何重大影響。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Impacts and accounting policies on application of Amendments to HKFRS 3 “Definition of a Business”

Accounting policies

Business combinations or asset acquisitions

Optional concentration test

Effective from 1 April 2020, the Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Transition and summary of effects

The amendments had no impact on the condensed consolidated financial statements of the Group but the Group may elect to apply the optional concentration test on future acquisitions.

2. 主要會計政策(續)

對應用香港財務報告準則第3號「業務定義」之修訂的影響及會計政策

會計政策

業務合併或資產收購

可選的集中度測試

自2020年4月1日起，本集團可以選擇在逐筆交易的基礎上進行可選的集中度測試，其允許簡化對所收購的一系列活動和資產是否屬於業務的評估。若購入總資產的所有公平值大部分集中在單個可識別資產或一組類似可識別資產中，則符合集中度測試。評估中的總資產不包括現金和現金等價物，遞延所得稅資產和因遞延所得稅負債的影響而產生的商譽。若符合集中度測試，則確定該組活動和資產不屬於業務而不需要進一步評估。

過渡性及影響之總結

該等修訂對本集團之簡明綜合財務報表並無影響，但本集團可選擇對日後收購應用可選的集中度測試。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES*(Continued)***Accounting policy newly applied by the Group**

The Group has applied the following accounting policy which became relevant to the Group in the current interim period.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants relate to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income, gains and losses".

3. SEGMENT INFORMATION

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

2. 主要會計政策 (續)**本集團新採用的會計政策**

本集團已採用以下與本集團在本中期間間相關的會計政策。

政府補助

除非有合理保證本集團將遵守政府補助所附條件及補助將會收到，否則將不確認政府補助。

政府補助在本集團將補助擬補償的相關成本確認為費用的期間內，有系統地在損益中確認。

政府補助與應收收入有關，該收入應作為已發生的費用或損失的補償，或者是為了向本集團提供直接財務支持而沒有未來相關費用的目的，在應收款項的當期確認為損益。此類補助金列在「其他收入、收益及虧損」內。

3. 分部資料

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

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

3. SEGMENT INFORMATION (Continued)

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

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

Segment revenue and results

Six months ended 30 September 2020

3. 分部資料(續)

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

回顧本期間按經營及呈報分部劃分本集團之營業額及業績之分析如下：

分部營業額及業績

截至2020年9月30日止六個月

		Property investment 物業投資 HK\$'000 千港元 (Unaudited) (未經審核) (Note) (附註)	Property development 物業發展 HK\$'000 千港元 (Unaudited) (未經審核)	Investment in securities 證券投資 HK\$'000 千港元 (Unaudited) (未經審核)	Loan financing 貸款融資 HK\$'000 千港元 (Unaudited) (未經審核)	Total 總額 HK\$'000 千港元 (Unaudited) (未經審核)
Segment revenue	分部營業額					
External	外來	16,784	-	-	6,927	23,711
Segment results	分部業績	(51,583)	(35,914)	(16,177)	1,204	(102,470)
Unallocated corporate income	無分配之公司收入					271
Unallocated corporate expenses	無分配之公司開支					(1,338)
Gain on bargain purchase of additional interests in associates	於收購額外聯營公司權益時之議價收購收益					58,471
Share of result of associates	聯營公司分佔業績					(19,392)
Share of result of a joint venture	一間合營公司分佔業績					(5)
Finance costs	融資成本					(8,867)
Loss before taxation	除稅前虧損					(73,330)

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

3. SEGMENT INFORMATION (Continued)

3. 分部資料(續)

Segment revenue and results (Continued)

分部營業額及業績(續)

Six months ended 30 September 2019

截至2019年9月30日止六個月

		Property investment 物業投資 HK\$'000 千港元 (Unaudited) (未經審核) (Note) (附註)	Property development 物業發展 HK\$'000 千港元 (Unaudited) (未經審核)	Investment in securities 證券投資 HK\$'000 千港元 (Unaudited) (未經審核)	Loan financing 貸款融資 HK\$'000 千港元 (Unaudited) (未經審核)	Total 總額 HK\$'000 千港元 (Unaudited) (未經審核)
Segment revenue	分部營業額					
External	外來	20,391	-	-	12,391	32,782
Segment results	分部業績	(2,793)	(13,433)	(8,406)	933	(23,699)
Unallocated corporate income	無分配之公司收入					98
Unallocated corporate expenses	無分配之公司開支					(1,645)
Loss on deemed partial disposal of equity interests in associates	於視為出售聯營公司部份股權權益時之虧損					(130,957)
Share of result of associates	聯營公司分佔業績					(2,171)
Share of result of a joint venture	一間合營公司分佔業績					(1)
Finance costs	融資成本					(11,282)
Loss before taxation	除稅前虧損					(169,657)

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

附註：來自持作出售發展物業(已包括在物業發展分部內)之租金收入已包括在物業投資之分部內。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

3. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

Segment results represent the profit earned or loss incurred by each segment without allocation of share of results of associates and a joint venture, gain on bargain purchase of additional interests in associates, loss on deemed partial disposal of equity interests in associates, finance costs, and unallocated corporate income and expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

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

Segment assets	分部資產
Property investment	物業投資
Property development	物業發展
Investment in securities	證券投資
Loan financing	貸款融資
Total segment assets	分部資產總額
Interests in associates	聯營公司權益
Interest in a joint venture	一間合營公司權益
Tax recoverable	可收回稅項
Bank balances and cash	銀行結餘及現金
Unallocated corporate assets	無分配之公司資產
Consolidated assets	綜合資產

3. 分部資料(續)

分部營業額及業績(續)

分部業績代表各分部賺取之溢利或虧損，當中沒有分配聯營公司分佔業績及一間合營公司分佔業績、於收購額外聯營公司權益時之議價收購收益、於視為出售聯營公司部份股權權益時之虧損、融資成本及無分配之公司收入及開支。以此計量向主要經營決策者呈報，作為資源分配及表現評估之參考。

分部資產及負債

按經營及呈報分部分析本集團之資產及負債如下：

30 September 9月30日 2020 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2020 HK\$'000 千港元 (Audited) (經審核)
1,211,005	1,286,098
2,143,325	2,108,506
306,083	166,770
230,137	289,930
3,890,550	3,851,304
840,347	788,883
57	62
672	530
57,236	117,920
98,268	99,430
4,887,130	4,858,129

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

3. SEGMENT INFORMATION (Continued)

3. 分部資料(續)

Segment assets and liabilities (Continued)

分部資產及負債(續)

		30 September	31 March
		9月30日	3月31日
		2020	2020
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Segment liabilities	分部負債		
Property investment	物業投資	9,099	10,472
Property development	物業發展	181,485	112,198
Investment in securities	證券投資	1,228	1,884
Loan financing	貸款融資	2,551	18,026
Total segment liabilities	分部負債總額	194,363	142,580
Secured bank borrowings	有抵押銀行借貸	1,471,756	1,428,186
Tax payable	應付稅項	50,924	50,351
Unallocated corporate liabilities	無分配之公司負債	845	1,191
Consolidated liabilities	綜合負債	1,717,888	1,622,308

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

就分部表現監控及分部間之資源分配而言：

- all assets are allocated to operating and reportable segments other than interests in associates, interest in a joint venture, tax recoverable, bank balances and cash and assets used jointly by operating and reportable segments.
 - all liabilities are allocated to operating and reportable segments other than secured bank borrowings, tax payable and liabilities for which operating and reportable segments are jointly liable.
- 除聯營公司權益、一間合營公司權益、可收回稅項、銀行結餘及現金及經營及呈報分部共同使用之資產外，所有資產已分配至經營及呈報分部。
 - 除有抵押銀行借貸、應付稅項以及經營及呈報分部共同承擔之負債外，所有負債已分配至經營及呈報分部。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

4. LOSS BEFORE TAXATION

4. 除稅前虧損

		Six months ended	
		30 September	
		截至9月30日止六個月	
		2020	2019
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Loss before taxation has been arrived at after charging:	除稅前虧損已扣除：		
Interest on lease liabilities	租賃負債利息	29	58
Interest on bank borrowings	銀行借貸利息	19,187	23,520
Less: Amount capitalised in the cost of qualifying assets	減：於合資格資產之成本資本化之金額	(10,349)	(12,296)
		8,867	11,282
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	2,227	2,383
Depreciation of right-of-use assets	使用權資產之折舊	461	736
and after crediting to other income:	及已計入其他收入：		
Dividend income from listed investments	來自上市投資之股息收入	2,413	2,233
Government grant	政府補助	968	-
Interest income from Other debt instruments at amortised cost	利息收入來自按攤銷成本計量之其他債務工具	572	-
Debt instruments at FVTOCI	按公平值計入其他全面收益之債務工具	167	1,140
Bank and others	銀行及其他	157	1,345
		896	2,485

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

5. TAXATION

5. 稅項

		Six months ended 30 September 截至9月30日止六個月	
		2020 HK\$'000 千港元 (Unaudited) (未經審核)	2019 HK\$'000 千港元 (Unaudited) (未經審核)
The charge (credit) comprises:	開支(計入)包含：		
Hong Kong Profits Tax	香港利得稅		
Charge for the period	本期間開支	665	1,196
(Over)underprovision in prior periods	前期(超額)不足撥備	(1)	34
		664	1,230

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

就兩個期間之香港利得稅乃根據估計應課稅溢利之16.5%計算。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

6. BASIC AND DILUTED LOSS PER SHARE

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

		Six months ended 30 September 截至9月30日止六個月	
		2020 HK\$'000 千港元 (Unaudited) (未經審核)	2019 HK\$'000 千港元 (Unaudited) (未經審核)
Loss for the purpose of calculating basic and diluted loss per share (loss for the period attributable to owners of the Company)	就計算每股基本及攤薄虧損而言之虧損(本公司股東應佔本期間虧損)	(73,881)	(170,767)
Number of shares	股份數目		
Number of shares for the purpose of calculating basic and diluted loss per share	就計算每股基本及攤薄虧損而言之股份數目	91,320,403	91,320,403

The computation of diluted loss per share for the six months ended 30 September 2020 and 2019 does not assume the conversion of the associates' outstanding convertible notes and share options since their exercise would result in decrease in loss per share for both periods.

6. 每股基本及攤薄虧損

本公司股東應佔之每股基本及攤薄虧損乃根據以下資料計算：

		Six months ended 30 September 截至9月30日止六個月	
		2020 HK\$'000 千港元 (Unaudited) (未經審核)	2019 HK\$'000 千港元 (Unaudited) (未經審核)
Loss for the purpose of calculating basic and diluted loss per share (loss for the period attributable to owners of the Company)	就計算每股基本及攤薄虧損而言之虧損(本公司股東應佔本期間虧損)	(73,881)	(170,767)
Number of shares	股份數目		
Number of shares for the purpose of calculating basic and diluted loss per share	就計算每股基本及攤薄虧損而言之股份數目	91,320,403	91,320,403

就兩個期間於計算截至2020年9月30日及2019年9月30日止六個月之每股攤薄虧損時並沒有假設行使本公司尚未行使之可換股票據及購股權會因其行使導致每股虧損減少。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

7. DIVIDEND

7. 股息

		Six months ended 30 September 截至9月30日止六個月	
		2020 HK\$'000 千港元 (Unaudited) (未經審核)	2019 HK\$'000 千港元 (Unaudited) (未經審核)
Dividend recognised as distribution during the period	於期內已確認派發之股息		
Final dividend paid for the year ended 31 March 2019 of HK\$0.05 per share on 91,320,403 shares (six months ended 30 September 2020: nil)	截至2019年3月31日止年度91,320,403股股份之已支付末期股息為每股0.05港元(截至2020年9月30日止六個月：無)	-	4,566

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

董事決定兩個中期期間均不派發股息。

8. INVESTMENT PROPERTIES

8. 投資物業

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
FAIR VALUE	公平值		
At 1 April (audited)	於4月1日(經審核)	1,265,040	1,458,800
Additions	添置	-	3,077
Decrease in fair value recognised in profit or loss	於損益確認之公平值減少	(58,840)	(2,427)
At 30 September (unaudited)	於9月30日(未經審核)	1,206,200	1,459,450

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

8. INVESTMENT PROPERTIES

(Continued)

All of the Group's investment properties at 30 September 2020 and 31 March 2020 are situated in Hong Kong. The fair values of the Group's investment properties at 30 September 2020 and 31 March 2020 were arrived at on the basis of valuations carried out as at these dates by Colliers International (Hong Kong) Limited, an independent firm of qualified professional property valuers not connected with the Group. The valuations were arrived at by reference to market evidence of transaction prices for similar properties or by reference to net rental income allowing for reversionary income potential using the applicable market yields for the respective locations and types of properties.

The unrealised loss arising on changes in fair value of investment properties amounting to HK\$58,840,000 has been recognised in profit or loss during the six months ended 30 September 2020 (six months ended 30 September 2019: HK\$2,427,000).

8. 投資物業(續)

於2020年9月30日及2020年3月31日，所有本集團之投資物業乃位於香港。本集團於2020年9月30日及2020年3月31日之投資物業公平值乃按與本集團沒有關連之獨立合資格專業物業估值師行高力國際物業顧問(香港)有限公司於該等日期進行估值之基準釐定。該等估值乃經參考同類物業之市場成交價及參考採用適用市場收益之相關地區及物業類型之應有潛在收入之租金收入淨額而釐定。

投資物業之公平值變動產生的未變現虧損為58,840,000港元已於截至2020年9月30日止六個月的損益中確認(截至2019年9月30日止六個月：2,427,000港元)。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

9. INTERESTS IN ASSOCIATES

9. 聯營公司權益

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
At 1 April (audited)	於4月1日(經審核)	788,883	671,921
Acquisition of equity interest in Eminence Enterprises Limited ("Eminence")	收購高山企業有限公司 (「高山」)股本權益	4,967	-
Share of loss and other comprehensive expense	分佔虧損及其他全面開支	(11,974)	(6,906)
Gain on bargain purchase of additional equity interests	於收購額外股本權益時之議價收購收益	58,471	-
Loss on deemed partial disposal of equity interests	視為出售部分股本權益之虧損	-	(130,957)
At 30 September (unaudited)	於9月30日(未經審核)	840,347	534,058
Fair value of listed investments in associates at 30 September (note)	於9月30日聯營公司上市投資之公平值(附註)	64,787	20,701

Note: The fair value of the listed shares is determined based on quoted market bid prices available on the Stock Exchange.

附註：上市股份之公平值乃按聯交所取得之市場競價報價釐定。

During the period ended 30 September 2019, the convertible note issued by Eminence to Madian Star Limited, an independent third party, was partially exercised, and a total of 760,000,000 conversion shares were issued by Eminence upon conversion. Accordingly, the Group's equity interest in Eminence was diluted from 24.93% to 19.84% and a loss on deemed partial disposal amounted to HK\$130,957,000 was recognised in profit or loss.

於2019年9月30日期間，部分由高山發行予一名獨立第三方Madian Star Limited之可換股票據被行使，於兌換時高山發行總數760,000,000兌換股份。因此，本集團於高山的股權自24.93%攤薄至19.84%，視為部分出售之虧損金額130,957,000港元已於損益確認。

During the current interim period, the Group has acquired additional equity interest in Eminence through stock market. The Group's equity interest in Eminence increases from 27.47% to 29.60%. The excess of the Group's share of the net fair value of the associates' identifiable assets and liabilities over the cost of the investment amounted to HK\$58,471,000 is recognised in profit or loss.

於本中期間，本集團透過股票市場額外收購高山之股權。本集團於高山的股權自27.47%增加至29.60%。本集團分佔聯營公司可識別資產及負債的公平值淨值超過投資成本的差額為58,471,000港元，並已於損益內確認。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

10. FINANCIAL ASSETS AT FVTPL

10. 按公平值計入損益之金融資產

		30 September	31 March
		9月30日	3月31日
		2020	2020
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Financial assets at FVTPL:	按公平值計入		
	損益之金融資產：		
- Listed equity securities in Hong Kong and overseas (Note (a))	- 於香港及海外上市之股本證券 (附註(a))	165,075	61,411
- Equity-linked investments (Note (b))	- 股票掛鉤股資 (附註(b))	65,356	-
- Convertible notes (Note (c))	- 可換股票據 (附註(c))	74,110	85,914
- Life insurance policy (Note (d))	- 人壽保單 (附註(d))	11,465	11,194
- Perpetual bond (Note (e))	- 永久債券 (附註(e))	-	14,339
		316,006	172,858
Analysed as:	分析為：		
Current portion	流動部分	241,715	72,696
Non-current portion	非流動部分	74,291	100,162
		316,006	172,858

Notes:

- (a) The fair values of the listed equity securities are determined based on the quoted market bid prices available on the Stock Exchange and New York Stock Exchange.

附註：

- (a) 上市股本證券之公平值乃根據聯交所及紐約交易所所報之市場出價釐定。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

10. FINANCIAL ASSETS AT FVTPL

(Continued)

Notes: (Continued)

(b) During the current interim period, the Group acquired equity-linked investments with financial institutions in Hong Kong. The equity-linked investments contain embedded derivative, the return of which is determined with reference to the closing price of certain equity securities listed on the Stock Exchange. The equity-linked investments contain terms enabling the issuers either to deliver the underlying equity securities on maturity if the market prices of underlying equity securities are lower than their respective predetermined reference stock prices or cash settlement of the principal and interest if market prices of the underlying securities are higher than their respective predetermined reference stock prices. The equity-linked investments are subject to the option for early termination at the discretion of the holders.

(c) The convertible notes are recognised as follows:

10. 按公平值計入損益之金融資產(續)

附註：(續)

(b) 於本中期間，本集團向香港金融機構收購了股票掛鉤投資。股票掛鉤投資包含嵌入式衍生工具，其回報是參照在聯交所上市的部分股票證券的收市價來確定。股票掛鉤投資所包含的條款可使發行人在相關股票證券的市場價格低於其各自預定的參考股票價格時，在到期時交付相關股票證券，或者在相關股票證券的市場價格高於其各自預定的參考股票價格時，在到期時以現金結算本金和利息。股票掛鉤投資持有者有可能決定是否提前終止。

(c) 可換股票據確認如下：

		HK\$'000 千港元
At 1 April 2019 (audited)	於2019年4月1日(經審核)	28,033
Addition	增加	70,000
Interest received	已收利息	(2,070)
Unrealised fair value loss recognised in profit or loss	於損益內確認之未變現公平值虧損	(10,049)
At 31 March 2020 (audited)	於2020年3月31日(經審核)	85,914
Interest received	已收利息	(1,459)
Unrealised fair value loss recognised in profit or loss	於損益內確認之未變現公平值虧損	(10,345)
At 30 September 2020 (unaudited)	於2020年9月30日(未經審核)	74,110

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

10. FINANCIAL ASSETS AT FVTPL

(Continued)

Notes: (Continued)

(c) (Continued)

The details and terms of all the convertible notes are the same as those disclosed in the Group's annual financial statements for the year ended 31 March 2020. As the Group has entered into the deeds of amendment with Eminence in relation to the proposed alternations of the terms of all the convertible notes as stated in note 22(b), the maturity date of the convertible note subscribed on 26 September 2017 (the "2017 CN2") (originally on 26 September 2020) was deemed to be extended to 19 November 2020 (date of special general meeting).

The fair values of the convertible note subscribed on 11 May 2017 (the "2017 CN1"), 2017 CN2 and the convertible note subscribed on 28 August 2019 (the "2019 CN") were determined based on the valuations provided by Greater China Appraisal Limited, an independent firm of professional qualified valuers not connected with the Group.

10. 按公平值計入損益之金融

資產(續)

附註：(續)

(c) (續)

所有可換股票據的細節和條款與本集團截至2020年3月31日止年度的年度財務報表中所披露的內容和條款相同。根據附註22(b)所述，由於本集團已與高山訂立有關建議修訂所有可換股票據之條款的修訂契據，於2017年9月26日認購的可換股票據（「第二份2017年可換股票據」）（最初於2020年9月26日）的到期日被視為延至2020年11月19日（股東特別大會的日期）。

於2017年5月11日認購的可換股票據（「第一份2017年可換股票據」），第二份2017年可換股票據和2019年8月28日認購的可換股票據（「2019年可換股票據」）的公平值乃根據漢華評估有限公司，一間與本集團並無關連之獨立合資格專業估值師行所提供之估值釐定。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

10. FINANCIAL ASSETS AT FVTPL

(Continued)

Notes: (Continued)

(c) (Continued)

The methods and assumptions applied for the valuation of the convertible notes are as follows:

Valuation of convertible notes

The convertible notes are measured at fair value using the Black-Scholes model with Trinomial Tree method, at initial recognition and at the end of each subsequent reporting period. The inputs into the model as at date of subscription and the end of the reporting periods are as follows:

2017 CN1

Stock price	股價
Conversion price	兌換價
Volatility	波幅
Dividend yield	股利率
Time to maturity	到期時間
Risk-free rate	無風險貼現率

10. 按公平值計入損益之金融資產(續)

附註：(續)

(c) (續)

用作估值可換股票據之方法及假設如下：

可換股票據之估值

可換股票據於初始確認及於隨後每個報告期末乃按布萊克 - 蘇科爾模式及三叉樹法以公平值計量。於認購日期及報告期末模式採用之輸入數據如下：

第一份2017年可換股票據

At 30 September 2020	At 31 March 2020	Date of subscription 11 May 2017
於2020年 9月30日	於2020年 3月31日	認購日期 2017年 5月11日
HK\$0.244港元	HK\$0.495港元	HK\$0.139港元
HK\$2.63港元	HK\$2.63港元	HK\$0.16港元
65.07%	56.83%	75.15%
0%	0%	0%
1.6 years年	2.1 years年	5 years年
0.0074%	0.5783%	1.1572%

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

10. FINANCIAL ASSETS AT FVTPL

(Continued)

Notes: (Continued)

(c) (Continued)

Valuation of convertible notes (Continued)

2017 CN2

Stock price	股價
Conversion price	兌換價
Volatility	波幅
Dividend yield	股利率
Time to maturity	到期時間
Risk-free rate	無風險貼現率

2019 CN

Stock price	股價
Conversion price	兌換價
Volatility	波幅
Dividend yield	股利率
Time to maturity	到期時間
Risk-free rate	無風險貼現率

10. 按公平值計入損益之金融

資產(續)

附註：(續)

(c) (續)

可換股票據之估值(續)

第二份2017年可換股票據

At 30 September 2020 於2020年 9月30日	At 31 March 2020 於2020年 3月31日	Date of subscription 26 September 2017 認購日期 2017年 9月26日
HK\$0.244港元	HK\$0.495港元	HK\$0.064港元
HK\$0.9855港元	HK\$0.9855港元	HK\$0.06港元
65.95%	71.17%	80.66%
0%	0%	0%
0.14 year年	0.5 years年	3 years年
-0.5550%	0.6015%	1.0164%

2019年可換股票據

At 30 September 2020 於2020年 9月30日	At 31 March 2020 於2020年 3月31日	Date of subscription 28 August 2019 認購日期 2019年 8月28日
HK\$0.244港元	HK\$0.495港元	HK\$0.030港元
HK\$0.91港元	HK\$0.91港元	HK\$0.055港元
68.34%	78.64%	68.70%
0%	0%	0%
3.91 years年	4.4 years年	5 years年
0.1283%	0.5703%	1.0547%

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

10. FINANCIAL ASSETS AT FVTPL

(Continued)

Notes: (Continued)

- (d) In prior years, the Company entered into a life insurance policy with an insurance company to insure Ms. Koon Ho Yan Candy, a director of the Company. Under the policy, the Company is the beneficiary and policy holder and the total insured sum is United States dollars ("US\$") 10,800,000 (equivalent to HK\$83,808,000). The Company is required to pay an upfront deposit of US\$1,283,000 (equivalent to HK\$9,956,000) including a premium charge at inception of the policy amounting to US\$76,980 (equivalent to HK\$597,000). The Company can terminate the policy at any time and receive cash back based on the cash value of the policy at the date of withdrawal, which is determined by the upfront payment of US\$1,283,000 plus accumulated interest earned and minus the accumulated insurance charge and policy expense charge. In addition, if withdrawal is made between the first to eighteenth policy year, there is a specified amount of surrender charge.

The life insurance policy is classified as financial assets at FVTPL as these financial assets have contractual right to cash flows that do not represent contractual cash flows that are solely payments of principal and interest on the principal outstanding.

At 30 September 2020, life insurance policy amounting to HK\$11,465,000 (31 March 2020: HK\$11,194,000), is pledged to a bank to secure general banking facilities granted to the Group.

- (e) The fair values of the perpetual bonds as at 31 March 2020 amounting to HK\$14,339,000 were determined based on the quoted market closing prices available on an overseas recognised stock exchange with fixed interest at a range from 5.90% to 6.25% per annum. The perpetual bonds were disposed during the current interim period.

10. 按公平值計入損益之金融

資產(續)

附註：(續)

- (d) 於過往年度，本公司與一間保險公司訂立一項人壽保單以投保本公司董事官可欣女士。根據該保單，本公司為受益人及保單持有人及總投保額為10,800,000美元（「美元」）（相等於83,808,000港元）。本公司須支付預付按金1,283,000美元（相等於9,956,000港元），包括於開立保單時須支付之保費76,980美元（相等於597,000港元）。本公司可於任何時間終止該保單及根據退保時該保單之現金價值收回現金，此乃根據預付款1,283,000美元及所賺取之累計利息及扣減累計保費及保單費用開支而釐定。此外，倘於保單第一年至第十八年退保，將有特定金額作為退保開支。

人壽保單分類為按公平值計入損益之金融資產，因該等金融資產之合約權益之現金流量並不代表純粹為支付本金及未償還本金利息之合約現金流量。

於2020年9月30日，人壽保單為11,465,000港元（2020年3月31日：11,194,000港元），已抵押予銀行作為其授予本集團一般銀行額度之抵押。

- (e) 於2020年3月31日，永久債券之公平值為14,339,000港元，乃按一海外承認證券交易所之所報收市價以固定年利率介乎由5.90%至6.25%釐定。永久債券已於本中期間出售。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

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截至2020年9月30日止六個月

11. DEBT INSTRUMENTS AT FVTOCI

11. 按公平值計入其他全面收益之債務工具

		30 September	31 March
		9月30日	3月31日
		2020	2020
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Debt securities listed in Hong Kong or overseas with fixed interests ranging from 3.75% to 6.35% (31 March 2020: 3.75% to 6.25%) per annum and maturity dates ranging from 24 May 2021 to 30 June 2022 (31 March 2020: 19 July 2020 to 19 September 2021), at fair value	於香港或海外上市之債務證券，固定年利率介乎由3.75%至6.35% (2020年3月31日：3.75%至6.25%)，到期日為2021年5月24日至2022年6月30日 (2020年3月31日：2020年7月19日至2021年9月19日)，按公平值	11,756	29,543
Analysed as:	分析為：		
Current portion	流動部分	3,810	3,843
Non-current portion	非流動部分	7,946	25,700
		11,756	29,543

As at 30 September 2020 and 31 March 2020, debt instruments at FVTOCI are stated at fair values which are determined based on the quoted market closing prices available on the Stock Exchange or overseas recognised stock exchanges.

於2020年9月30日及2020年3月31日，按公平值計入其他全面收益之債務工具按公平值列賬乃根據聯交所或海外認可證券交易所之所報收市價釐定。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

12. OTHER DEBT INSTRUMENT AT AMORTISED COST

12. 按攤銷成本計量之其他債務工具

		30 September 9月30日 2020 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2020 HK\$'000 千港元 (Audited) (經審核)
Unlisted debt instrument in Hong Kong	香港非上市債務工具		
Fixed-rate unsecured junior note (the "Junior Note") (note (a))	固定利率非擔保初級票據(「初級票據」) (附註(a))	-	41,906
Fixed-rate secured note (the "Secured Note") (note (b))	固定利率擔保票據 (「擔保票據」) (附註(b))	16,015	16,015
Less: Impairment allowance	減：減值撥備	(803)	(7,876)
		15,212	50,045
Analysed as:	分析為：		
Assets classified as held for sale	分類為持作出售之資產	-	34,830
Non-current assets	非流動資產	15,212	15,215
		15,212	50,045

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

12. OTHER DEBT INSTRUMENT AT AMORTISED COST (Continued)

Notes:

- (a) In October 2018, the Group entered into a subscription agreement with Golden Glow Limited (the "Issuer"), pursuant to which the Group subscribed the Junior Note issued by the Issuer in the amount of US\$4,500,000 (equivalent to approximately HK\$35,235,000). The Junior Note is at an interest rate of 14.65% per annum and with maturity date on 30 October 2020 with an extendable maturity date of one year after the maturity date. In February 2020, the Group entered into a tripartite agreement with a buyer and the Issuer, under which the Group agreed to sell and the buyer agreed to acquire, the Junior Note at a consideration of US\$4,700,000 (equivalent to approximately HK\$36,660,000). The disposal was completed in August 2020 and the Junior Note was reclassified as assets classified as held for sale as at 31 March 2020.
- (b) In January 2020, the Group entered into a subscription agreement with Reliance Group Holdings Limited (the "Note Issuer"), which its shares are listed on the Stock Exchange, pursuant to which the Group subscribed the Secured Note issued by the Note Issuer in the principal amount of HK\$16,000,000. The Secured Note is at an interest rate of 7.125% per annum and with maturity date on 16 January 2023. The Secured Note is secured by a debenture incorporating by a first floating charge over all the undertaking, property and assets of a wholly-owned subsidiary of the Note Issuer.

The Junior Note and Secured Note were measured at amortised cost since the Group's business model to hold these debt instruments was to hold for collection of contractual cash flows, and the cash flows represented solely payments of principal and interest on the principal amount outstanding.

12. 按攤銷成本計量之其他債務工具(續)

附註：

- (a) 於2018年10月，本集團與Golden Glow Limited(「發行人」)訂立認購協議，據此，本集團認購發行人發行金額為4,500,000美元(等值約35,235,000港元)的初級票據。初級票據年利率為14.65%而到期日為2020年10月30日，到期日後可延長到期日一年。於2020年2月，本集團與買方及發行人訂立三方協議，據此，本集團同意出售而買方同意收購金額為4,700,000美元(等值約36,660,000港元)的初級票據。有關出售已於2020年8月完成及於2020年3月31日，初級票據分類為持作出售之資產。
- (b) 於2020年1月，本集團與信保環球控股有限公司(「票據發行人」，其股份於聯交所上市)訂立認購協議，據此，本集團以本金額16,000,000港元認購票據發行人發行的擔保票據。擔保票據乃按年利率7.125%計息及於2023年1月16日到期。擔保票據乃以涉及票據發行人全資附屬公司的全部業務、物業及資產之第一浮動押記之債權證作擔保。

由於本集團持有該等債務工具的業務模式將為收取合約現金流量而持有，故初級票據及擔保票據按攤銷成本計量，且現金流量僅代表本金額及未償還本金利息的付款。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

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13. LOANS RECEIVABLE

13. 應收貸款

		30 September 9月30日 2020 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2020 HK\$'000 千港元 (Audited) (經審核)
Fixed-rate loans receivable	應收定息貸款	239,557	260,358
Variable-rate loans receivable	應收浮息貸款	7,008	9,379
		246,565	269,737
Less: Impairment allowance	減：減值撥備	(35,468)	(32,986)
		211,097	236,751
Analysed as:	分析為：		
Current portion	流動部分	195,220	223,473
Non-current portion	非流動部分	15,877	13,278
		211,097	236,751
Secured	有抵押	56,147	101,835
Unsecured	無抵押	154,950	134,916
		211,097	236,751

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

13. LOANS RECEIVABLE (Continued)

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

13. 應收貸款(續)

本期之應收貸款之減值撥備之變動如下：

		Impairment allowance for loans receivable* 應收貸款之減值撥備* HK\$'000 千港元
At 1 April 2019 (audited)	於2019年4月1日(經審核)	3,730
Changes due to loans receivable recognised as at 1 April 2019	於2019年4月1日已確認應收貸款所致的變動	
– Impairment allowance recognised	– 已確認減值虧損	27,365
– Reversal	– 撥回	(1,229)
New loans granted	授出的新貸款	3,120
		<u>29,256</u>
At 31 March 2020 (audited)	於2020年3月31日(經審核)	32,986
Changes due to loans receivable recognised as at 31 March 2020	於2020年3月31日已確認應收貸款所致的變動	
– Impairment allowance recognised	– 已確認減值虧損	1,649
– Reversal	– 撥回	(175)
New loans granted	授出的新貸款	1,008
		<u>2,482</u>
At 30 September 2020 (unaudited)	於2020年9月30日(未經審核)	35,468

* Measured on 12-month expected credit losses ("ECL") basis.

* 以12個月預期信貸虧損基準計量(「預期信貸虧損」)。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

13. LOANS RECEIVABLE (Continued)

At 30 September 2020, the range of interest rate on the Group's fixed-rate loans receivable is 2.3% to 18.0% (31 March 2020: 2.3% to 16.0%) per annum and the range of interest rate on the Group's variable-rate loans receivable is prime rate less 1.0% to prime rate (31 March 2020: prime rate less 1.0% to prime rate) per annum.

The management closely monitors the credit quality of loans receivable with gross carrying amount of HK\$246,565,000 at 30 September 2020 (31 March 2020: HK\$269,737,000). During the current interim period, a net impairment loss of HK\$2,482,000 (For the year ended 31 March 2020: HK\$29,256,000) was recognised in profit or loss. At 30 September 2020, the accumulated impairment allowance for loans receivable amounted to HK\$35,468,000 (31 March 2020: HK\$32,986,000).

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 September 2020 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2020.

The Group is not permitted to sell or repledge the collaterals, if any, in the absence of default by the borrower. There have not been any significant changes in the quality of the collateral held for the loans receivable.

13. 應收貸款(續)

於2020年9月30日，本集團之定息應收貸款每年利率介乎2.3%至18.0%(2020年3月31日：2.3%至16.0%)及本集團之浮息應收貸款每年利率介乎最優惠利率減1%至最優惠利率(2020年3月31日：最優惠利率減1%至最優惠利率)。

管理層緊密監控於2020年9月30日賬面總值246,565,000港元(2020年3月31日：269,737,000港元)之應收貸款之信貸質素。於本中期期間，減值虧損淨額2,482,000港元(截至2020年3月31日止：29,256,000港元)於損益確認。於2020年9月30日，應收貸款之累計減值撥備為35,468,000港元(2020年3月31日：32,986,000港元)。

截至2020年9月30日止六個月的簡明綜合財務報表所採用的輸入和假設的基礎以及估計技術與編製本集團截至2020年3月31日止年度的年度財務報表所遵循的基礎相同。

在借款人並無違約之情況下，本集團不得出售或再抵押該等抵押品(如有)。就應收貸款所持有之抵押品之質素並無任何重大變動。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

14. PROPERTIES HELD FOR DEVELOPMENT FOR SALE

The Group's properties held for development for sales are situated in Hong Kong.

At 30 September 2020, the amount of properties held for development for sale which are expected to be completed more than twelve months after the end of the reporting period is HK\$896,275,000 (31 March 2020: HK\$912,675,000).

As at 30 September 2020 and 31 March 2020, the Group performs assessment of net realisable value on its properties held for development for sale with reference to valuations made by independent qualified professional property valuers not connected with the Group. The valuations were arrived at by using the residual method. At 30 September 2020, the estimated net realisable values of certain properties held for development for sale was lower than their carrying amounts, a write-down amounting to HK\$31,231,000 was recognised in profit or loss during the current interim period (six months ended 30 September 2019: nil).

14. 持作出售發展物業

本集團之持作出售發展物業乃位於香港。

於2020年9月30日，預期本集團之持作出售發展物業於報告期末後十二個月內完成之金額為896,275,000港元(2020年3月31日：912,675,000港元)。

於2020年9月30日及2020年3月31日，本集團已就持作出售發展物業進行可變現淨值評估乃參考與本集團沒有關連之獨立合資格專業物業估值師行之估值。該等估值乃根據剩餘估值法得出。於2020年9月30日，若干持作出售發展物業之可變現淨值低於賬面值，減值金額31,231,000港元(截至2020年9月30日止六個月：無)於本中期間損益內確認。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

15. TRADE AND OTHER RECEIVABLES

15. 貿易及其他應收款項

		30 September	31 March
		9月30日	3月31日
		2020	2020
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Trade receivables:	貿易應收款項：		
0 – 60 days	0 – 60日	2,622	2,586
61 – 90 days	61 – 90日	–	213
		2,622	2,799
Prepayments	預付款	4,407	3,556
Interest receivable	應收利息	774	958
Dividend receivable	應收股息	–	2
Escrow deposits for properties held for development for sale	持作出售發展物業之 托管按金	31,809	–
Other receivables and deposits	其他應收款項及按金	1,823	1,884
		41,435	9,199

The Group did not grant any credit period to its tenants. The aged analysis of trade receivables is determined based on invoice date which approximate revenue recognition date.

本集團沒有給予其租戶任何信譽期。貿易應收款項之賬齡分析乃根據發票日期，並與收益確定日期相若，確定。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

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16. TRADE AND OTHER PAYABLES

16. 貿易及其他應付款項

		30 September	31 March
		9月30日	3月31日
		2020	2020
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Trade payables:	貿易應付款項：		
0 – 60 days	0 – 60日	9,962	5,508
		9,962	5,508
Retention payable (Note)	應付保修金(附註)	9,323	11,460
Rental deposits received and rental received in advance	已收租金按金及預收租金	9,119	9,944
Deposits received for disposal of Junior Note	出售初級票據之已收按金	-	15,480
Interest payable	應付利息	717	419
Accruals and other payables	預提及其他應付款項	7,426	9,351
		36,547	52,162

Note: At 30 September 2020, retention payable of HK\$9,323,000 (31 March 2020: HK\$11,460,000) is expected to be settled within twelve months after the end of the reporting period.

The aged analysis of trade payable is determined based on the invoice date at the end of the reporting period. The average credit period on the purchases of goods is 30 days.

附註：於2020年9月30日，應付保修金9,323,000港元(2020年3月31日：11,460,000港元)預期將於報告期末後十二個月內支付。

貿易應付款項之賬齡分析乃根據於報告期之發票日期確定。購貨之平均賒賬期為30日。

17. AMOUNT DUE TO NON-CONTROLLING SHAREHOLDER

17. 應付非控股股東金額

The amount is unsecured, interest-free, repayable on demand and non-trade in nature.

該金額為沒有抵押、免息，即期付款及非交易之性質。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

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18. SECURED BANK BORROWINGS

18. 有抵押銀行借貸

		30 September	31 March
		9月30日	3月31日
		2020	2020
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Carrying amount repayable as follows (based on the scheduled repayment dates set out in the loan agreements):	應償還之賬面值如下(根據載列於貸款協議之指定償還日期)：		
- within one year	- 一年內	884,192	823,275
- between one to two years	- 一至兩年	61,017	237,787
- between two to five years	- 二至五年	309,915	133,492
- more than five years	- 五年後	216,632	233,632
		1,471,756	1,428,186
Less:	減：		
Amount due within one year shown under current liabilities	顯示於流動負債之一年內到期金額	(884,192)	(823,275)
Amount shown under non-current liabilities	顯示於非流動負債之金額	587,564	604,911

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

18. SECURED BANK BORROWINGS

(Continued)

During the current interim period, the Group obtained new bank loan amounting to HK\$332,969,000 (six months ended 30 September 2019: HK\$43,762,000) and repaid bank loans amounting to HK\$289,399,000 (six months ended 30 September 2019: HK\$14,053,000). The loans are secured by property, plant and equipment, investment properties, properties held for development for sale and properties held for sale with carrying amount HK\$72,145,000, HK\$857,200,000, HK\$456,675,000 and HK\$99,796,000 respectively at 30 September 2020. The proceeds were mainly used to finance development of properties.

At 30 September 2020, the Group's secured bank borrowings carry interest range from Hong Kong Interbank Offered Rate ("HIBOR") plus 1.0% to 2% (31 March 2020: HIBOR plus 1% to 2%) per annum, with effective interest ranging from 1.82% to 3.27% (31 March 2020: 2.66% to 4.05%) per annum.

18. 有抵押銀行借貸(續)

於本中期期間，本集團取得新銀行貸款332,969,000港元(截至2019年9月30日止六個月：43,762,000港元)及已償還銀行貸款289,399,000港元(截至2019年9月30日止六個月：14,053,000港元)。貸款分別以物業、廠房及設備，投資物業，持作出售發展物業及持作出售物業於2020年9月30日之賬面值72,145,000港元，857,200,000港元，456,675,000港元及99,796,000港元作為抵押。所得款項主要用作撥付發展物業。

於2020年9月30日，本集團之有抵押銀行借貸每年以香港銀行同業拆息(「香港銀行同業拆息」)加1.0%至香港銀行同業拆息加2%(2020年3月31日：香港銀行同業拆息加1%至香港銀行同業拆息加2%)計算，實際年利率乃由1.82%至3.27%(2020年3月31日：2.66%至4.05%)。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

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19. SHARE CAPITAL

19. 股本

		Nominal value per share	Number of shares	Amount
		每股面值	股份數目	金額
		HK\$		HK\$'000
		港元		千港元
Authorised:	法定：			
At 1 April 2019 (audited),	於2019年4月1日			
31 March 2020 (audited)	(經審核)、			
and 30 September 2020	2020年3月31日			
(unaudited)	(經審核)及			
	2020年9月30日			
	(未經審核)	0.1	10,000,000,000	1,000,000
Issued and fully paid:	已發行及繳足：			
At 1 April 2019 (audited),	於2019年4月1日			
31 March 2020 (audited)	(經審核)、			
and 30 September 2020	2020年3月31日			
(unaudited)	(經審核)及			
	2020年9月30日			
	(未經審核)	0.1	91,320,403	9,132

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

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20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial instruments that are measured at fair value on a recurring basis

Some of the Group's financial instruments are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial instruments are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

- Level 1 inputs are quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 inputs are unobservable inputs for the asset or liability.

20. 金融工具之公平值計量

按經常性基準以公平值計量之本集團金融工具之公平值

部分本集團之金融工具於報告期末按公平值計量。下表提供有關如何釐定該等金融工具之公平值(特別是,所使用的估值技術及輸入數據),及根據公平值計量的輸入數據的可觀察程度以劃分公平值級別水平(第1至第3級)之資料。

- 第1級輸入數據乃按可識別資產或負債於活躍市場所報之價格(未經調整)得出;
- 第2級輸入數據乃按資產或負債可直接(即作為價格)或間接(即按價格衍生)觀察之輸入數據得出;及
- 第3級輸入數據指資產或負債之不可觀察數據。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

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20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

(Continued)

20. 金融工具之公平值計量(續)

Fair value of the Group's financial instruments that are measured at fair value on a recurring basis (Continued)

按經常性基準以公平值計量之本集團金融工具之公平值(續)

Financial assets 金融資產	Fair value as at 公平值於	Fair value hierarchy 公平值級別	Valuation technique(s) and key inputs 估值技術及輸入數據	Significant unobservable inputs 重大不可觀察輸入	
	30 September 2020 2020年 9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 2020 2020年 3月31日 HK\$'000 千港元 (Audited) (經審核)			
Financial assets at FVTPL 按公平值計入損益之 金融資產					
- Listed equity securities - 上市股本證券	165,075	61,411	Level 1 第1級	Quoted bid prices in an active market 於活躍市場中所報之出價	N/A 不適用
- Equity-linked investments - 股票掛鈎投資	65,356	-	Level 2 第2級	Quoted asset value provided by a financial institution (note (b)) 金融機構提供之所報資產價值(附註(b))	N/A 不適用
- Convertible notes - 可換股票據	74,110	85,914	Level 3 (Note (a)) 第3級 (附註(a))	Black-Scholes model with Trinomial Tree method (Note 10(c)) 布萊克-蘇科爾模式及二叉樹法(附註10(c))	Volatility from 65.07% to 68.34% (31 March 2020: 56.83% to 78.64%) 波幅由65.07%至68.34% (2020年3月31日: 56.83%至78.64%)

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

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20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

(Continued)

Fair value of the Group's financial instruments that are measured at fair value on a recurring basis (Continued)

20. 金融工具之公平值計量(續)

按經常性基準以公平值計量之本集團金融工具之公平值(續)

Financial assets 金融資產	Fair value as at 公平值於	Fair value hierarchy 公平值級別	Valuation technique(s) and key inputs 估值技術及輸入數據	Significant unobservable inputs 重大不可觀察輸入	
	30 September 2020 2020年 9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 2020 2020年 3月31日 HK\$'000 千港元 (Audited) (經審核)			
- Life insurance policy - 人壽保單	11,465	11,194	Level 2 第2級	Quoted asset value provided by a financial institution (Note (b)) 金融機構提供之所報資產價值(附註(b))	N/A 不適用
- Perpetual bonds - 永久債券	-	14,339	Level 1 第1級	Quoted bid prices in an active market 於活躍市場所報之出價	N/A 不適用
Debt instruments at FVOCI 按公平值計入其他全面收益之債務工具	11,756	29,543	Level 1 第1級	Quoted bid prices in an active market 於活躍市場所報之出價	N/A 不適用

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

(Continued)

Fair value of the Group's financial instruments that are measured at fair value on a recurring basis (Continued)

Notes:

- (a) A slight increase in the volatility in isolation would result in a slight increase in the fair value measurement of the convertible notes, and vice versa.
- (b) Quoted asset value provided by a financial institution represents the fair value of the underlying investments.

There were no transfers between Levels 1, 2 and 3 in both periods.

Valuation Process

The directors of the Company have set up a team, which is headed up by the Financial Controller of the Company, to determine the appropriate valuation techniques and inputs for fair value measurements.

21. RELATED PARTY TRANSACTIONS/ CONNECTED TRANSACTIONS

- (a) During the period, the Group had the following transactions with a wholly-owned subsidiary of Eminence.

Rental income	租金收入
Management fee income	管理費收入

Ms. Lui Yuk Chu, a director and substantial shareholder of the Company, is also a director of Eminence.

20. 金融工具之公平值計量(續)**按經常性基準以公平值計量之本集團金融工具之公平值(續)**

附註：

- (a) 單獨使用的波幅略為增加將導致可換股票據之公平值計量略為上升，反之亦然。
- (b) 金融機構提供之所報資產價格乃有關投資之公平值。

於兩個年度，第1級、第2級及第3級之間並無轉移。

評估過程

本公司董事已成立一個由本公司財務總監帶領的團隊，以釐定適當的估值技術及公允值計量的輸入。

21. 關連人士交易／關連交易

- (a) 於期內，本集團與高山之一間全資擁有附屬公司進行如下交易。

**Six months ended
30 September
截至9月30日止六個月**

2020	2019
HK\$'000	HK\$'000
千港元	千港元
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)
1,248	1,248
210	-

本公司董事及主要股東雷玉珠女士亦為高山之董事。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

**21. RELATED PARTY TRANSACTIONS/
CONNECTED TRANSACTIONS**

(Continued)

- (b) At 30 September 2020 and 31 March 2020, the Group holds convertible notes issued by Eminence, details of which are set out in note 10(c).

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the period was as follows:

21. 關連人士交易／關連交易(續)

- (b) 於2020年9月30日及2020年3月31日，本集團持有高山發行之可換股票據，詳情載列於附註10(c)。

(c) 主要管理人員之薪酬

董事及其他主要管理成員之期內之酬金如下：

		Six months ended 30 September 截至9月30日止六個月	
		2020 HK\$'000 千港元 (Unaudited) (未經審核)	2019 HK\$'000 千港元 (Unaudited) (未經審核)
Short-term employee benefits	短期僱員福利		
Salaries and other benefits	薪金及其他福利	9,661	9,532
Retirement benefit scheme contributions	退休福利計劃供款	184	175
		9,845	9,707

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

**21. RELATED PARTY TRANSACTIONS/
CONNECTED TRANSACTIONS**

(Continued)

**(c) Compensation of key management
personnel (Continued)**

The Group has been providing accommodation to Mr. Koon Chun Ting, a son of Ms. Lui Yuk Chu and a director of subsidiaries of the Company, free of rental and charges for as long as he is employed by the Group. With effect from 20 March 2020, the Company further determined to provide certain residential units and car parking spaces to Ms. Koon Ho Yan Candy.

The remuneration of directors of the Company and key executives are determined by the remuneration committee and executive directors, respectively, having regard to the performance of individuals and market trends.

- (d) In January 2011, the Company entered into an employment agreement with Mr. Koon Wing Yee to act as general manager of the Company. The employment agreement, which constitutes a connected transaction, commenced on 21 February 2011 but may be terminated by either party at any time by three months' notice. The monthly salary has been adjusted twice to HK\$180,000 with effect from 1 April 2017. The remuneration of Mr. Koon Wing Yee as general manager of the Company during the six months ended 30 September 2020 was HK\$1,209,000 (six months ended 30 September 2019: HK\$1,209,000) and was included in "compensation of key management personnel" in (c) above.

21. 關連人士交易／關連交易(續)**(c) 主要管理人員之薪酬(續)**

本集團提供住所給官俊廷先生(雷玉珠女士的兒子亦為本公司附屬公司董事)，並只要其受僱於本集團的期間均免租及費用。自2020年3月20日起生效，本公司進一步決定向官可欣小姐提供該等住宅單位及停車位。

本公司董事及主要執行人員之酬金分別由薪酬委員會及執行董事按照個別人士之表現及市場趨勢而釐定。

- (d) 於2011年1月，本公司與官永義先生訂立僱用協議，僱用其為本公司之總經理。該僱用協議，構成關連交易，由2011年2月21日開始，但可由其中任何一方於任何時間給予三個月通知而終止。月薪經調整兩次至180,000港元，自2017年4月1日生效。官永義先生截至2020年9月30日止六個月作為本公司總經理之酬金為1,209,000港元(截至2019年9月30日止六個月：1,209,000港元)，及已包括在以上(c)項之「主要管理人員之薪酬」內。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

21. RELATED PARTY TRANSACTIONS/ CONNECTED TRANSACTIONS

(Continued)

(d) (Continued)

Mr. Koon Wing Yee is the spouse of Ms. Lui Yuk Chu who is a director of the Company and is holding 19.09% (31 March 2020: 19.09%) equity interest of the Company through an entity wholly-owned by her.

(e) During the current interim period, the Group received rental income totalling HK\$120,000 (six months ended 30 September 2019: HK\$120,000) from certain close relatives of Ms. Lui Yuk Chu and Ms. Koon Ho Yan Candy.

(f) During the current interim period, the Group paid HK\$524,000 (six months ended 30 September 2019: HK\$365,000) to Wing Yee Football Team Company Limited, a company controlled by Mr. Koon Wing Yee, which is recognised in profit or loss as "advertising".

(g) During the current interim period, the Group has received a refund of donation of HK\$2,400,000 from Easyknit Charitable Foundation Limited, a company controlled by Ms. Lui Yuk Chu and Ms. Koon Ho Yan Candy. The donation was paid by the Group to Easyknit Charitable Foundation Limited during the year ended 31 March 2020 and recognised in profit or loss as "donations".

21. 關連人士交易／關連交易(續)

(d) (續)

官永義先生為雷玉珠女士之配偶，其為本公司董事，並透過一間其全資擁有之實體持有本公司19.09%(2020年3月31日：19.09%)股本權益。

(e) 於本中期期間，本集團收取雷玉珠女士及官可欣女士若干近親之租金收入合共120,000港元(截至2019年9月30日止六個月：120,000港元)。

(f) 於本中期期間，本集團支付524,000港元(截至2019年9月30日止六個月：365,000港元)予永義足球隊有限公司(一間官永義先生控制之公司)於損益確認為「廣告」。

(g) 於本中期期間，本集團收回由永義慈善基金會有限公司退回之捐款2,400,000港元，一間由雷玉珠女士及官可欣女士控制之公司。該捐款由本集團於2020年3月31日之年度支付及於損益確認為「捐款」。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

22. EVENTS AFTER THE END OF THE REPORTING PERIOD

- (a) The Group is the registered owner of more than 88.69% of the undivided shares at Nos. 472 – 478 Chatham Road North, Kowloon, Hong Kong (“Chatham Road North Building”) which is situated in Hong Kong. In November 2018, the Group filed an application to the Lands Tribunal for an order to sell all the undivided shares of Chatham Road North Building (including those owned by the Group) for the purposes of the redevelopment of the entire site, with the intention to bid in a public auction and acquire all remaining portions of Chatham Road North Building. The hearing of an order for sale of Chatham Road North Building is expected to be held by the Lands Tribunal on 1 December 2020.

- (b) On 18 September 2020, the Group entered into the deeds of amendment with Eminence in relation to the proposed alternations of the 2017 CN1, 2017 CN2 and 2019 CN.

According to the deeds of amendment, it is proposed that for the 2017 CN1, 2017 CN2 and 2019 CN, (i) conversion prices will be revised to HK\$0.25 per conversion share; (ii) the maturity dates will be extended to 28 August 2024 upon the deeds of amendment becoming unconditional; and (iii) the annual interest rate will be increased to 4% per annum.

Details of the deeds of amendment are set out in the Company’s announcement dated 21 September 2020 and circular dated 30 October 2020. The deeds of amendment was approved in the special general meeting of Eminence which was held on 19 November 2020.

22. 報告期後事項

- (a) 本集團為位於香港之香港九龍漆咸道北472至478號(「漆咸道北大廈」)逾88.69%不可分割份數之登記擁有人。於2018年11月，本集團向土地審裁處申請頒令出售漆咸道北大廈之所有不可分割份數(包括本集團所擁有者)，旨在重新發展整個地盤，並擬於公開拍賣中競投及收購漆咸道北大廈之所有餘下部分。預期土地審裁處將於2020年12月1日就頒令出售漆咸道北大廈舉行聆訊。

- (b) 於2020年9月18日，本集團與高山訂立修訂契據，內容有關建議修訂2017年可換股票據1、2017年可換股票據2及2019年可換股票據。

根據修訂契據，建議就2017年可換股票據1、2017年可換股票據2及2019年可換股票據而言，(i)換股價將修訂為每股換股股份0.25港元；(ii)待修訂契據成為無條件後，到期日將延長至2024年8月28日；及(iii)年利率將增至4%。

修訂契據之詳情載於本公司日期為2020年9月21日之公佈及日期為2020年10月30日之通函。修訂契據已於2020年11月19日舉行之高山股東特別大會上獲批准。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

For the six months ended 30 September 2020

截至2020年9月30日止六個月

22. EVENTS AFTER THE END OF THE REPORTING PERIOD (Continued)

- (c) On 5 November 2020, the Company and Eminence entered into a sale and purchase agreement, pursuant to which, the Group conditionally agreed to purchase, and Eminence conditionally agreed to sell, the entire issued shares of Above Ace Limited (“Above Ace”) and Success Edge Limited (“Success Edge”), indirect wholly-owned subsidiaries of Eminence, and the assignment of each of the shareholder loans to the Group, at an aggregate consideration of HK\$1,100,000,000 which is subjected to adjustments.

The sole material asset of Above Ace is Nos. 1B, 1C, 1D and 1E Davis Street and the sole material asset of Success Edge is more than 90% of the undivided shares of No. 93 Building and No. 95 Building. Both of the assets are situated in Hong Kong. Details of the transaction are set out in the Company’s announcement dated 9 November 2020.

22. 報告期後事項(續)

- (c) 於2020年11月5日，本公司與高山訂立買賣協議，據此，本集團有條件同意購買，而高山有條件同意出售高山間接全資附屬公司Above Ace Limited(「Above Ace」)及Success Edge Limited(「Success Edge」)之全部已發行股份以及向本集團轉讓其各自之股東貸款，總代價為1,100,000,000港元(可予調整)。

Above Ace之唯一重大資產為爹核士街1B、1C、1D及1E，而Success Edge之唯一重大資產為93號樓宇及95號樓宇之逾90%不可分割份數。該兩項資產均位於香港。交易詳情載於本公司日期為2020年11月9日之公佈。



Easyknit International Holdings Limited
永義國際集團有限公司

(Stock Code 股份代號 : 1218)