



EASYKNIT INTERNATIONAL HOLDINGS LIMITED

永義國際集團有限公司

(Stock Code 股份代號: 1218)

Interim Report
中期業績報告

2017

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BOARD OF DIRECTORS

Executive Directors

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

Independent Non-Executive Directors

Mr. Tsui Chun Kong
Mr. Jong Koon Sang
Mr. Hon Tam Chun

AUDIT COMMITTEE

Mr. Tsui Chun Kong (*Chairman*)
Mr. Jong Koon Sang
Mr. Hon Tam Chun

REMUNERATION COMMITTEE

Mr. Jong Koon Sang (*Chairman*)
Mr. Tsui Chun Kong
Mr. Hon Tam Chun
Mr. Tse Wing Chiu Ricky

NOMINATION COMMITTEE

Mr. Hon Tam Chun (*Chairman*)
Mr. Tsui Chun Kong
Mr. Jong Koon Sang
Mr. Tse Wing Chiu Ricky

EXECUTIVE COMMITTEE

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

COMPANY SECRETARY

Mr. Lee Po Wing Simon

AUDITOR

Deloitte Touche Tohmatsu

董事會

執行董事

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

獨立非執行董事

徐震港先生
莊冠生先生
韓譚春先生

審核委員會

徐震港先生 (*主席*)
莊冠生先生
韓譚春先生

薪酬委員會

莊冠生先生 (*主席*)
徐震港先生
韓譚春先生
謝永超先生

提名委員會

韓譚春先生 (*主席*)
徐震港先生
莊冠生先生
謝永超先生

行政委員會

謝永超先生 (*主席*)
雷玉珠女士
官可欣女士

公司秘書

李寶榮先生

核數師

德勤 • 關黃陳方會計師行

LEGAL ADVISERS

As to Hong Kong law:
David Norman & Co

As to Bermuda law:
Conyers Dill & Pearman

PRINCIPAL BANKERS

Hang Seng Bank Limited
The Hongkong and Shanghai Banking
Corporation Limited
OCBC Wing Hang Bank

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS

Block A, 7th Floor
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481-483 Castle Peak Road
Cheung Sha Wan, Kowloon
Hong Kong

BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

STOCK CODE

1218

WEBSITE ADDRESS

www.easyknit.com

法律顧問

香港法律：
David Norman & Co

百慕達法律：
Conyers Dill & Pearman

主要往來銀行

恒生銀行有限公司
香港上海滙豐銀行有限公司
華僑永亨銀行

註冊辦事處

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2 Church Street
Hamilton HM 11
Bermuda

主要營業地點

香港
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香港
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股份代號

1218

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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 2017 (“**Period**”). These interim results have been reviewed by the Company’s audit committee.

INTERIM RESULTS

For the Period, the Group’s revenue was HK\$247,005,000 slightly decrease of approximately HK\$72,000 as compared to the corresponding period in 2016 (“**2016 Period**”) of HK\$247,077,000; and the Group’s profit for the Period was HK\$22,802,000 (2016 Period: loss of HK\$162,739,000).

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

For the Period, the profit was mainly attributable to the decrease in results attributable to interests in associates of HK\$81,173,000 (2016 Period: HK\$189,003,000); and gain on changes in fair value of investment properties of HK\$32,700,000 (2016 Period: loss of HK\$9,355,000).

The basic and diluted earnings per share for the Period was approximately HK\$0.29 (2016 Period: basic and diluted loss per share of HK\$2.05).

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2017年9月30日止六個月(「**本期間**」)之業績。本中期業績已由本公司之審核委員會審閱。

中期業績

於本期間，本集團錄得營業額247,005,000港元，較2016年同期(「**2016期間**」)之247,077,000港元輕微減少約72,000港元；而本集團於本期間之溢利為22,802,000港元(2016期間：虧損162,739,000港元)。

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

於本期間，溢利主要由於聯營公司權益分佔之業績減少81,173,000港元(2016期間：189,003,000港元)；及投資物業之公平值變動收益32,700,000港元(2016期間：虧損9,355,000港元)。

於本期間，每股基本及攤薄盈利約為0.29港元(2016期間：每股基本及攤薄虧損2.05港元)。

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Period (2016 Period: nil).

BUSINESS REVIEW

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

(i) Property Investment

The Group has investment properties in Hong Kong.

Revenue of the Group's property rental for the Period was HK\$27,005,000 (2016 Period: HK\$26,416,000), increase of approximately HK\$589,000 or 2.2% over the 2016 Period. The Group's investment properties comprise residential, commercial and industrial properties.

As at 30 September 2017, the Group's commercial and residential rental properties in Hong Kong were both leased 100%. The industrial rental properties in Hong Kong continued to maintain a high occupancy rate of 89.6%. The property management fee income was HK\$437,000 (2016 Period: HK\$368,000).

中期股息

董事會不建議就本期間派發中期股息 (2016期間：無)。

業務回顧

於本期間，本集團主要從事物業投資、物業發展、證券投資及貸款融資業務。

(i) 物業投資

本集團於香港擁有投資物業。

於本期間，本集團之物業租賃營業額為27,005,000港元 (2016期間：26,416,000港元)，比2016期間增加約589,000港元或2.2%。本集團的投資物業包括住宅、商業及工業物業。

於2017年9月30日，本集團位於香港之商業及住宅租賃物業已租出100%。位於香港之工業租賃物業繼續維持高出租率89.6%。物業管理費收入為437,000港元 (2016期間：368,000港元)。

(ii) Property Development

The Group did not launch any new development projects for sale/presale for the Period and continued to promote the sale of a small number of remaining residential units of its existing development projects in Hong Kong. For the Period, the revenue recorded from the property development segment was approximately HK\$204,309,000, representing a slightly decrease of approximately 4.0% as compared to approximately HK\$212,888,000 in the 2016 Period.

A new residential development project, known as No. 6 La Salle Road, Kowloon, Hong Kong, is expected to be launched in early 2018.

(iii) Securities Investment

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

For the period ended 30 September 2017, the Group held trading securities in the amount of HK\$179,242,000 as compared to HK\$287,493,000 as at 31 March 2017, representing a 37.7% decrease. It was derived from: (1) the disposal of trading securities which had a cost or fair value as at 31 March 2017 of HK\$119,738,000; (2) purchase of trading securities of HK\$10,321,000 during the Period; and (3) net increase in market value in the amount of HK\$1,166,000 of the trading securities.

(ii) 物業發展

本集團於本期間並無推出任何新發展項目作出售／預售，並在香港繼續推售現有發展項目少量剩餘住宅單位。於本期間，物業發展分部錄得營業額約204,309,000港元，較2016期間約212,888,000港元輕微減少約4.0%。

一個新住宅發展項目為香港九龍喇沙利道6號，預期於2018年年初開售。

(iii) 證券投資

本集團的策略是維持證券組合多樣化，以減少任何單一證券的價格波動之影響。

截至2017年9月30日，本集團持有交易證券為179,242,000港元，表示相比於截至2017年3月31日之287,493,000港元減少了37.7%。此是來自：(1)截至2017年3月31日具有成本或公平值的買賣證券出售為119,738,000港元；(2)於本期間購入的買賣證券為10,321,000港元；及(3)買賣證券之淨增加市值為1,166,000港元。

The Group recognised (1) gain on fair value changes of trading securities for the Period of HK\$10,447,000 (2016 Period: loss of HK\$2,755,000); (2) loss of HK\$1,199,000 (2016 Period: HK\$663,000) on fair value changes of financial assets designated at fair value through profit or loss; (3) loss on changes in fair value of derivatives component of convertible notes of HK\$1,588,000 (2016 Period: HK\$7,007,000); (4) loss of HK\$1,561,000 (2016 Period: gain of HK\$19,157,000) on disposal of available-for-sale investments; and (5) impairment loss of available-for-sale investments of HK\$2,614,000 (2016 Period: HK\$22,493,000). This segment recorded a profit of HK\$22,835,000 (2016 Period: HK\$4,493,000).

(iv) Loan Financing

During the Period, this segment recorded a revenue of HK\$15,691,000 (2016 Period: HK\$7,773,000) representing 101.9% increase comparing with the 2016 Period.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group financed its operation through internally generated cash flow and bank borrowings. As at 30 September 2017, the Group's bank borrowings amounted to HK\$1,232,151,000 (31 March 2017: HK\$899,482,000). The gearing ratio of the Group, calculated as a ratio of total borrowings to total equity, for the Period was 0.43 (31 March 2017: 0.32).

本集團知悉(1)於本期間買賣證券之公平值變動收益為10,447,000港元(2016期間:虧損2,755,000港元);(2)按公平值計入損益之金融資產之公平值變動虧損為1,199,000港元(2016期間:663,000港元);(3)可換股票據衍生工具部分之公平值變動虧損為1,588,000港元(2016期間:7,007,000港元);(4)可供出售投資之出售虧損為1,561,000港元(2016期間:收益19,157,000港元);及(5)可供出售投資減值虧損為2,614,000港元(2016期間:22,493,000港元)。本分部所記錄之溢利為22,835,000港元(2016期間:4,493,000港元)。

(iv) 貸款融資

本期間,本分部錄得營業額15,691,000港元(2016期間:7,773,000港元)較2016期間增加101.9%。

財務回顧

流動資金及財務資源

本集團之營運透過內部產生的現金流及銀行借貸提供資金。於2017年9月30日,本集團之銀行借貸為1,232,151,000港元(2017年3月31日:899,482,000港元)。於本期間,本集團的資產負債比率(即借貸總額佔總資產之百分比)為0.43(2017年3月31日:0.32)。

As at 30 September 2017, the Group has net current assets of HK\$1,337,759,000 (31 March 2017: HK\$1,058,122,000). Current ratio as at 30 September 2017 was 4.4 (31 March 2017: 3.8). The bank balances and cash as at 30 September 2017 was HK\$158,235,000 (31 March 2017: HK\$25,473,000).

Capital Structure

During the Period, there was no change to the share capital of the Company. As at 30 September 2017, the total number of issued ordinary shares of the Company was 79,420,403 shares.

Charge on Group Assets

As at 30 September 2017, bank loans amounting to HK\$1,232,151,000 (31 March 2017: HK\$899,482,000) were secured by investment properties, properties held for development for sale; and deposit and prepayment for a life insurance policy and financial assets designated as at fair value through profit or loss of the Group having a net book value of HK\$2,545,347,000 (31 March 2017: HK\$2,160,596,000).

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 directors considered the risk of exposure to the currency fluctuation to be minimal.

於2017年9月30日，本集團之流動資產淨值為1,337,759,000港元（2017年3月31日：1,058,122,000港元）。於2017年9月30日，流動比率為4.4（2017年3月31日：3.8）。於2017年9月30日，銀行結餘及現金為158,235,000港元（2017年3月31日：25,473,000港元）。

股本結構

於本期間，本公司股本並無任何變動。於2017年9月30日，本公司已發行普通股股份總數為79,420,403股。

本集團資產之抵押

於2017年9月30日，銀行貸款為1,232,151,000港元（2017年3月31日：899,482,000港元）乃以本集團賬面淨值為2,545,347,000港元（2017年3月31日：2,160,596,000港元）之投資物業、持作出售發展物業；人壽保單之按金及預付款以及按公平值計入損益之金融資產作為抵押。

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。董事認為承受兌換率波動之風險極微。

Material Acquisitions and Disposals

Acquisition of Waterloo Building

Waterloo Building is located at Nos. 93, 93A, 95 and 95A of Waterloo Road, Kowloon, Hong Kong which is a 3-storey residential building comprising 12 units with a total saleable area of 13,821 sq.ft. The Group aimed to acquire the entire building and redevelop the Waterloo Building site.

1st Acquisition

On 13 April 2017, Good Year Ventures Limited (“GY”), a wholly-owned subsidiary of the Company, as purchaser, entered into a sale and purchase agreement with an independent third party to acquire an investment holding company known as Global Chance Holdings Limited and the 11 units of Waterloo Building for a total consideration of HK\$332,869,023.25. Details of the acquisition are set out in the Company’s announcement dated 13 April 2017 and the completion of the acquisition of the 11 units were taken place on 28 June 2017.

2nd Acquisition

On 5 July 2017, the Group via a wholly-owned subsidiary, as purchaser, entered into a sale and purchase agreement with an independent third party to acquire the remaining unit of Waterloo Building for a total consideration of HK\$41,800,000. Details of the acquisition are set out in the Company’s announcement dated 5 July 2017. The transaction was approved by the shareholders of the Company on 4 September 2017 and the completion of the acquisition of the remaining unit was taken place on 6 October 2017.

重大收購及出售

收購窩打老道樓宇

窩打老道樓宇位於香港九龍窩打老道93、93A、95及95A號，為一棟三層高住宅樓宇，合共有12個單位，總實用面積為13,821平方呎。本集團目標為收購整幢樓宇，並重新發展窩打老道樓宇地盤。

第一次收購事項

於2017年4月13日，本公司之全資附屬公司Good Year Ventures Limited (「GY」) (作為買方)與獨立第三方訂立買賣協議，以收購一間名為環球商機控股有限公司及窩打老道樓宇11個單位，總代價為332,869,023.25港元。收購事項詳情載於本公司日期為2017年4月13日之公告，並於2017年6月28日完成收購11個單位。

第二次收購事項

於2017年7月5日，本集團透過其全資附屬公司(作為買方)與獨立第三方訂立買賣協議以收購窩打老道樓宇餘下單位，總代價為41,800,000港元。收購事項詳情載於本公司日期為2017年7月5日之公告。該交易已於2017年9月4日獲本公司股東批准，餘下單位於2017年10月6日完成收購。

Contingent Liabilities

The Group did not have significant contingent liabilities as at 30 September 2017 (31 March 2017: nil).

Capital Expenditures

During the Period, the Group has spent HK\$6,457,000 on the acquisitions of property, plant and equipment (2016 Period: HK\$840,000); and have no capital expenditures in the additions of investment properties for both periods.

Capital Commitments

As at 30 September 2017, the Group has no capital commitments (31 March 2017: HK\$621,000).

Changes in Fair Value of Investment Properties

As at 30 September 2017, there is a gain of HK\$32,700,000 arising on changes in fair value of investment properties (2016 Period: loss of HK\$9,355,000).

Finances Costs

Finance costs was HK\$9,100,000, decreased by HK\$559,000 or 5.8% for the Period from HK\$9,659,000 in the 2016 Period.

或然負債

於2017年9月30日，本集團並無任何重大或然負債(2017年3月31日：無)。

資本開支

於本期間，本集團已動用約6,457,000港元(2016期間：840,000港元)於購買物業、廠房及設備，並於兩個期間無動用資本開支於增置投資物業。

資本承擔

於2017年9月30日，本集團無資本承擔(2017年3月31日：621,000港元)。

投資物業之公平值變動

於2017年9月30日，投資物業之公平值變動產生之收益為32,700,000港元(2016期間：虧損9,355,000港元)。

融資成本

融資成本為9,100,000港元，相比2016期間9,659,000港元，本期間減少559,000港元或5.8%。

PROPOSED SPIN OFF AND LISTING

Reference is made to the announcement of the Company dated 27 October 2017 under which the Company is currently considering the possibility of a spin-off and separate listing (“**Proposed Spin-off**”) of the Group’s residential property business (“**RP Business**”) on the Main Board of The Stock Exchange of Hong Kong Limited. A spin-off proposal was submitted to the Stock Exchange on 12 May 2017 pursuant to Practice Note 15 of the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”) and on 24 October 2017, the Stock Exchange agreed that the Company may proceed with the Proposed Spin-off.

Preparation for the Proposed Spin-off is underway and no listing application has been submitted to the Stock Exchange for the separate listing of the RP Business on the Main Board of the Stock Exchange. In the event that the Proposed Spin-off would proceed, it may constitute a notifiable transaction on the part of the Company under Chapter 14 of the Listing Rules. Further announcement in respect of the Proposed Spin-off will be made by the Company as and when appropriate in accordance with the Listing Rules.

建議分拆及上市

茲提述本公司日期為2017年10月27日之公佈，據此，本公司正考慮可能將本集團住宅物業業務（「住宅物業業務」）分拆及在香港聯合交易所有限公司主板上分開上市（「建議分拆」）。分拆建議已於2017年5月12日根據聯交所證券上市規則（「上市規則」）的應用指引第15項提交予聯交所，而聯交所於2017年10月24日同意本公司可能會進行建議分拆。

籌備建議分拆正在進行中，並無向聯交所呈交上市申請以將住宅物業業務單一於聯交所主板上市。倘建議分拆將會進行，則根據上市規則第14章，可能構成本公司之一項須予披露交易。根據上市規則，本公司將於適當時候就建議分拆另行刊發公佈。

PROSPECTS

As coupled with the Government's long-term strategic plan to develop new living and business districts in Hong Kong in an attempt to build up a greater metropolitan area, the Group expects population of Hong Kong will increase further and this should generate further inelastic demand for residential properties. The Group therefore keeps an optimistic view about the property market and shall devote further resources and efforts in the tender and search of land for development. In addition, the Group shall continue to look for potential investment properties for recurring income and capital appreciation.

Furthermore, the Group continues to extend and direct its resources to loan financing business and it is expected that such business shall be part of the main income stream of the Group in the future.

We believe that in such a volatile economic environment, these operation strategies will enable the Group to maintain its competitiveness and mitigate risks, thereby ensuring the Group's sustainable growth.

REVIEW OF INTERIM RESULTS

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

By Order of the Board
Easyknit International Holdings Limited
Tse Wing Chiu Ricky
President and Chief Executive Officer

Hong Kong, 28 November 2017

展望

以政府在香港發展新生活 and 商業區的長遠策略計劃，試圖建立一個更大的大都會，本集團預期香港人口將會進一步增加，這將進一步導致住宅物業需求缺乏彈性。因此，本集團對房地產市場保持樂觀的看法，並將投入更多的資源和精力來開發土地。此外，本集團將繼續尋求潛在投資物業以帶來經常性收入及資本增值。

此外，本集團繼續將資源延伸及引導至貸款融資業務，預期日後將成為本集團主要收入來源的一部分。

我們相信在動盪的經濟環境中，該等經營策略可讓本集團保持其競爭力及降低風險，從而確保本集團可持續增長。

審閱中期業績

本集團之本期間中期業績未經審核，但已由本公司之審核委員會審閱。

承董事會命
永義國際集團有限公司
主席兼首席行政總裁
謝永超

香港，2017年11月28日

Disclosure of Interests

權益披露

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

董事及主要行政人員於股份、相關股份及債權證之權益

As at 30 September 2017, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which were notified to the Company and The Stock Exchange of Hong Kong Limited (“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 (“Model Code”) as set out in Appendix 10 to the Rules Governing the Listing of Securities (“Listing Rules”) on the Stock Exchange, to be notified to the Company and the Stock Exchange, were as follows:

於2017年9月30日，本公司董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）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香港聯合交易所有限公司（「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：

(a) Interests in the Company (long position)

(a) 於本公司之權益（好倉）

Name of Director 董事名稱	Capacity 身份	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 interest 權益之概約 百分比
Ms. Lui Yuk Chu 雷玉珠女士	Beneficiary of a trust (note i) 信託受益人（附註i）	29,179,480	46,609,144	58.69%
	Interest of controlled corporation (note ii) 受控制法團之權益 （附註ii）	17,429,664		
Ms. Koon Ho Yan Candy 官可欣女士	Beneficiary of a trust (note iii) 信託受益人（附註iii）	29,179,480	29,179,480	36.74%

Disclosure of Interests (continued) 權益披露 (續)

Notes:

- (i) 29,179,480 shares are registered in the name of and 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 (“**Winterbotham Trust**”) as trustee of The Magical 2000 Trust (the beneficiaries of which included Ms. Lui Yuk Chu and her family members other than her spouse).
- (ii) 17,429,664 shares are beneficially owned by Sea Rejoice Limited which is wholly-owned by Ms. Lui Yuk Chu.
- (iii) Ms. Koon Ho Yan Candy, the daughter of Ms. Lui Yuk Chu and an executive director of the Company, is deemed to be interested in the shares by virtue of her capacity as one of the beneficiaries of The Magical 2000 Trust.

附註:

- (i) 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（其受益人包括雷玉珠女士及除其配偶以外之家族成員）之信託人溫特博森信託有限公司（「溫特博森信託」）全資擁有。
- (ii) 17,429,664股股份由樂洋有限公司實益擁有，該公司乃由雷玉珠女士全資擁有。
- (iii) 官可欣女士（雷玉珠女士的女兒兼本公司執行董事）因其作為The Magical 2000 Trust 受益人之一之身份，被視為於股份中擁有權益。

(b) Interests in associated corporations (long positions) (b) 於相聯法團之權益 (好倉)

Eminence Enterprise Limited

高山企業有限公司

Name of Director 董事名稱	Capacity 身份	Number of ordinary shares held 持有普通股 股份數目	Number of underlying shares held 持有相關 股份數目	Total 總計	Approximate percentage of interest 權益之概約 百分比
Ms. Lui Yuk Chu 雷玉珠女士	Beneficiary of a trust 信託受益人	457,330,692	593,480,281	1,050,810,973	46.98%

Disclosure of Interests (continued) 權益披露 (續)

Notes:

In the 1,050,810,973 shares, 93,549,498 shares and 363,781,194 shares of Eminence are registered in the name of and beneficially owned by Landmark Profits Limited and Goodco Development Limited respectively, both companies are the wholly-owned subsidiaries of the Company. For the 593,480,281 underlying shares, of which 570,880,281 are the underlying shares of convertible notes issued by the Company to the Goodco Development Limited; and the remaining 22,600,000 underlying shares are the share optioned granted to Ms. Lui Yuk Chu and Mr. Koon Wing Yee (the spouse of Ms. Lui Yuk Chu) on 14 October 2016. Sea Rejoice Limited is interested in approximately 21.95% of the issued share capital of the Company and it is wholly-owned by Ms. Lui Yuk Chu. Magical Profits Limited is interested in approximately 36.74% of the issued share capital of the Company and is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by Winterbotham Trust as the trustee of The Magical 2000 Trust (the beneficiaries of which included Ms. Lui Yuk Chu and her family members other than her spouse).

Save as disclosed above, as at 30 September 2017, none of the Directors or chief executives 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 six months ended 30 September 2017 was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company 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:

於1,050,810,973股股份中，93,549,498股股份及363,781,194股高山企業股份分別以Landmark Profits Limited及佳豪發展有限公司之名義登記並由其實益擁有，該等公司為本公司之全資附屬公司。於593,480,281股相關股份，其中570,880,281股為本公司向佳豪發展有限公司發行可換股票據之相關股份，以及於2016年10月14日授予雷玉珠女士及官永義先生（雷玉珠女士配偶）之餘下22,600,000股相關股份購股權。樂洋有限公司於本公司之已發行股本中擁有約21.95%之權益而其由雷玉珠女士全資擁有。Magical Profits Limited於本公司已發行股本中擁有約36.74%之權益而其由Accumulate More Profits Limited全資擁有，而Accumulate More Profits Limited則作為The Magical 2000 Trust（其受益人包括雷玉珠女士及除其配偶以外之家族成員）之信託人溫特博森信託全資擁有。

除上文所披露者外，於2017年9月30日，本公司董事或主要行政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截至2017年9月30日止六個月內任何時間概無訂立任何安排，致使本公司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。

**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 2017, the persons (other than the directors or the chief executives 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2017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（本公司董事或主要行政人員除外）如下：

Name of Shareholder 股東名稱	Notes 附註	Capacity 身份	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
Lui Yuk Chu 雷玉珠	<i>i, ii & iii</i>	Beneficial of a trust 信託受益人	46,609,144	58.69%
Koon Ho Yan Candy 官可欣	<i>i</i>	Beneficial of a trust 信託受益人	29,179,480	36.74%
Koon Wing Yee 官永義	<i>i</i>	Interest of spouse 配偶權益	46,609,144	58.69%
Sea Rejoice Limited 樂洋有限公司	<i>i & ii</i>	Beneficial owner 實益擁有人	17,429,664	21.95%
Magical Profits Limited	<i>i & ii</i>	Beneficial owner 實益擁有人	29,179,480	36.74%
Accumulate More Profits Limited	<i>i</i>	Interest of controlled corporation 受控制法團之權益	29,179,480	36.74%
Winterbotham Trust 溫特博森信託	<i>i & iii</i>	Trustee 信託人	29,179,480	36.74%

Disclosure of Interests (continued)

權益披露 (續)

Name of Shareholder 股東名稱	Notes 附註	Capacity 身份	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
Winterbotham Holdings Limited	iii	Interest of controlled corporation 受控制法團之權益	29,179,480	36.74%
Markson International Holdings Limited	iii	Interest of controlled corporation 受控制法團之權益	29,179,480	36.74%
Christopher Geoffrey Douglas Hooper	iii	Interest of controlled corporation 受控制法團之權益	29,179,480	36.74%
Ivan Geoffrey Douglas Hooper	iii	Interest of controlled corporation 受控制法團之權益	29,179,480	36.74%

Notes:

(i) Out of 46,609,144 shares, 17,429,664 shares are beneficially owned by Sea Rejoice Limited which is wholly-owned by Ms. Lui Yuk Chu. The remaining 29,179,480 shares are registered in the name of and beneficially owned by Magical Profits Limited which is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by Winterbotham Trust as trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu, an executive director, and her family members other than her spouse). Ms. Koon Ho Yan Candy, the daughter of Ms. Lui Yuk Chu and an executive director, is deemed to be interested in the 29,179,480 shares by virtue of her capacity as one of the beneficiaries of The Magical 2000 Trust. Mr. Koon Wing Yee, being the spouse of Ms. Lui Yuk Chu, is deemed to be interested in the 46,609,144 shares by virtue of the SFO.

附註:

(i) 46,609,144股股份中的17,429,664股股份由樂洋有限公司實益擁有，該公司乃由雷玉珠女士全資擁有。餘下的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則作為The Magical 2000 Trust（其受益人包括雷玉珠女士及除其配偶以外之家族成員）之信託人溫特博森信託全資擁有。官可欣女士（雷玉珠女士的女兒兼執行董事）因為其作為The Magical 2000 Trust受益人之一之身份，被視為於29,179,480股股份中擁有權益。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46,609,144股股份中擁有權益。

Disclosure of Interests (continued) 權益披露 (續)

- (ii) Ms. Lui Yuk Chu, being an executive director, is also a director of Sea Rejoice Limited and Magical Profits Limited.
- (iii) Winterbotham Trust is the trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu and her family members other than her spouse). Winterbotham Trust is owned as to 75% by Winterbotham Holdings Limited (“Winterbotham Holdings”) and 25% by Markson International Holdings Limited (“Markson”) respectively. Winterbotham Holdings is owned as to approximately 99.99% by Mr. Christopher Geoffrey Douglas Hooper. And Markson is owned as to 60% by Mr. Christopher Geoffrey Douglas Hooper and 40% by Mr. Ivan Geoffrey Douglas Hooper respectively.
- (ii) 執行董事雷玉珠女士亦為樂洋有限公司及Magical Profits Limited之董事。
- (iii) 溫特博森信託為The Magical 2000 Trust (其受益人包括雷玉珠女士及除其配偶以外之家族成員)之信託人。Winterbotham Holdings Limited (「Winterbotham Holdings」)及Markson International Holdings Limited (「Markson」)於溫特博森信託分別擁有75%及25%之權益。Christopher Geoffrey Douglas Hooper先生於Winterbotham Holdings擁有約99.99%之權益。而Christopher Geoffrey Douglas Hooper先生及Ivan Geoffrey Douglas Hooper先生於Markson分別擁有60%及40%之權益。

Save as disclosed above, as at 30 September 2017, the Company had not been notified by any persons (other than Directors or chief executives 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 new share option scheme (the “Scheme”) was adopted and approved by the shareholders of the Company for a period of 10 years commencing on the adoption date. Since the adoption date, the Board, may at its discretion, grant share options to any eligible person to subscribe for the shares in the Company subject to the terms and conditions as stipulated in the Scheme. During the Period, no share option was outstanding, granted, exercised, cancelled or lapsed under the Scheme.

除上文所披露者外，於2017年9月30日，概無任何人士（本公司董事或主要行政人員除外）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（「該計劃」），年期由採納日期起計10年。自採納日期起，董事會可酌情向任何合資格認購本公司股份人士授出購股權，惟須受該計劃的條款及細則所限。於本期間，概無根據該計劃的購股權尚未行使、獲授出、行使、被註銷或已失效。

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 (“**CG Code Provision**”) as set out in Appendix 14 of the Listing Rules during the Period, with the exception of the following deviation:

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

Mr. Tse Wing Chiu Ricky (“**Mr. Tse**”) is the president of the Board and is holding the office of chief executive officer of the Company. While this is a deviation from CG Code Provision A.2.1, dual role leadership has been in practice by the Company for decades and has withstood the test of time. The Board considers this arrangement to be appropriate for the Company as it can preserve the consistent leadership culture of the Company and allow efficient discharge of the executive functions of the chief executive. The Board believes that a balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and high caliber individuals including three independent non-executive Directors. Meanwhile, the day-to-day management and operation of the Group are delegated to divisional management under the leadership and supervision of Mr. Tse in the role of chief executive officer who is supported by the executive Directors and senior management.

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》之原則及所有守則條文，惟下文所述的守則條文除外：

守則條文第A.2.1條

主席與行政總裁之角色應有區分，並不應由一人同時兼任

謝永超先生（「謝先生」）為董事會主席並擔任本公司首席行政總裁。雖然此與企業管治守則第A.2.1條有所偏離，但雙角色領導模式於本公司推行已久且行之有效。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升行政總裁的執行能力。董事會認為董事會成員不乏經驗豐富及具才幹之人士（包括3位獨立非執行董事），足以確保權力及職能平衡。在主席及首席行政總裁謝先生的領導及監督，與一眾執行董事及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。

CHANGES IN DIRECTORS' BIOGRAPHICAL DETAILS

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in Directors' biographical details since the date of the 2016/17 Annual Report of the Company are Mr. Tse Wing Chiu Ricky was re-designated from a non-executive Director to executive Director, president of the Board and chief executive officer; Mr. Kwong Jimmy Cheung Tim and Mr. Lai Law Kau resigned as directors of the Company with effect from 18 April 2017.

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

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct in relation to directors' securities transactions. All directors of the Company have confirmed, following specific enquiry by the Company, their compliance with the required standard set out in the Model Code throughout the Period.

董事履歷詳情之變更

根據上市規則第13.51B(1)條，自本公司2016/17年年報刊發日期起之董事履歷詳情變更為自2017年4月18日起謝永超先生由非執行董事調任為本公司執行董事、董事會主席及首席行政總裁；鄭長添先生及賴羅球先生辭任本公司董事。

除上文所披露者外，董事履歷詳情概無其他變更須根據上市規則第13.51B(1)條作出披露。

董事遵守進行證券交易的標準守則

本公司已採納標準守則，作為其本身有關董事進行證券交易之操守守則。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。

AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive directors, namely Mr. Tsui Chun Kong (Committee Chairman), Mr. Jong Koon Sang and Mr. Hon Tam Chun. The Audit Committee has reviewed with management and the Company's auditor the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including a review of the unaudited interim condensed consolidated financial statements for the six months ended 30 September 2017.

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

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

審核委員會

審核委員會現時由三位獨立非執行董事組成，分別為徐震港先生（委員會主席）、莊冠生先生及韓譚春先生。審核委員會已與管理層及本公司之核數師審閱本集團採納之會計準則及常規，並討論審核、內部監控和財務報告等事項，包括審閱截至2017年9月30日止六個月之未經審核中期簡明綜合財務報表。

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。

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 2017

截至2017年9月30日止六個月

		Six months ended 30 September 截至9月30日止六個月	
		2017 HK\$'000 千港元 (Unaudited) (未經審核)	2016 HK\$'000 千港元 (Unaudited) (未經審核)
	NOTE 附註		
Revenue	3	247,005	247,077
Cost of properties sold and services rendered		(125,027)	(140,154)
Other income		121,978	106,923
Distribution and selling expenses		23,229	19,937
Administrative expenses		(25,571)	(32,197)
Gain (loss) on changes in fair value of investment properties		(27,820)	(28,705)
Gain (loss) on changes in fair value of investments held for trading		32,700	(9,355)
Gain on redemption of convertible note	12(b)	10,447	(2,755)
Gain on modification of terms of convertible note	12(b)	1,135	-
Loss on changes in fair value of financial assets designated as at fair value through profit or loss		425	-
Loss on changes in fair value of derivatives component of convertible notes	12	(1,199)	(663)
(Loss) gain on disposal of available-for-sale investments		(1,588)	(7,007)
Impairment loss on available-for-sale investments		(1,561)	19,157
Results attributable to interests in associates		(2,614)	(22,493)
Finance costs		(81,173)	(189,003)
		(9,100)	(9,659)
Profit (loss) before taxation	4	39,288	(155,820)
Taxation charge	5	(16,486)	(6,919)
Profit (loss) for the period attributable to owners of the Company		22,802	(162,739)

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 2017

截至2017年9月30日止六個月

		Six months ended 30 September 截至9月30日止六個月	
		2017 HK\$'000 千港元 (Unaudited) (未經審核)	2016 HK\$'000 千港元 (Unaudited) (未經審核)
	NOTE 附註		
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>可於其後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		
Share of translation reserve of associates	其他全面收入(開支): 分佔聯營公司之匯兌儲備	1,997	(4,322)
Share of investment revaluation reserve of associates	分佔聯營公司之 投資重估儲備	3,455	7,668
Reclassification of translation reserve to profit or loss upon 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份 權益時重新分類至損益之 匯兌儲備	677	1,365
Reclassification of investment revaluation reserve to profit or loss upon 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份 權益時重新分類至損益之 投資重估儲備	(486)	1,384
		5,643	6,095
Change in fair value of available-for-sale investments	可供出售投資之公平值變動	6,383	18,755
Released on disposal of available-for-sale investments	於出售可供出售投資時解除	1,561	(19,157)
Reclassification adjustment upon impairment of available-for-sale investments	於可供出售投資減值時之 重新分類調整	2,614	22,493
Other comprehensive income for the period	本期間之其他全面收入	16,201	28,186
Total comprehensive income (expense) for the period attributable to owners of the Company	本公司股東分佔本期間之 全面收入(開支)總額	39,003	(134,553)
Basic and diluted earnings (loss) per share	每股基本及攤薄盈利(虧損)	HK\$0.29	HK\$(2.05)

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 September 2017

於2017年9月30日

		NOTES 附註	30 September 9月30日 2017 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2017 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	8	90,978	11,036
Investment properties	投資物業	9	1,661,000	1,628,300
Interests in associates	聯營公司權益	10	511,025	586,555
Available-for-sale investments	可供出售投資	11	87,609	45,354
Convertible notes	可換股票據	12	69,676	67,418
Derivatives component of convertible notes	可換股票據之衍生成份	12	17,068	6,167
Loans receivable	應收貸款	13	50,890	75,721
Intangible asset	無形資產	14	500	500
Statutory deposits	法定按金	15	205	205
Deposit and prepayments for a life insurance policy	人壽保單之按金及預付款		10,138	10,091
			2,499,089	2,431,347
Current assets	流動資產			
Properties held for development for sale	持作出售發展物業	16	722,340	312,136
Deposits and prepayment for acquisition of properties held for development for sale	收購持作出售發展物業之按金及預付款		11,495	-
Properties held for sale	持作出售物業		194,803	392,489
Investments held for trading	持作買賣投資	17	179,242	287,493
Trade and other receivables	貿易及其他應收款項	18	151,667	93,969
Loans receivable	應收貸款	13	249,307	233,133
Financial assets designated as at fair value through profit or loss	按公平值計入損益之金融資產	19	68,293	95,309
Bank balances and cash	銀行結餘及現金		158,235	25,473
			1,735,382	1,440,002
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	20	81,893	95,226
Tax payable	應付稅項		33,135	24,381
Secured bank borrowings	有抵押銀行借貸	21	282,595	262,273
			397,623	381,880
Net current assets	流動資產淨額		1,337,759	1,058,122
Total assets less current liabilities	資產總額減流動負債		3,836,848	3,489,469
Capital and reserves	資本及儲備			
Share capital	股本	22	7,942	7,942
Reserves	儲備		2,879,350	2,844,318
Total equity	權益總額		2,887,292	2,852,260
Non-current liabilities	非流動負債			
Secured bank borrowings	有抵押銀行借貸	21	949,556	637,209
Deferred tax liabilities	遞延稅項負債	23	-	-
			949,556	637,209
			3,836,848	3,489,469

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 September 2017

截至2017年9月30日止六個月

		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元 (note a) (附註a)	Translation reserve 匯兌儲備 HK\$'000 千港元	Special reserve 特別儲備 HK\$'000 千港元 (note b) (附註b)	Contributed surplus 繳入盈餘 HK\$'000 千港元 (note c) (附註c)	Investment revaluation reserve 投資重估儲備 HK\$'000 千港元	Property revaluation reserve 物業重估儲備 HK\$'000 千港元 (note d) (附註d)	Accumulated profits 累計溢利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 April 2017 (audited)	於2017年4月1日(經審核)	7,942	218,330	196,565	(5,387)	9,800	220,937	7,603	69,872	2,126,598	2,852,260
Change in fair value of available-for-sale investments	可供出售投資之公平值變動	-	-	-	-	-	-	6,383	-	-	6,383
Released on disposal of available-for-sale investments	出售可供出售投資時解除	-	-	-	-	-	-	1,561	-	-	1,561
Reclassification adjustment upon impairment of available-for-sale investments	於可供出售投資減值時之重新分類調整	-	-	-	-	-	-	2,614	-	-	2,614
Share of other comprehensive income of associates	分佔聯營公司之其他全面收入	-	-	-	2,674	-	-	2,969	-	-	5,643
Profit for the period	本期間溢利	-	-	-	-	-	-	-	-	22,802	22,802
Total comprehensive income for the period	本期間全面收入總額	-	-	-	2,674	-	-	13,527	-	22,802	39,003
2017 final dividend paid (note 7)	已付2017年末期股息(附註7)	-	-	-	-	-	-	-	-	(3,971)	(3,971)
At 30 September 2017 (unaudited)	於2017年9月30日(未經審核)	7,942	218,330	196,565	(2,713)	9,800	220,937	21,130	69,872	2,145,429	2,887,292
		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元 (note a) (附註a)	Translation reserve 匯兌儲備 HK\$'000 千港元	Special reserve 特別儲備 HK\$'000 千港元 (note b) (附註b)	Contributed surplus 繳入盈餘 HK\$'000 千港元 (note c) (附註c)	Investment revaluation reserve 投資重估儲備 HK\$'000 千港元	Property revaluation reserve 物業重估儲備 HK\$'000 千港元 (note d) (附註d)	Accumulated profits 累計溢利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 April 2016 (audited)	於2016年4月1日(經審核)	7,942	218,330	196,565	(2,654)	9,800	220,937	(6,178)	69,872	2,378,386	3,093,000
Change in fair value of available-for-sale investments	可供出售投資之公平值變動	-	-	-	-	-	-	18,755	-	-	18,755
Released on disposal of available-for-sale investments	出售可供出售投資時解除	-	-	-	-	-	-	(19,157)	-	-	(19,157)
Reclassification adjustment upon impairment of available-for-sale investments	於可供出售投資減值時之重新分類調整	-	-	-	-	-	-	22,493	-	-	22,493
Share of other comprehensive (expense) income of associates	分佔聯營公司其他全面(開支)收入	-	-	-	(2,957)	-	-	9,052	-	-	6,095
Loss for the period	本期間虧損	-	-	-	-	-	-	-	-	(162,739)	(162,739)
Total comprehensive (expense) income for the period	本期間全面(開支)收入總額	-	-	-	(2,957)	-	-	31,143	-	(162,739)	(134,553)
2016 final dividend paid (note 7)	已付2016年末期股息(附註7)	-	-	-	-	-	-	-	-	(7,942)	(7,942)
At 30 September 2016 (unaudited)	於2016年9月30日(未經審核)	7,942	218,330	196,565	(5,611)	9,800	220,937	24,965	69,872	2,207,705	2,950,505

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 2017

截至2017年9月30日止六個月

Notes:

- (a) The capital reserve of the Group represents the credit arising from the reduction of share capital of the Company in October 2006.
- (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.
- (c) The contributed surplus of the Group represents the credit arising from the reduction of certain reserves of the Company in August 2004.
- (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 and (iii) the transfer to accumulated profits upon deemed disposal of subsidiaries in prior years.

附註:

- (a) 本集團之資本儲備代表藉於2006年10月股本削減所產生之進賬。
- (b) 本集團之特別儲備代表本公司已發行股本面值與組成本集團(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) 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) 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及(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 2017

截至2017年9月30日止六個月

		Six months ended 30 September 截至9月30日止六個月	
		2017 HK\$'000 千港元 (Unaudited) (未經審核)	2016 HK\$'000 千港元 (Unaudited) (未經審核)
Net cash (used in) from operating activities	(用於)來自經營活動之現金淨額	(168,906)	238,527
Net cash (used in) from investing activities	(用於)來自投資活動之現金淨額		
Redemption of financial assets designated as at fair value through profit or loss	贖回按公平值計入損益之金融資產	360,014	420,337
Proceeds from redemption of convertible notes	贖回可換股票據所得款項	35,000	-
Proceeds received from disposal of available-for-sale investments	出售可供出售投資所得款項	13,637	218,546
Dividend received from available-for-sale investments	可供出售投資之已收股息	1,525	9,746
Acquisition of financial assets designated as at fair value through profit or loss	收購按公平值計入損益之金融資產	(383,000)	(421,000)
Acquisition of convertible notes	購入可換股票據	(44,200)	-
Purchase of property, plant and equipment	購入物業、廠房及設備	(6,457)	(840)
Acquisition of available-for-sale investments	收購可供出售投資	(706)	(16,584)
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備之已付按金	-	(5,069)
Other investing activities	其他投資活動	9,130	3,393
		(15,057)	208,529
Net cash from (used in) financing activities	來自(用於)融資活動之現金淨額		
Bank loans raised	籌得銀行貸款	472,257	295,000
Repayment of bank loans	償還銀行貸款	(139,796)	(326,606)
Interest paid	已付利息	(11,765)	(9,659)
Dividend paid	已付股息	(3,971)	(7,942)
		316,725	(49,207)
Net increase in cash and cash equivalents	現金及等同現金增加淨額	132,762	397,849
Cash and cash equivalents at beginning of the period	期初現金及等同現金	25,473	12,332
Cash and cash equivalents at end of the period, represented by bank balances and cash	期末現金及等同現金，即銀行結餘及現金	158,235	410,181

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2017

截至2017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.

Eminence Enterprise Limited (“Eminence”), shares of which are also listed on the Stock Exchange, is an associate of the Group. On 19 July 2017, Eminence issued 325,000,000 new ordinary shares to placees not connected with the Group. Accordingly, the Group’s equity interest in Eminence and its subsidiaries (“EE Group”) decreased from 23.92% at 1 April 2017 to 20.44% thereafter.

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 values, as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2017 are the same as those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2017.

Revenue recognition

Commission income for brokerage business is recorded as income on a trade date basis.

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。

高山企業有限公司（「高山企業」）為本集團之聯營公司，而其股份亦於聯交所上市。於2017年7月19日，高山企業發行325,000,000股新普通股股份予本集團沒有關連之配售人。據此，本集團於高山企業及其附屬公司（「高山企業集團」）之股本權益由2017年4月1日23.92%減少至之後之20.44%。

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。

除下列所述者外，截至2017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2017年3月31日止年度之全年綜合財務報表所採用者相同。

收益確認

經紀業務之佣金收入乃按交易日基準記錄為收入。

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 2017

截至2017年9月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 7	Disclosure initiative
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses
Amendments to HKFRS 12	As part of annual improvements to HKFRSs 2014 – 2016 cycle

Amendments to HKAS 7 “Disclosure initiative”

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities including both changes arising from cash flows and non-cash changes. Specially, the amendments require the following changes in liabilities arising from financing activities to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

The application of the amendments will result in additional disclosures on the Group’s financing activities, specifically reconciliation between the opening and closing balances in the condensed consolidated statement of financial position for liabilities arising from financing activities will be provided on application.

The adoption has no impact on these condensed consolidated financial statements but will result in relevant disclosures in the Group’s annual consolidated financial statements for the year ending 31 March 2018.

The application of the other amendments to HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

2. 主要會計政策 (續)

收益確認 (續)

於本中期，本集團首次應用香港會計師公會所頒佈之以下與編製本集團之簡明綜合財務報表有關之香港財務報告準則（「香港財務報告準則」）之修訂本：

香港會計準則 第7號 (修訂本)	披露計劃
香港會計準則 第12號 (修訂本)	就未實現虧損確認的 遞延稅項資產
香港財務報告準則 第12號 (修訂本)	香港財務報告準則2014年 至2016年週期之 部分年度改善

香港會計準則第7號 (修訂本) 「披露計劃」

該等修訂本規定實體提供披露事項以使財務報表使用者可評估因融資活動而產生之負債變動，包括現金流量產生之變動及非現金變動。具體而言，該等修訂本規定披露以下因融資活動而產生之負債變動：(i) 融資現金流量產生之變動；(ii) 取得或失去附屬公司或其他業務控制權產生之變動；(iii) 外幣匯率變動之影響；(iv) 公平值變動；及(v) 其他變動。

應用該等修訂本將導致本集團融資活動之額外披露，特別是於應用時將於簡明綜合財務狀況表提供因融資活動而產生之期初與期末負債結餘對賬。

採納該等修訂本對本簡明綜合財務報表並無影響但將使本集團於截至2018年3月31日止年度之年度綜合財務報表中作出相關披露。

於本中期應用其他香港會計準則之修訂本對於本簡明綜合財務報表所呈報之金額及／或披露並無重大影響。

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 2017

截至2017年9月30日止六個月

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 properties sold or types of services provided. This is also the basis of organisation, whereby the management has chosen to organise the Group around differences in products and services.

The Group's operating and reportable segments 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:

Six months ended 30 September 2017

		Property investment 物業投資 HK\$'000 千港元 (Unaudited) (未經審核)	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	分類營業額					
External	外來	27,005	204,309	-	15,691	247,005
Segment result	分類業績	54,905	43,443	22,835	15,222	136,405
Unallocated corporate income	無分配之公司收入					3,388
Unallocated corporate expenses	無分配之公司開支					(10,232)
Finance costs	融資成本					(9,100)
Results attributable to interests in associates	聯營公司權益分佔之業績					(81,173)
Profit before taxation	除稅前溢利					39,288

3. 分部資料

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

按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為(i)物業投資、(ii)物業發展、(iii)證券投資及(iv)貸款融資。

回顧期間按經營及呈報分部分析本集團之營業額及業績如下：

截至2017年9月30日止六個月

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 2017

截至2017年9月30日止六個月

3. SEGMENT INFORMATION (Continued)

Six months ended 30 September 2016

3. 分部資料 (續)

截至2016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)	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 External	分類營業額 外來	26,416	212,888	-	7,773	247,077
Segment result	分類業績	11,371	22,330	4,493	7,584	45,778
Unallocated corporate income	無分配之公司收入					721
Unallocated corporate expenses	無分配之公司開支					(3,657)
Finance costs	融資成本					(9,659)
Results attributable to interests in associates	聯營公司權益分佔之業績					(189,003)
Loss before taxation	除稅前虧損					(155,820)

Segment result represents the result of each segment without allocation of results attributable to 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.

分類業績乃指各分部之業績，當中沒有分配聯營公司權益分佔之業績、融資成本，及無分配之公司收入及開支。用以向主要經營決策者匯報，作為資源分配及表現評估之計量。

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 2017

截至2017年9月30日止六個月

3. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

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

3. 分部資料 (續)

分部資產及負債

按經營及呈報分部分分析本集團之資產及負債如下：

		30 September 9月30日 2017 <i>HK\$'000</i> 千港元 (Unaudited) (未經審核)	31 March 3月31日 2017 <i>HK\$'000</i> 千港元 (Audited) (經審核)
Segment assets	分部資產		
Property investment	物業投資	1,670,915	1,635,210
Property development	物業發展	1,066,838	795,264
Investment in securities	證券投資	422,762	505,280
Loan financing	貸款融資	301,101	311,248
Total segment assets	分部資產總額	3,461,616	3,247,002
Interests in associates	聯營公司權益	511,025	586,555
Bank balances and cash	銀行結餘及現金	158,235	25,473
Unallocated corporate assets	無分配之公司資產	103,595	12,319
Consolidated assets	綜合資產	4,234,471	3,871,349
Segment liabilities	分部負債		
Property investment	物業投資	24,234	24,617
Property development	物業發展	55,281	66,832
Investment in securities	證券投資	322	289
Loan financing	貸款融資	1,732	2,700
Total segment liabilities	分部負債總額	81,569	94,438
Secured bank borrowings	有抵押銀行借貸	1,232,151	899,482
Tax payable	應付稅項	33,135	24,381
Unallocated corporate liabilities	無分配之公司負債	324	788
Consolidated liabilities	綜合負債	1,347,179	1,019,089

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 2017

截至2017年9月30日止六個月

3. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

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

- all assets are allocated to operating and reportable segments other than interests in associates, 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.

4. PROFIT (LOSS) BEFORE TAXATION

3. 分部資料 (續)

分部資產及負債 (續)

就分部表現監控及分部間之資源分配而言：

- 除聯營公司權益、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、應付稅項及經營及呈報分部共同承擔之負債外，所有負債已分配至經營及呈報分部。

4. 除稅前溢利 (虧損)

		Six months ended 30 September 截至9月30日止六個月	
		2017 HK\$'000 千港元 (Unaudited) (未經審核)	2016 HK\$'000 千港元 (Unaudited) (未經審核)
Profit (loss) before taxation has been arrived at after charging (crediting):	除稅前溢利 (虧損) 已扣除 (計入) :		
Interest on bank borrowings	銀行借貸之利息	11,719	9,659
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	(2,619)	-
		9,100	9,659
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	1,803	477
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	(7,109)	(9,789)
Interest income from	來自利息收入		
Accretion from receivable component of convertible notes	可換股票據應收成份之自然增值	(6,352)	(3,421)
Deposit and prepayments for a life insurance policy	人壽保單之按金及預付款	(188)	(188)
Bank and others	銀行及其他	(7,888)	(6,408)
Net exchange gain	匯兌收益淨額	-	(22)

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 2017

截至2017年9月30日止六個月

5. TAXATION CHARGE

5. 稅項開支

		Six months ended 30 September 截至9月30日止六個月	
		2017 HK\$'000 千港元 (Unaudited) (未經審核)	2016 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	16,526	6,741
Overprovision in prior periods	前期超額撥備	(40)	-
		16,486	6,741
Deferred taxation	遞延稅項		
Charge for the period (note 23)	本期間開支 (附註23)	-	178
		16,486	6,919

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods. Certain tax losses previously not recognised are utilised during both periods.

香港利得稅於兩個期間乃按預計應課稅溢利以16.5%計算。過往沒有確認之若干稅項虧損已於兩個期間使用。

6. BASIC AND DILUTED EARNINGS (LOSS) PER SHARE

6. 每股基本及攤薄盈利 (虧損)

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

本公司股東應佔之每股基本及攤薄盈利 (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	
		2017 HK\$'000 千港元 (Unaudited) (未經審核)	2016 HK\$'000 千港元 (Unaudited) (未經審核)
Earnings (loss) for the purpose of calculating basic and diluted earnings (loss) per share (profit (loss) for the period attributable to owners of the Company)	就計算每股基本及攤薄盈利 (虧損) 而言之盈利 (虧損) (本公司股東應佔本期間溢利 (虧損))	22,802	(162,739)

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 2017

截至2017年9月30日止六個月

6. BASIC AND DILUTED EARNINGS (LOSS) PER SHARE 6. 每股基本及攤薄盈利(虧損)(續)

(Continued)

		Six months ended 30 September 截至9月30日止六個月	
		2017 HK\$'000 千港元 (Unaudited) (未經審核)	2016 HK\$'000 千港元 (Unaudited) (未經審核)
Number of shares	股份數目		
Number of shares for the purpose of calculating basic and diluted earnings (loss) per share	就計算每股基本及攤薄盈利(虧損)而言之股份數目	79,420,403	79,420,403

The computation of diluted earnings (loss) per share for the six months ended 30 September 2017 and 2016 does not assume the conversion of the associates' outstanding convertible notes and share options since their exercise would result in increase in earnings per share/decrease in loss per share.

計算截至2017年及2016年9月30日止六個月之每股攤薄盈利(虧損)並沒有假設聯營公司的未兌換可換股票據及認股權之兌換因其行使將引致增加每股盈利/減少每股虧損。

7. DIVIDEND

		Six months ended 30 September 截至9月30日止六個月	
		2017 HK\$'000 千港元 (Unaudited) (未經審核)	2016 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 for the year ended 31 March 2017 of HK\$0.05 per share (six months ended 30 September 2016: HK\$0.10 per share for the year ended 31 March 2016) on 79,420,403 shares, paid	截至2017年3月31日止年度79,420,403股股份之末期股息為每股0.05港元(截至2016年9月30日止六個月:截至2016年3月31日止年度每股0.10港元)·已支付	3,971	7,942

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

董事決定兩個期間均不派發股息。

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 2017

截至2017年9月30日止六個月

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2017, the Group acquired property, plant and equipment amounting to HK\$6,457,000 (six months ended 30 September 2016: HK\$840,000).

During the six months ended 30 September 2017, the Group transferred a unit of properties held for sale with a carrying amount of HK\$75,288,000 to property, plant and equipment upon change in use of this property as directors' quarters.

9. INVESTMENT PROPERTIES

FAIR VALUE

At 1 April (audited)

Increase (decrease) in fair value recognised in profit or loss

At 30 September (unaudited)

公平值

於4月1日 (經審核)

於損益確認之公平值增加 (減少)

於9月30日 (未經審核)

8. 物業、廠房及設備

於截至2017年9月30日止六個月，本集團購入物業、廠房及設備為6,457,000港元 (截至2016年9月30日止六個月：840,000港元)。

於截至2017年9月30日止六個月，因本集團於物業用途改變為董事住房時以賬面值75,288,000港元轉撥一個持作出售物業之單位至物業、廠房及設備。

9. 投資物業

	2017 HK\$'000 千港元	2016 HK\$'000 千港元
	1,628,300	1,615,500
	32,700	(9,355)
	1,661,000	1,606,145

All of the Group's leasehold interests in land held under operating leases to earn rentals are measured using the fair value model and are classified and accounted for as investment properties.

All of the Group's investment properties at 30 September 2017 and 31 March 2017 are situated in Hong Kong. The fair values of the Group's investment properties at 30 September 2017 and 31 March 2017 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 and 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 gain arising on changes in fair value of investment properties amounting to HK\$32,700,000 has been recognised in profit or loss during the six months ended 30 September 2017 (six months ended 30 September 2016: loss of HK\$9,355,000).

本集團所有於經營租約項目下賺取租金之土地租約權益乃以公平值模式計量及列賬為投資物業。

於2017年9月30日及2017年3月31日所有本集團之投資物業位於香港。本集團於2017年9月30日及2017年3月31日之投資物業公平值乃按與本集團沒有關連之一間獨立合資格專業物業估值師行高力國際物業顧問 (香港) 有限公司就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之收益為32,700,000港元已於截至2017年9月30日止六個月之損益確認 (截至2016年9月30日止六個月：虧損9,355,000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 2017

截至2017年9月30日止六個月

10. INTERESTS IN ASSOCIATES

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
At 1 April (audited)	於4月1日(經審核)	586,555	952,092
Partial disposal of equity interest	出售部分股本權益	(80,813)	(179,632)
Share of income (loss) and other comprehensive income (expense)	分佔收入(虧損)及其他全面收入(開支)	5,283	(3,276)
At 30 September (unaudited)	於9月30日(未經審核)	511,025	769,184
Fair value of listed investments in associates at 30 September	於9月30日聯營公司上市投資之公平值	27,440	85,521

At 30 September, the Group had 20.44% (31 March 2017: 23.92%) equity interest in Eminence.

於9月30日，本集團持有高山企業之20.44% (2017年3月31日：23.92%) 股本權益。

11. AVAILABLE-FOR-SALE INVESTMENTS

		30 September 9月30日 2017 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2017 HK\$'000 千港元 (Audited) (經審核)
Equity securities listed in Hong Kong, at market value	於香港上市之股本證券·按市值	87,609	45,354

10. 聯營公司權益

11. 可供出售投資

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 2017

截至2017年9月30日止六個月

12. CONVERTIBLE NOTES

- (a) On 27 March 2014, the Group subscribed for convertible note issued by Eminence (the "2014 CN"). The principal amount is HK\$100,000,000 which carries interest at 2% per annum and payable semi-annually in arrears. The maturity date of the 2014 CN is on 27 March 2019 and will be redeemed at 100% of the principal amount. The 2014 CN can be converted at any time from the date of issue to the maturity date. Since the subscription, certain of the 2014 CN with principal amount of HK\$80,000,000 were converted into 128,869,707 ordinary shares of Eminence.

Upon completion of a series of rights issue and share consolidation by Eminence, the last adjusted conversion price is HK\$22.72 per conversion share with effect from 9 October 2015.

The fair value of the receivable component at initial recognition is determined based on the valuation provided by Greater China Appraisal Limited, an independent firm of professional qualified valuers not connected with the Group. Subsequent to initial recognition, the receivable component is carried at amortised cost using the effective interest method.

- (b) On 7 October 2015, the Group subscribed for convertible note (the "2016 CN") issued by a company listed on the Stock Exchange, with principal amount of HK\$60,480,000 which carries interest at 8% per annum payable quarterly in arrears with maturity on 7 October 2018 at redemption amount of 100% of the principal amount. The 2016 CN can be converted at any time from the date of issue to the maturity date with conversion price of HK\$0.14 per share. In addition, both the Group and the issuer have the option to early redeem the 2016 CN at any time from the date of issue to the maturity date at 100% of the principal amount outstanding under the 2016 CN together with all accrued interest. The fair value at initial recognition of the receivable component and derivatives component, which amounted to HK\$43,990,000 and HK\$16,490,000, respectively, are determined based on the valuation provided by Greater China Appraisal Limited, an independent firm of professional qualified valuers not connected with the Group. Subsequent to initial recognition, the receivable component is carried at amortised cost using the effective interest method and the derivatives component is carried at fair value.

12. 可換股票據

- (a) 於2014年3月27日，本集團認購由高山企業發行之可換股票據（「2014年可換股票據」）。其本金金額為100,000,000港元，年息率2%之利息則每半年期末支付利息。2014年可換股票據之到期日為2019年3月27日及將贖回100%之本金額。2014年可換股票據可自發行日起至到期日止之任何時間兌換。自認購後，本金額80,000,000港元之若干2014年可換股票據已兌換為128,869,707股高山企業普通股股份。

高山企業經過一連串供股及股份合併後，最後經調整之兌換價為每股兌換股份22.72港元於2015年10月9日生效。

於初次確認時應收成分之公平值乃根據漢華評值有限公司，一間與本集團沒有關連之獨立合資格專業估值師行提供之估值釐定。初次確認後，應收成分乃以實際利率法按攤銷成本列賬。

- (b) 於2015年10月7日，本集團認購一間於聯交所上市之公司發行之可換股票據（「2016年可換股票據」），本金額為60,480,000港元而年利率為8%之利息於每季季末支付及於2018年10月7日贖回100%之本金額。2016年可換股票據可自發行日起至到期日止之任何時間以每股0.14港元之兌換價兌換。此外，本集團及發行人均可自發行日起至到期日止之任何時間有選擇權提早贖回2016年可換股票據尚餘之100%本金額及所有計提利息。初次確認時應收成分及衍生成分之公平值分別為43,990,000港元及16,490,000港元，乃根據漢華評值有限公司，一間與本集團沒有關連之獨立合資格專業估值師提供之估值釐定。初次確認後，應收成分以實際利率法按攤銷成本列賬及衍生成分以公平值列賬。

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 2017

截至2017年9月30日止六個月

12. CONVERTIBLE NOTES (Continued)

(b) (Continued)

On 1 August 2017, the issuer and the Company entered into a deed of amendment to revise the terms of the 2016 CN. According to the deed of amendment, both the issuer and the Company agreed to the early partial redemption of the 2016 CN in the principal amount of HK\$35,000,000, resulting in a gain on redemption of convertible note of HK\$1,135,000 recognised in profit or loss. Both parties further agreed to adjust the conversion price from HK\$0.14 per conversion share to HK\$0.06 per conversion share. The transaction was completed on 11 August 2017. The fair value of the new derivatives component immediately following the modification, which amounted to HK\$2,389,000, is determined based on the valuation provided by Greater China Appraisal Limited, an independent firm of professional qualified valuers not connected with the Group. The gain on modification of terms of convertible note amounting to HK\$425,000 is recognised in profit or loss.

(c) On 11 May 2017, the Group subscribed for convertible note (the "2017 CN1") issued by Eminence, with principal amount of HK\$16,000,000 which carries interest at 3% per annum and payable semi-annually in arrears with maturity on 11 May 2022 at redemption amount of 100% of the principal amount. The 2017 CN1 can be converted at any time from and excluding the date of issue to and including the date falling on the fifth last business day prior to the maturity date with conversion price of HK\$0.16 per share. The Group may redeem the 2017 CN1, at any time three months after the grant date, at 100% of the principal amount outstanding together with all interest accrued thereon up to and including the date of redemption. Eminence may redeem the 2017 CN1 on any business day prior to the maturity date at 100% of the principal amount outstanding together with all interest accrued thereon up to and including the date of redemption. The fair value at initial recognition of the receivable component and derivatives component, which amounted to HK\$9,496,000 and HK\$6,504,000, respectively, are determined based on the valuation provided by Greater China Appraisal Limited, an independent firm of professional qualified valuers not connected with the Group. Subsequent to initial recognition, the receivable component is carried at amortised cost using the effective interest method and the derivatives component is carried at fair value.

12. 可換股票據 (續)

(b) (續)

於2017年8月1日，發行人及本公司簽訂修訂契約以更改2016年可換股票據之條款。根據修訂契約，發行人及本公司均同意提前贖回部份本金額35,000,000港元之2016年可換股票據，導致贖回可換股票據收益1,135,000港元於損益確認。雙方進一步同意調整兌換價由每股兌換股份0.14港元至每股兌換股份0.06港元。該交易於2017年8月11日完成。新衍生成份緊隨修改後之公平值為2,389,000港元乃根據漢華評值有限公司，一間與本集團沒有關連之獨立合資格專業估值師提供之估值釐定。更改可換股票據條款收益425,000港元於損益確認。

(c) 於2017年5月11日，本集團認購高山企業發行之可換股票據（「第一份2017年可換股票據」），本金額為16,000,000港元於每半年期末支付年利率為3%之利息及於2022年5月11日贖回100%之本金額。第一份2017年可換股票據之自發行日起至到期日前第五個營業日止期間之任何時間可以每股0.16港元之兌換價兌換。本集團自發行日後三個月至到期日止之任何時間提早贖回第一份2017年可換股票據尚餘之100%本金額及所有計提利息直至及包括贖回日期。高山企業可於到期日前之任何營業日提早贖回第一份2017年可換股票據尚餘之100%本金額及所有計提利息直至及包括贖回日期。初次確認時應收成分及衍生成分之公平值分別為9,496,000港元及6,504,000港元，乃根據漢華評值有限公司，一間與本集團沒有關連之獨立合資格專業估值師提供之估值釐定。初次確認後，應收成分以實際利率法按攤銷成本列賬及衍生成分以公平值列賬。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

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12. CONVERTIBLE NOTES (Continued)

- (d) On 26 September 2017, the Group subscribed for convertible note (the “2017 CN2”) issued by Eminence, with principal amount of HK\$28,200,000 which carries interest at 3% per annum and payable semi-annually in arrears with maturity on 26 September 2020 at redemption amount of 100% of the principal amount. The 2017 CN2 can be converted at any time from and excluding the date of issue to and including the date falling on the fifth last business day prior to the maturity date with conversion price of HK\$0.06 per share. The Group may redeem the 2017 CN2, at any time three months after the grant date, at 100% of the principal amount outstanding together with all interest accrued thereon up to and including the date of redemption. Eminence may redeem the 2017 CN2 on any business day prior to the maturity date at 100% of the principal amount outstanding together with all interest accrued thereon up to and including the date of redemption. The fair value at initial recognition of the receivable component and derivatives component, which amounted to HK\$19,941,000 and HK\$8,259,000, respectively, are determined based on the valuation provided by Greater China Appraisal Limited, an independent firm of professional qualified valuers not connected with the Group. Subsequent to initial recognition, the receivable component is carried at amortised cost using the effective interest method and the derivatives component is carried at fair value.

Subsequently on 18 October 2017, the conversion rights attached to the 2017 CN2 were partially exercised for HK\$16,920,000, and a total of 282,000,000 conversion shares were issued by Eminence to the Group upon conversion.

12. 可換股票據 (續)

- (d) 於2017年9月26日，本集團認購高山企業發行之可換股票據（「第二份2017年可換股票據」），本金額為28,200,000港元須於每半年期末支付年利率為3%之利息及於2020年9月26日贖回100%之本金額。第二份2017年可換股票據之自發行日起至到期日前第五個營業日止期間之任何時間可以每股0.06港元之兌換價兌換。本集團自發行日後三個月至到期日止之任何時間提早贖回第二份2017年可換股票據尚餘之100%本金額及所有計提利息直至及包括贖回日期。高山企業可於到期日前之任何營業日提早贖回第二份2017年可換股票據尚餘之100%本金額及所有計提利息直至及包括贖回日期。初次確認時應收成分及衍生成分之公平值分別為19,941,000港元及8,259,000港元，乃根據漢華評值有限公司，一間與本集團沒有關連之獨立合資格專業估值師提供之估值釐定。初次確認後，應收成分以實際利率法按攤銷成本列賬及衍生成分以公平值列賬。

隨後於2017年10月18日，第二份2017年可換股票據附隨之兌換權獲部分行使16,920,000港元，於兌換時高山企業合共發行282,000,000股兌換股份予本集團。

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 2017

截至2017年9月30日止六個月

12. CONVERTIBLE NOTES (Continued)

The convertible notes are recognised as follows:

		Receivable component 應收成分 HK\$'000 千港元	Derivatives component 衍生成分 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 April 2017 (audited)	於2017年4月1日 (經審核)	67,418	6,167	73,585
Addition	添置	29,437	14,763	44,200
Accretion of interest	利息之自然增值	6,352	–	6,352
Redemption	贖回	(31,166)	(2,699)	(33,865)
Modification	更改	–	425	425
Interest received	已收利息	(2,365)	–	(2,365)
Fair value loss recognised in profit or loss	於損益內確認之公平值虧損	–	(1,588)	(1,588)
At 30 September 2017 (unaudited)	於2017年9月30日 (未經審核)	69,676	17,068	86,744

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

(i) Valuation of receivable component

At initial recognition, the fair value of the receivable component is calculated based on the present value of contractually determined stream of future cash flows discounted at the required yield, which is determined with reference to the credit risk of the convertible note issuer and maturity term. The effective interest rates of the receivable component of the 2014 CN, 2016 CN, 2017 CN1 and 2017 CN2 are 15.90%, 18.99%, 19.58% and 15.59%, respectively.

12. 可換股票據 (續)

可換股票據確認如下：

用作估值可換股票據之方法及假設如下：

(i) 應收成分估值

於初次確認時，應收成分之公平值乃根據既定收益貼現合約的釐定之未來現金流量至現值計算，此乃參考可換股票據發行人之信貸風險及到期期限而釐定。2014年可換股票據、2016年可換股票據、第一份2017年可換股票據及第二份2017年可換股票據應收成分之實際利率分別為15.90%、18.99%、19.58%及15.59%。

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 2017

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12. CONVERTIBLE NOTES (Continued)

(ii) Valuation of derivatives component

The derivatives component is 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:

2014 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

12. 可換股票據 (續)

(ii) 衍生成分估值

衍生成分於初次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：

2014年可換股票據

At 30 September 2017 於2017年 9月30日	At 31 March 2017 於2017年 3月31日	Date of subscription 27 March 2014 認購日期 2014年3月27日
HK\$0.060	HK\$0.140	HK\$0.57
HK\$22.72	HK\$22.72	HK\$0.68
64.19%	39.29%	43.14%
0%	0%	0%
1.5 years	2 years	5 years
0.7445%	0.8801%	1.5190%

2016 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

2016年可換股票據

At 30 September 2017 於2017年 9月30日	Date of modification of terms 11 August 2017 更改條款日期 2017年8月11日	At 31 March 2017 於2017年 3月31日	Date of subscription 7 October 2015 認購日期 2015年10月7日
HK\$0.062	HK\$0.061	HK\$0.11	HK\$0.18
HK\$0.06	HK\$0.06	HK\$0.14	HK\$0.14
40.43%	37.97%	42.54%	50.79%
0%	0%	0%	0%
1 year	1.2 years	1.5 years	3 years
0.5841%	0.6064%	0.7875%	1.0430%

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 2017

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12. CONVERTIBLE NOTES (Continued)

(ii) Valuation of derivatives component (Continued)

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

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

12. 可換股票據 (續)

(ii) 衍生成分估值 (續)

第一份2017年可換股票據

At 30 September 2017 於2017年 9月30日	Date of subscription 11 May 2017 認購日期 2017年5月11日
HK\$0.060	HK\$0.139
HK\$0.16	HK\$0.16
75.25%	75.15%
0%	0%
4.6 years	5 years
1.2724%	1.1572%

第二份2017年可換股票據

At 30 September 2017 於2017年 9月30日	Date of subscription 26 September 2017 認購日期 2017年9月26日
HK\$0.060	HK\$0.064
HK\$0.06	HK\$0.06
80.74%	80.66%
0%	0%
3 years	3 years
1.0190%	1.0164%

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

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13. LOANS RECEIVABLE

13. 應收貸款

		30 September 9月30日 2017 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2017 HK\$'000 千港元 (Audited) (經審核)
Fixed-rate loans receivable	定息應收貸款	259,703	259,121
Variable-rate loans receivable	浮息應收貸款	40,494	49,733
		300,197	308,854
Analysed as:	分析為:		
Current portion	流動部分	249,307	233,133
Non-current portion	非流動部分	50,890	75,721
		300,197	308,854

At 30 September 2017, the range of interest rate on the Group's fixed-rate loans receivable is 3% to 19% per annum (31 March 2017: 3% to 19% per annum) and the range of interest rate on the Group's variable-rate loans receivable is prime rate less 2.95% to prime rate plus 2% (31 March 2017: prime rate less 2.95% to prime rate).

Before granting loans to outsiders, the Group assesses the potential borrower's credit quality and defines credit limits granted to each borrower. The credit limits attributed to the borrowers are reviewed by the management regularly.

The Group has a policy for assessing the impairment on loans receivable on an individual basis. The assessment also includes evaluation of collectability of accounts and management's judgment, including the financial background, current creditworthiness, collateral and past collection history of each borrower.

In determining the recoverability of loans receivable, the Group considers any change in the credit quality of the loans receivable from the date credit was initially granted up to the reporting date. This includes assessing the credit history of the borrowers, such as financial difficulties or default in payments, and current market conditions.

於2017年9月30日，本集團之定息應收貸款年利率介乎3%至19%（2017年3月31日：每年3%至19%）及本集團之浮息應收貸款年利率介乎最優惠利率減2.95%至最優惠利率加2%（2017年3月31日：最優惠利率減2.95%至最優惠利率）。

在授出貸款予外來者前，本集團評估潛在借入人之信貸質素及釐定授予每位借入人之信貸額。管理層定期檢討借入人之信貸額。

本集團按個別基準之政策評估應收貸款之減值。該評估亦包括賬戶可收回狀況之評估及就包括每名借入人之財務背景、現時信譽、抵押及過往收回歷史之管理層之判斷。

於釐定應收貸款之可收回狀況，本集團考慮應收貸款自最初授出信貸直至報告日期之信貸質素之任何改變。當中包括評估借入人之信貸歷史，如財務困難或違約還款，及現時市場狀況。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

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13. LOANS RECEIVABLE (Continued)

The management closely monitors the credit quality of loans receivable and considers loans receivable amounting to HK\$300,197,000 at 30 September 2017 (31 March 2017: HK\$308,854,000) that are neither past due nor impaired to be of good credit quality and no impairment loss was identified. At 30 September 2017 and 31 March 2017, no loans receivable are past due at the end of the reporting period for which the Group has not provided for impairment loss.

No ageing analysis is disclosed, as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of business of loan financing.

14. INTANGIBLE ASSET

Intangible asset represents a trading right of carrying value of HK\$500,000 that confers eligibility of a wholly-owned subsidiary of the company (the "Securities Dealing Subsidiary"), to trade on the Stock Exchange. The trading right has no foreseeable limit to the period the Securities Dealing Subsidiary can use to generate net cash flows. As a result, the trading right is considered by management of the Company as having an indefinite useful life because it is expected to contribute to net cash inflows indefinitely. The trading right will not be amortised until its useful life is determined to be finite. It will be tested for impairment semi-annually and whenever there is an indication that it may be impaired. At 30 September 2017, the management of the Company determined that there is no impairment of the trading right based on its value in use.

15. STATUTORY DEPOSITS

The amount represents statutory deposits of the Securities Dealing Subsidiary with Hong Kong Exchanges and Clearing Limited.

16. PROPERTIES HELD FOR DEVELOPMENT FOR SALE

At 30 September 2017, the amount of properties held for development for sale which is expected to be completed more than twelve months after the end of the reporting period is HK\$359,967,000 (31 March 2017: nil).

13. 應收貸款 (續)

管理層緊密監察應收貸款之信貸質素並認為於2017年9月30日沒有過期及減值之應收貸款300,197,000港元(2017年3月31日: 308,854,000港元)為有良好信貸質素及並無減值虧損。於2017年9月30日及2017年3月31日,本集團於報告期末並無應收貸款過期,故無計提減值虧損。

沒有披露賬齡分析,因本公司董事認為,就貸款融資業務性質而言,賬齡分析並沒有額外價值。

14. 無形資產

無形資產乃為授予本公司之一間全資附屬公司(「證券交易附屬公司」)資格可於聯交所買賣之交易權之賬面值500,000港元。證券交易附屬公司可使用沒有期限之交易權以獲取現金流量淨額。因此,本公司管理層認為交易權為無限使用年期因預期其可無限期貢獻現金流量淨額。交易權不會被攤銷直至其使用年期釐定為有限。此交易權將於每年及每當顯示其有可能減值時進行減值測試。於2017年9月30日,本公司管理層乃根據使用價值釐定交易權沒有減值。

15. 法定按金

該金額乃為證券交易附屬公司存放於香港聯合交易所有限公司之法定按金。

16. 持作出售發展物業

於2017年9月30日,本集團持作出售發展物業之金額預期於報告期末後超過十二個月內完成為359,967,000港元(2017年3月31日: 無)。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

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17. INVESTMENTS HELD FOR TRADING

The Group's investments held for trading represent equity securities listed in Hong Kong at market value.

18. TRADE AND OTHER RECEIVABLES

The Group did not grant any credit period to its tenants in property investment segment. The aged analysis of trade receivables arising from the business of property investment, based on invoice date, at the end of the reporting period is as follows:

17. 持作買賣投資

本集團之持作買賣投資乃指香港上市之證券之市場價。

18. 貿易及其他應收款項

本集團沒有給予物業投資分部之租戶任何賒帳期。於報告期末，根據發票日期，物業投資業務之貿易應收款項之賬齡分析如下：

		30 September 9月30日 2017 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2017 HK\$'000 千港元 (Audited) (經審核)
Trade receivables arising from the business of property investment:	投資物業業務之貿易應收款項：		
0 – 60 days	0 – 60日	271	270
61 – 90 days	61 – 90日	–	20
Over 90 days	超過90日	36	14
		307	304
Accounts receivable from margin clients arising from the business of dealing in securities	證券投資業務之保證金客戶貿易應收款項	14,335	–
Deposit and prepayments for a life insurance policy	人壽保單之按金及預付款	282	282
Escrow deposits for properties held for sale	持作出售物業之託管按金	23,622	34,947
Amount recoverable from joint operator (note (a))	來自共同合作方之可收回金額(附註(a))	57,408	51,741
Prepayments	預付款	513	440
Interest receivable	應收利息	1,814	2,978
Refundable stamp duty (note (b))	可退回印花稅(附註(b))	52,078	–
Other receivables	其他應收款項	1,308	3,277
		151,667	93,969

Notes to the Condensed Consolidated Financial Statements (continued) 簡明綜合財務報表附註 (續)

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18. TRADE AND OTHER RECEIVABLES (Continued)

Notes:

- (a) Under the terms of a joint operation arrangement for a property redevelopment project, each of the Group and the other joint operator agreed to pay for and bear the redevelopment costs incurred on the project in proportion to their agreed proportion. The other joint operator undertook to promptly make contributions when called upon to do so by the Group. The amounts recoverable from joint operator represented redevelopment costs incurred which were attributable to the proportion agreed to be paid for and borne by the other joint operator for which the Group had not called for payment.
- (b) In accordance with the provisions of the Hong Kong Stamp Duty Ordinance, the Group will apply for refund of the stamp duty paid when the property redevelopment project commences. The amount is included in the Group's current assets in the condensed consolidated statement of financial position as it is expected that the refund of stamp duty will be received within the Group's normal operating cycle.

No aged analysis of accounts receivable from margin clients is disclosed, as in the opinion of the directors of the Company, the aged analysis does not give additional value in view of the nature of business of securities margin financing.

18. 貿易及其他應收款項 (續)

附註：

- (a) 根據一項有關物業重建項目之共同合作安排條款，本集團及其他共同合作方各自同意按照各方同意之比例支付及分擔項目之重建成本。其他共同合作方承諾會應本集團要求即時提供資金。來自共同合作方之可收回金額乃為其他共同合作方按照各方同意比例需要支付及分擔而本集團並未要求支付之重建成本。
- (b) 根據香港印花稅法例之條款，當物業重建項目展開時，本集團將申請退回已支付印花稅。此金額包括在本集團簡明綜合財務狀況表內之流動資產內因預期印花稅退款將於本集團之正常營運週期收回。

沒有披露保證金客戶貿易應收款項及賬齡分析，因就證券保證金融資業務之性質而言，本公司董事認為，賬齡分析並沒有提供額外價值。

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簡明綜合財務報表附註 (續)

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19. FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS

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 two equity securities (31 March 2017: two equity securities) listed on the Stock Exchange. The equity-linked investments are designated as at fair value through profit or loss ("FVTPL") at initial recognition. The aggregate principal amount is HK\$68,000,000 (31 March 2017: HK\$95,000,000) with fixed coupon interest rates and remaining time to maturity within two months (31 March 2017: two months). The equity-linked investments contain terms enabling the issuers either to deliver the underlying equity securities on maturity if the market prices of underlying 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.

During the current interim period, the Group acquired equity-linked notes for HK\$383,000,000 (six months ended 30 September 2016: HK\$421,000,000). Subsequent to the acquisition, certain equity-linked notes of HK\$48,803,000 (six months ended 30 September 2016: nil) were converted into available-for-sale investments, as the share price at date of maturity of the underlying securities reached the strike price.

19. 按公平值計入損益之金融資產

本集團經香港金融機構購入股票掛鈎投資。股票掛鈎投資包含內含衍生工具，其回報乃參考兩項於香港聯交所上市股票證券之收市價而釐定（2017年3月31日：兩項股票證券）。股票掛鈎投資於初次確認時界定為按公平值計入損益。本金總額68,000,000港元（2017年3月31日：95,000,000港元）為固定息率及尚餘兩個月到期（2017年3月31日：兩個月）。股票掛鈎投資包含條款可使發行人當相關證券市價低於各自預定參考股份價格時於到期日送達相關股票證券，或當相關證券之市價高於各自預定參考股份價格時以現金清付本金及利息。持有人可酌情選擇提早終止股票掛鈎投資。

於本中期報告期內，本集團購入股票掛鈎票據383,000,000港元（2016年9月30日止六個月：421,000,000港元）。於購入之後，由於相關證券於到期日的股票價格達到行使價格，若干股票掛鈎票據之48,803,000港元（2016年9月30日止六個月：無）被轉換為可供出售投資。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

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20. TRADE AND OTHER PAYABLES

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

Trade payables aged within 30 days	貿易應付款項賬齡為30日內
Retention payable (note)	應付保修金 (附註)
Rental deposits received and rental received in advance	已收租金按金及預收租金
Deposits received from sale of residential units	出售住宅單位之已收按金
Property management fund payable	應付物業管理基金
Interest payable	應付利息
Commission payable to property agents	應付佣金予地產經紀
Amount payable to property purchasers	應付金額予物業買方
Accruals and other payables	預提及其他應付款項

20. 貿易及其他應付款項

於報告期末，根據發票日期，貿易應付款項之賬齡分析如下：

30 September 9月30日 2017 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2017 HK\$'000 千港元 (Audited) (經審核)
6,173	10
9,051	14,472
13,577	13,833
23,609	32,877
8,401	9,999
419	673
12,775	6,520
-	5,667
7,888	11,175
81,893	95,226

The aged analysis of trade payables is determined based on invoice date at the end of the reporting period.

Note: At 30 September 2017, the retention payable of HK\$9,051,000 (31 March 2017: HK\$14,472,000) is expected to be settled within twelve months after the end of the reporting period.

貿易應付款項之賬齡分析，乃根據於報告期末之發票日期釐定。

附註： 於2017年9月30日，應付保修金9,051,000港元（2017年3月31日：14,472,000港元）預期將於報告期末後十二個月內支付。

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 2017

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21. SECURED BANK BORROWINGS

21. 有抵押銀行借貸

		30 September 9月30日 2017 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2017 HK\$'000 千港元 (Audited) (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 (根據貸款協議之指定 償還日期):		
- within one year	- 一年內	262,938	235,741
- between one to two years	- 一至二年	469,356	260,340
- between two to five years	- 二至五年	98,441	85,432
- more than five years	- 超過五年	401,416	317,969
		1,232,151	899,482
Comprising: Amount due within one year shown under current liabilities	包括: 顯示於於流動負債之 一年內到期應付金額	262,938	235,741
Amount that are not repayable within one year from the end of the reporting period but containing a repayment on demand clause	自報告期末起計不需於 一年內償還但包含按 需償還條款之金額	19,657	26,532
Total amount shown under current liabilities	顯示於流動負債之總金額	282,595	262,273
Total amount shown under non-current liabilities	顯示於非流動負債之金額	949,556	637,209
		1,232,151	899,482

During the current interim period, the Group obtained new bank loans amounting to HK\$472,257,000 (six months ended 30 September 2016: HK\$295,000,000) and repaid bank loans amounting to HK\$139,796,000 (six months ended 30 September 2016: HK\$326,606,000).

於本中期，本集團取得新銀行貸款472,257,000港元（截至2016年9月30日止六個月：295,000,000港元）及已償還銀行貸款139,796,000港元（截至2016年9月30日止六個月：326,606,000港元）。

The new loans carry interest ranging from Hong Kong Interbank Offered Rate ("HIBOR") plus 1.28% to HIBOR plus 1.75% per annum. The loans are secured by leasehold properties, investment properties, properties held for development for sale and properties held for sale of the Group with aggregate carrying amounts of HK\$74,784,000, HK\$1,125,200,000, HK\$722,340,000 and HK\$194,803,000 respectively at 30 September 2017. A portion of these new bank loans is repayable in full in January 2019 and the remaining balance is repayable in monthly instalments commencing from May 2017 to June 2042.

新貸款之年息率為介乎香港銀行同業拆息（「香港銀行同業拆息」）加1.28%至香港銀行同業拆息加1.75%。此等貸款以本集團之租賃物業、投資物業、持作出售發展物業及持作出售物業於2017年9月30日累計賬面值分別為74,784,000港元、1,125,200,000港元、722,340,000港元及194,803,000港元作為抵押。部分新貸款需於2019年1月悉數償還及結餘需於自2017年5月至2042年6月每月分期償還。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

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22. SHARE CAPITAL

		Nominal value per share 每股面值 HK\$ 港元	Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Authorised: At 1 April 2016 (audited), 31 March 2017 (audited) and 30 September 2017 (unaudited)	法定: 於2016年4月1日(經審核)、 2017年3月31日(經審核)及 2017年9月30日(未經審核)	0.1	10,000,000,000	1,000,000
Issued and fully paid: At 1 April 2016 (audited), 31 March 2017 (audited) and 30 September 2017 (unaudited)	已發行及繳足: 於2016年4月1日(經審核)、 2017年3月31日(經審核)及 2017年9月30日(未經審核)	0.1	79,420,403	7,942

22. 股本

23. DEFERRED TAX LIABILITIES

Major deferred tax liabilities (assets) recognised and movements thereon are as follows:

		Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 April 2016 (audited) Charge to profit or loss	於2016年4月1日(經審核) 於損益扣除	895 178	- -	895 178
At 30 September 2016 (unaudited) Credit to profit or loss	於2016年9月30日 (未經審核) 於損益計入	1,073 (881)	- (192)	1,073 (1,073)
At 31 March 2017 (audited) Charge (credit) to profit or loss	於2017年3月31日(經審核) 於損益扣除(計入)	192 378	(192) (378)	- -
At 30 September 2017 (unaudited)	於2017年9月31日 (未經審核)	570	(570)	-

23. 遞延稅項負債

已確認之主要遞延稅項負債(資產)及其變動如下:

At 30 September 2017, the Group has unused tax losses of HK\$21,754,000 (31 March 2017: HK\$8,820,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK\$3,457,000 (31 March 2017: HK\$1,162,000) of such losses as at 30 September 2017. No deferred tax asset has been recognised in respect of the remaining tax losses of HK\$18,297,000 (31 March 2017: HK\$7,658,000) due to the unpredictability of future profits streams. The tax losses can be carried forward indefinitely.

於2017年9月30日，本集團有未動用之稅項虧損為21,754,000港元(2017年3月31日：8,820,000港元)，可用於抵銷未來溢利。其中於2017年9月30日之稅項虧損3,457,000港元(2017年3月31日：1,162,000港元)已確認為遞延稅項資產。由於未能預計未來溢利流入，故並無確認餘下稅項虧損18,297,000港元(2017年3月31日：7,658,000港元)為遞延稅項資產。稅項虧損應可無限期結轉。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

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24. 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.

24. 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(第1級計入的報價除外)得出;及
- 第3級輸入數據指資產或負債之不可觀察數據。

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) 估值技術	Significant unobservable input(s) 重大不可觀察輸入數據
	30 September 2017 2017年 9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 2017 2017年 3月31日 HK\$'000 千港元 (Audited) (經審核)			
Available-for-sale investments 可供出售投資	87,609	45,354	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
Investments held for trading 持作買賣投資	179,242	287,493	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
Derivatives component of convertible notes 可換股票據之衍生成分	17,068	6,167	Level 3 第3級	Black-Scholes model with Trinomial Tree method 布萊克-蘇科爾模式及三叉樹法	Details of key inputs are set out in note 12 主要輸入數據詳情載列於附註12
Financial assets designated as at FVTPL 按公平值計入損益之金融資產	68,293	95,309	Level 2 第2級	Quoted market prices provided by bank (note) 由銀行提供之市場出價(附註)	N/A 不適用

Note: Quoted market prices provided by bank represent the fair value based on the quoted prices on the underlying investments.

附註: 銀行提供的市場出價是代表相關投資報價之公平值。

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

第1級、第2級及第3級之間並沒有於兩個期間轉移。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註 (續)

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25. RELATED PARTY TRANSACTIONS/CONNECTED TRANSACTIONS

- (a) During the period, the Group had the following transactions with EE Group.

Rental income	租金收入
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Ms. Lui Yuk Chu, a director and substantial shareholder of the Company, is also a director of Eminence.

Ms. Koon Ho Yan Candy, a director and substantial shareholder of the Company, was also a director of Eminence until she resigned as an executive director of Eminence with effect from 18 April 2017.

- (b) At 30 September 2017 and 31 March 2017, the Group holds convertible notes issued by Eminence, details of which are set out in note 12.

25. 關連人士交易／關連交易

- (a) 於期內，本集團與高山企業集團進行如下交易：

Six months ended
30 September
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2017 HK\$'000 千港元 (Unaudited) (未經審核)	2016 HK\$'000 千港元 (Unaudited) (未經審核)
1,248	1,248

雷玉珠女士，本公司董事及主要股東，亦為高山企業董事。

官可欣女士，本公司董事及主要股東，亦為高山企業董事直至彼自生效日期2017年4月18日辭任為高山企業執行董事。

- (b) 於2017年9月30日及2017年3月31日，本集團持有由高山企業發行之可換股票據，詳情載列於附註12。

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簡明綜合財務報表附註 (續)

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25. RELATED PARTY TRANSACTIONS/CONNECTED TRANSACTIONS (Continued)

25. 關連人士交易／關連交易 (續)

(c) Compensation of key management personnel

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

(c) 主要管理人員之薪酬

董事及其他主要管理成員於期內之酬金如下：

		Six months ended 30 September 截至9月30日止六個月	
		2017 HK\$'000 千港元 (Unaudited) (未經審核)	2016 HK\$'000 千港元 (Unaudited) (未經審核)
Short-term employee benefits	短期僱員福利		
Salaries, bonus and other benefits	薪金、花紅及其他福利	8,120	17,998
Contributions to retirement benefit schemes	退休福利計劃供款	168	116
		8,288	18,114

The Group has been providing accommodation to Ms. Lui Yuk Chu, a director and substantial shareholder of the Company, for use by her and her family members. Rental of the residential unit were included in "salaries, bonus and other benefits" above. In May 2017, the tenancy agreement expired. The Company determined to provide a residential unit of properties held for sale to Ms. Lui Yuk Chu rent-free for use by her and her family members and a unit of properties held for sale amounting to HK\$75,288,000 was transferred to property, plant and equipment.

本集團提供住所給雷玉珠女士，本公司董事及主要股東，作為彼及彼之家庭成員使用。該住宅單位之租金已包括在上述之「薪金、花紅及期內福利」內。於2017年5月，有關租約到期。本公司決定免租提供一個持作出售物業之住宅單位作為雷玉珠及其家庭成員使用及一個持作出售物業以75,288,000港元轉撥至物業、廠房及設備。

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.

董事及主要行政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。

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簡明綜合財務報表附註 (續)

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25. RELATED PARTY TRANSACTIONS/CONNECTED TRANSACTIONS (Continued)

- (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 to HK\$150,000 with effect from 1 April 2013 and further 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 2017 was HK\$1,089,000 (six months ended 30 September 2016: HK\$909,000) and was included in "compensation of key management personnel" in (c) above.

Mr. Koon Wing Yee is the spouse of Ms. Lui Yuk Chu who is a director of the Company and is also one of the beneficiaries under a family trust holding 36.74% (31 March 2017: 36.74%) equity interest of the Company at 30 September 2017. Ms. Lui Yuk Chu also holds 21.95% (31 March 2017: 21.95%) 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 2016: HK\$130,000) from certain close relatives of Ms. Lui Yuk Chu and Ms. Koon Ho Yan Candy, directors and substantial shareholders of the Company.
- (f) During the current interim period, the Group paid HK\$6,000 (six months ended 30 September 2016: HK\$500,000) to Easyknit Charitable Foundation Limited, a company controlled by Ms. Lui Yuk Chu and Ms. Koon Ho Yan Candy, directors and substantial shareholders of the Company, which is recognised in profit or loss as "donations".
- (g) During the current interim period, the Group paid HK\$297,000 (six months ended 30 September 2016: nil) to Wing Yee Football Team Company Limited, a company controlled by Mr. Koon Wing Yee, which is recognised in profit or loss as "advertising".

25. 關連人士交易／關連交易 (續)

- (d) 於2011年1月，本公司與官永義先生訂立僱用協議，僱用彼為本公司之總經理。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。月薪調整至150,000港元自2013年4月1日起生效及進一步調整至180,000港元自2017年4月1日生效。截至2017年9月30日止年內官永義先生作為本公司總經理之酬金為1,089,000港元（截至2016年9月30日止六個月：909,000港元），及已包括在以上(c)項之「主要管理人員之薪酬」內。

官永義先生為雷玉珠女士之配偶，雷玉珠女士為本公司董事及亦為於2017年9月30日持有本公司36.74%（2017年3月31日：36.74%）權益之其中一名家族信託受益人。雷玉珠女士亦透過一間其全資擁有之實體持有本公司21.95%（2017年3月31日：21.95%）股本權益。

- (e) 於本中期，本集團收取本公司董事及主要股東雷玉珠女士及官可欣女士若干近親之租金收入120,000港元（截至2016年9月30日止六個月：130,000港元）。
- (f) 於本中期，本集團支付6,000港元（截至2016年9月30日止六個月：500,000港元）予永義慈善基金會有限公司，一間本公司董事及主要股東雷玉珠女士及官可欣女士控制之公司，於損益確認為「捐款」。
- (g) 於本中期，本集團支付297,000港元（截至2016年9月30日止六個月：無）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「廣告開支」。

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 2017

截至2017年9月30日止六個月

26. CAPITAL COMMITMENTS

26. 資本承擔

		30 September 9月30日 2017 HK\$'000 千港元 (Unaudited) (未經審核)	31 March 3月31日 2017 HK\$'000 千港元 (Audited) (經審核)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of property, plant and equipment	有關物業、廠房及設備之已訂約但尚未於簡明綜合財務報表撥備之資本開支	-	621

27. SIGNIFICANT EVENT AFTER THE END OF THE REPORTING PERIOD

27. 報告期末後重大事項

On 18 October 2017, the Group exercised the conversion rights attached to the 2017 CN2 to the extent of HK\$16,920,000 and a total of 282,000,000 conversion shares were issued by Eminence to the Group upon conversion. The Group's equity interest in EE Group increased from 20.44% to 29.35% thereafter.

於2017年10月18日，本集團行使第二份2017年可換股票據附隨之兌換權當中之16,920,000港元及於兌換時高山企業發行合共282,000,000股兌換股份予本集團。此後本集團於高山企業之權益由20.44%增至29.35%。



EASYKNIT INTERNATIONAL HOLDINGS LIMITED

永義國際集團有限公司

(Stock Code 股份代號: 1218)

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