



EMINENCE
ENTERPRISE LIMITED
高山企業有限公司

(HKEx Stock Code 股份代號: 616)



INTERIM REPORT 中期業績報告
2020

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Lai Law Kau

(Chairman and Chief Executive Officer)

(appointed on 20 August 2020 and re-designated with effect from 1 October 2020)

Ms. Lui Yuk Chu

(Deputy Chairman)

Mr. Kwong Jimmy Cheung Tim

(re-designated with effect from 1 October 2020)

Independent Non-executive Directors

Mr. Kan Ka Hon

Mr. Lau Sin Ming

Mr. Wu Koon Yin Welly

AUDIT COMMITTEE

Mr. Kan Ka Hon *(Chairman)*

Mr. Lau Sin Ming

Mr. Wu Koon Yin Welly

REMUNERATION COMMITTEE

Mr. Lau Sin Ming *(Chairman)*

Mr. Kan Ka Hon

Mr. Wu Koon Yin Welly

Mr. Lai Law Kau

(appointed on 20 August 2020)

Mr. Kwong Jimmy Cheung Tim

(resigned on 1 October 2020)

NOMINATION COMMITTEE

Mr. Wu Koon Yin Welly *(Chairman)*

Mr. Kan Ka Hon

Mr. Lau Sin Ming

Mr. Lai Law Kau

(appointed on 20 August 2020)

Mr. Kwong Jimmy Cheung Tim

(resigned on 1 October 2020)

董事會

執行董事

賴羅球先生

(主席兼首席行政總裁)

(2020年8月20日委任及自2020年10月1日起調任)

雷玉珠女士

(副主席)

鄭長添先生

(自2020年10月1日起調任)

獨立非執行董事

簡嘉翰先生

劉善明先生

吳冠賢先生

審核委員會

簡嘉翰先生 *(主席)*

劉善明先生

吳冠賢先生

薪酬委員會

劉善明先生 *(主席)*

簡嘉翰先生

吳冠賢先生

賴羅球先生

(2020年8月20日委任)

鄭長添先生

(2020年10月1日辭任)

提名委員會

吳冠賢先生 *(主席)*

簡嘉翰先生

劉善明先生

賴羅球先生

(2020年8月20日委任)

鄭長添先生

(2020年10月1日辭任)

Corporate Information 公司資料

EXECUTIVE COMMITTEE

Mr. Lai Law Kau (*Chairman*)
(*appointed on 20 August 2020 and*
re-designated with effect from 1 October 2020)
Ms. Lui Yuk Chu
Mr. Kwong Jimmy Cheung Tim
(*re-designated with effect from 1 October 2020*)

執行委員會

賴羅球先生(*主席*)
(*2020年8月20日委任及*
自2020年10月1日起調任)
雷玉珠女士
鄭長添先生
(*自2020年10月1日起調任*)

COMPANY SECRETARY

Mr. Lee Po Wing

公司秘書

李寶榮先生

AUDITOR

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

核數師

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

LEGAL ADVISERS

As to Hong Kong law:
David Norman & Co.

法律顧問

香港法律：
David Norman & Co.

As to Bermuda law:
Conyers Dill & Pearman

百慕達法律：
康德明律師事務所

PRINCIPAL BANKER

Hang Seng Bank Limited

主要往來銀行

恒生銀行有限公司

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Corporate Information

公司資料

PRINCIPAL PLACE OF BUSINESS

Block A, 7th Floor
Hong Kong Spinners Building, Phase 6
481-483 Castle Peak Road
Cheung Sha Wan, Kowloon
Hong Kong

主要營業地點

香港
九龍長沙灣
青山道481-483號
香港紗廠大廈第6期
7樓A座

BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

百慕達主要股份過戶登記處

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

香港股份過戶登記分處

卓佳秘書商務有限公司
香港
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合和中心54樓

STOCK CODE

616

股份代號

616

WEBSITE ADDRESS

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Management Discussion and Analysis 管理層討論及分析

The board (the “Board”) of directors (the “Directors”) of Eminence Enterprise Limited (the “Company”) is pleased to announce the results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 September 2020 (the “Period”). These interim results have been reviewed by the Company’s audit committee (the “Audit Committee”).

INTERIM RESULTS

The Group’s unaudited consolidated loss attributable to shareholders of the Company for the Period was approximately HK\$64,552,000 as compared to consolidated loss of approximately HK\$12,369,000 for the corresponding period in 2019 (“2019 Period”). The increase in loss was mainly attributable to (i) loss on changes in fair value of investment properties; (ii) write-down on properties held for development for sale; and (iii) no gain on disposal of subsidiaries recorded during the current period. Such increase in loss was partially offset by the net loss on modification of terms of convertible note recognized in 2019 Period.

Basic and diluted loss per share for the Period was approximately 6.93 HK cents as compared with basic and diluted loss per share of approximately 7.44 HK cents for 2019 Period.

INTERIM DIVIDEND

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

高山企業有限公司(「本公司»)董事(「董事»)會(「董事會»)欣然公佈本公司及其附屬公司(統稱「本集團»)截至2020年9月30日止六個月(「本期間»)之業績。本中期業績已由本公司之審核委員會(「審核委員會»)審閱。

中期業績

於本期間，本公司股東應佔本集團之未經審核綜合虧損約為64,552,000港元，相比2019年同期(「2019期間»)之綜合虧損約為12,369,000港元。虧損增加主要由於(i)投資物業之公平值變動虧損；(ii)持作出售發展物業減值；及(iii)於本期間無出售附屬公司之收益記錄。此等虧損之增加有部份由2019期間確認修改可換股票據條款之淨虧損所抵銷。

於本期間之每股基本及攤薄虧損約為6.93港仙，2019期間每股基本及攤薄虧損約為7.44港仙。

中期股息

董事會不建議就本期間派發中期股息(2019期間：無)。

Management Discussion and Analysis 管理層討論及分析

BUSINESS REVIEW

During the Period, the Group was principally engaged in property development, property investment, comprising the ownership and rental of investment properties, investment in securities and loan financing business which property development and property investment are the core businesses of the Group. The review of the individual business segments of the Group is set out below.

(i) Property Development

One of the Group's core businesses is property development. The Group has extensive experience on property redevelopment, in particular, acquisition of old buildings for renewal and redevelopment. Below are the major projects of the Group during the Period.

(a) Project Matheson Street

As at 30 September 2020, the Group, through its wholly-owned subsidiary, owns the site at Nos. 11, 13 and 15 Matheson Street, Causeway Bay, Hong Kong. The total area of the site is approximately 2,857 square feet and is currently under construction. After redevelopment, the site will provide a gross floor area of approximately 42,778 square feet of commercial/office mixed-use building. The project is expected to complete in February 2022.

業務回顧

於本期間，本集團主要從事物業發展、物業投資(包括擁有及租賃投資物業)、證券投資及貸款融資業務，而物業發展及物業投資為本集團之核心業務。本集團之業務分部回顧載於下文。

(i) 物業發展

本集團的另一項核心業務為物業發展。本集團在物業重建方面擁有豐富經驗，尤其是收購舊樓以進行翻新及重建。以下是本集團於本期間內的主要項目。

(a) 勿地臣街項目

於2020年9月30日，本集團透過其全資附屬公司擁有香港銅鑼灣勿地臣街11、13及15號。總地盤面積約為2,857平方呎，該地盤目前正進行發展。重建發展完成後，該地盤將提供總建築面積約為42,778平方呎之商業／辦公室綜合樓宇。該項目預期將於2022年2月完工。

Management Discussion and Analysis 管理層討論及分析

BUSINESS REVIEW (CONTINUED)

業務回顧(續)

(i) Property Development (continued)

(i) 物業發展(續)

(b) Project Wing Cheong

(b) 永昌項目

As at 30 September 2020, the Group, through its wholly-owned subsidiary, owns Wing Cheong Factory Building (the “Wing Cheong Factory Building”), a building located at No. 121 King Lam Street, Kowloon, Hong Kong. The site area is approximately 5,483 square feet. The Group plans to redevelop the Wing Cheong Factory Building into an industrial building with modern amenities, facilities and loading/unloading bays utilizing floor area allowable under all relevant laws and regulations which maximize the usage and potential of the lot to its fullest extent. The building is currently being demolished and the project is expected to complete in December 2023.

於2020年9月30日，本集團(透過其全資附屬公司)擁有香港九龍瓊林街121號的永昌工業大廈(「永昌工業大廈」)。該地盤面積約為5,483平方呎。本集團計劃將永昌工業大廈重建為一幢設有現代化設備及設施的工業大廈，並盡用在所有相關法例及法規下允許之樓面面積設貨物起卸區或非起卸區，從而發揮該地段之最大用途和潛力。該大廈目前正在拆樓和該項目預期將於2023年12月完工。

Management Discussion and Analysis 管理層討論及分析

BUSINESS REVIEW (CONTINUED)

(i) Property Development (continued)

(c) *Project Fung Wah*

As at 30 September 2020, the Group, through its wholly-owned subsidiaries, owns approximately 90.83% of Fung Wah Factorial Building, Nos. 646, 648 and 648A Castle Peak Road, Kowloon (collectively, the “Fung Wah Factorial Building”). On 6 September 2019, the Company filed an application under the Land (Compulsory Sale for Redevelopment) Ordinance (Chapter 545 of the Laws of Hong Kong) (the “Ordinance”) to the Lands Tribunal for an order to auction all the undivided shares of the Fung Wah Factorial Building (including those owned by the Group) for the purposes of redevelopment of the site. If the Group successfully acquires all the units of the Fung Wah Factorial Building, the tentative plan is to redevelop the site into a high-rise modern industrial building to maximize its usage of the site.

業務回顧(續)

(i) 物業發展(續)

(c) 豐華項目

於2020年9月30日，本集團透過其全資附屬公司擁有九龍青山道646、648及648A號豐華工業大廈(統稱為「豐華工業大廈」)約90.83%。於2019年9月6日，本公司根據《土地(為重新發展而強制售賣)條例》(香港法例第545章)(「該條例」)向土地審裁處提出申請，申請拍賣豐華工業大廈的所有不分割份數(包括本集團所擁有者)以重新發展該地段。倘若本集團能成功收購豐華工業大廈的所有單位，暫定計劃是將該地段重新發展為高層現代化工業大廈，以發揮該地段之最大用途。

Management Discussion and Analysis 管理層討論及分析

BUSINESS REVIEW (CONTINUED)

業務回顧(續)

(i) Property Development (continued)

(i) 物業發展(續)

(d) Project Kennedy Town

(d) 堅尼地城項目

On 23 September 2019 and 31 October 2019, the Group completed the acquisition of all the units of Nos. 1B and 1C and Nos. 1D and 1E of Davis Street, Kennedy Town, Hong Kong respectively. The registered site area is approximately 4,940 square feet.

於2019年9月23日及2019年10月31日，本集團分別完成收購香港堅尼地城爹核士街1B及1C號及1D及1E號之所有單位。該地盤的總註冊面積約為4,940平方呎。

On 22 July 2020, the Group, through its indirect wholly-owned subsidiary, Nice Able Holdings Limited (“Nice Able”) (which was acquired on 22 June 2020), completed the acquisition of all the units at No. 93 Catchick Street, Hong Kong and the units on G/F., 1/F., 3/F., 4/F., 5/F., and Roof at No. 95 Catchick Street, Hong Kong. The total site area of Nos. 93 and 95 Catchick Street, Hong Kong is approximately 2,182 square feet.

於2020年7月22日，本集團(透過於2020年6月22日收購成為其間接全資附屬公司Nice Able Holdings Limited(「Nice Able」))完成收購香港吉席街93號全部單位，以及香港吉席街95號地下、1樓、3樓、4樓、5樓及天台的單位。香港吉席街93及95號的總地盤面積約為2,182平方呎。

For further information, please refer to “Material Acquisition” section below.

詳細資料請參閱下列「重大收購」一節。

Management Discussion and Analysis 管理層討論及分析

BUSINESS REVIEW (CONTINUED)

(ii) Property Investment

The other core business of the Group is property investment. During the Period, the total rental and management fee income of the Group increased by approximately 0.4% to approximately HK\$30,008,000 (2019 Period: approximately HK\$29,892,000).

Hong Kong

In Hong Kong, the Group owns residential units, commercial units and industrial units with a total carrying amount of approximately HK\$778,799,000 as at 30 September 2020 (31 March 2020: approximately HK\$777,100,000). For the Period, the Group recorded property rental income of approximately HK\$17,318,000 (2019 Period: approximately HK\$14,006,000), representing an increase of approximately 23.6% as compared with 2019 Period.

業務回顧(續)

(ii) 物業投資

本集團的另一項核心業務為物業投資。於本期間內，本集團之租金及管理費收入總額增加約0.4%至約30,008,000港元(2019期間：約29,892,000港元)。

香港

於2020年9月30日，本集團於香港擁有住宅單位、商業單位及工業單位，總賬面值約為778,799,000港元(2020年3月31日：約777,100,000港元)。本期間，本集團錄得物業租金收入約17,318,000港元(2019期間：約14,006,000港元)，較2019期間增加約23.6%。

Management Discussion and Analysis 管理層討論及分析

BUSINESS REVIEW (CONTINUED)

(ii) Property Investment (continued)

Singapore

In Singapore, the Group owns 3 residential units with a total carrying amount of approximately HK\$148,794,000 as at 30 September 2020 (31 March 2020: approximately HK\$148,049,000). For the Period, the Group received property rental income of approximately HK\$1,353,000 (2019 Period: approximately HK\$1,392,000), representing a decrease of approximately 2.8%.

People's Republic of China (the "PRC")

In Huzhou City, Zhejiang Province of the PRC, the Group has 15 blocks of factory premises and 5 blocks of dormitories with a total carrying amount of approximately HK\$347,896,000 as at 30 September 2020 (31 March 2020: approximately HK\$337,424,000). For the Period, the Group recorded property rental income and management fee income of approximately HK\$3,993,000 and HK\$7,344,000 respectively (2019 Period: approximately HK\$8,501,000 and HK\$5,993,000 respectively).

業務回顧(續)

(ii) 物業投資(續)

新加坡

於2020年9月30日，本集團於新加坡擁有3個住宅單位，總賬面值為約148,794,000港元(2020年3月31日：約148,049,000港元)。於本期間，本集團收取物業租金收入約1,353,000港元(2019期間：約1,392,000港元)，減少約2.8%。

中華人民共和國(「中國」)

於2020年9月30日，本集團於中國浙江省湖州市擁有15座廠房及5座宿舍，總賬面值約為347,896,000港元(2020年3月31日：約337,424,000港元)。於本期間，本集團收取物業租金收入及管理費收入分別約3,993,000港元及7,344,000港元(2019期間：分別約8,501,000港元及5,993,000港元)。

Management Discussion and Analysis 管理層討論及分析

BUSINESS REVIEW (CONTINUED)

(iii) Securities Investment

The Group adopted a prudent attitude in its securities investment. During the Period, the Group had acquired listed securities investments and disposed of some shares in the investment portfolio. The Group recorded fair value loss in securities investments of approximately HK\$4,625,000 (2019 Period: approximately HK\$6,992,000). As a result, the Group reported segment loss of approximately HK\$1,455,000 (2019 Period: segment loss of approximately HK\$8,640,000) during the Period. The Group received dividend income from the listed securities investments of approximately HK\$879,000 during the Period.

On 16 September 2019, the Company successfully obtained the Company's shareholders' approval at the special general meeting to dispose of all or in part(s) of the 6,800,000 shares of China SCE Group Holdings Limited ("CSCE") (stock code: 1966) held by the Group during the 12-month period from the date of approval. Details of the possible disposal and the mandate can be found in the Company's announcement dated 12 July 2019 and circular dated 30 August 2019 respectively. During the period from 16 September 2019 to 31 March 2020, the Group disposed of a total of 487,000 CSCE shares and therefore the Group owned a total of 6,313,000 CSCE shares as at 1 April 2020. During the Period, the Group had not disposed of any CSCE shares and therefore the Group still owned a total of 6,313,000 CSCE shares as at 30 September 2020.

業務回顧(續)

(iii) 證券投資

本集團對其證券投資採取謹慎態度。於本期間內，本集團購入上市證券投資，並售出投資組合中的部分股份。本集團錄得證券投資之公平值虧損約4,625,000港元(2019期間：約6,992,000港元)。因此，於本期間內，本集團錄得分部虧損約1,455,000港元(2019期間：分部虧損約8,640,000港元)。於本期間內，本集團從上市證券投資中獲得股息收入約為879,000港元。

於2019年9月16日，本公司在股東特別大會上成功獲得本公司股東批准，於自批准日起12個月期間內全部或逐步出售本集團持有中駿集團控股有限公司(「中駿」)(股份代號：1966)的6,800,000股股份。有關可能出售事項和授權之詳細資料請參閱本公司日期分別為2019年7月12日之公佈及2019年8月30日之通函。自2019年9月16日至2020年3月31日期間，本集團已出售共487,000股中駿股份，因此，於2020年4月1日本集團擁有6,313,000股中駿股份。於本期間，本集團沒有出售任何中駿股份，因此，於2020年9月30日本集團仍擁有6,313,000股中駿股份。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (CONTINUED)

(iii) Securities Investment (continued)

As at 30 September 2020, the Group's investment in equity securities listed in Hong Kong amounted to approximately HK\$35,478,000 (31 March 2020: approximately HK\$39,606,000). The movement during the Period were: (a) the purchase of securities of approximately HK\$1,240,000; (b) the disposal of securities investments which had a fair value of approximately HK\$743,000; and (c) net decrease in market value of securities investments in the amount of approximately HK\$4,625,000. This value represented an investment portfolio comprising 5 (31 March 2020: 5) equity securities which are listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

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

業務回顧(續)

(iii) 證券投資(續)

於2020年9月30日，本集團之香港上市證券投資總額約為35,478,000港元(2020年3月31日：約39,606,000港元)。本期間之變動乃由於：(a)購買證券約1,240,000港元；(b)出售證券投資之公平值約為743,000港元；及(c)證券投資市值金額淨減少約4,625,000港元。該價值對應的投資組合包括5隻(2020年3月31日：5隻)於香港聯合交易所有限公司(「聯交所」)主板上市的股本證券。

本集團認為上市證券之投資前景穩健。本集團明白，投資表現或受香港股市波動程度影響，並受到其他外部因素限制。因此，本集團將繼續維持不同市場的多元化投資組合，以盡量降低潛在的金融風險。此外，本集團亦將不時密切監察投資組合的表現發展狀況。

Management Discussion and Analysis 管理層討論及分析

BUSINESS REVIEW (CONTINUED)

(iv) Loan Financing

For the Period, the Group recorded interest income from the loan financing business amounting to approximately HK\$11,349,000 (2019 Period: approximately HK\$10,058,000), representing an increase of approximately 12.8% comparing with 2019 Period. The segment profit of loan financing business was approximately HK\$8,324,000 for the Period (2019 Period: approximately HK\$7,027,000). The outstanding principal amount of loans receivable as at 30 September 2020 was approximately HK\$293,192,000 (31 March 2020: approximately HK\$329,969,000). During the Period, net reversal of impairment allowance was recognized in profit or loss amounting to approximately HK\$1,137,000 in its loan financing business. The Group will continue to develop this segment in order to earn higher interest income.

業務回顧(續)

(iv) 貸款融資

於本期間，本集團錄得來自貸款融資業務之利息收入約為11,349,000港元(2019期間：約10,058,000港元)，較2019期間增加約12.8%。於本期間，貸款融資業務之分部溢利約為8,324,000港元(2019期間：約7,027,000港元)。於2020年9月30日，應收貸款之未償還本金金額約為293,192,000港元(2020年3月31日：約329,969,000港元)。於本期間內，就貸款融資業務於損益確認之減值撥備淨撥回約為1,137,000港元。本集團將繼續發展該分部以賺取更高利息收入。

Management Discussion and Analysis 管理層討論及分析

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 September 2020, total assets of the Group amounted to approximately HK\$4,679,276,000 (31 March 2020: approximately HK\$4,602,993,000). In terms of financial resources as at 30 September 2020, the Group's total bank balances and cash was approximately HK\$165,265,000 (31 March 2020: approximately HK\$357,767,000).

As at 30 September 2020, the Group had total bank borrowings of approximately HK\$1,537,813,000 (31 March 2020: approximately HK\$1,431,740,000). The Group's gearing ratio, which is calculated as a ratio of total bank borrowings to shareholders' equity was approximately 0.5 (31 March 2020: approximately 0.5). As at 30 September 2020, the Group's current ratio was approximately 5.9 (31 March 2020: approximately 5.9).

The Group financed its operations primarily with recurring cash flow generated from its operations, proceeds raised from the capital market and bank financing.

財務回顧

流動資金及財務資源

於2020年9月30日，本集團之資產總額約為4,679,276,000港元(2020年3月31日：約4,602,993,000港元)。在財務資源方面，於2020年9月30日，本集團之銀行結餘及現金總額約為165,265,000港元(2020年3月31日：約357,767,000港元)。

於2020年9月30日，本集團之銀行借貸總額約為1,537,813,000港元(2020年3月31日：約1,431,740,000港元)。本集團之資本負債比率(即銀行借貸總額佔股東資產之百分比)約為0.5(2020年3月31日：約0.5)。於2020年9月30日，本集團流動比率約為5.9(2020年3月31日：約5.9)。

本集團之營運資金主要來自其營運產生的循環現金流、在資本市場募集的資金及銀行融資。

Management Discussion and Analysis 管理層討論及分析

FINANCIAL REVIEW (CONTINUED)

財務回顧(續)

Outstanding Convertible Notes

未兌換之可換股票據

Below are the particulars of the outstanding convertible notes of the Company as at 30 September 2020:

以下為本公司於2020年9月30日未兌換之可換股票據的概述：

(1) 2015 Convertible Note (the "2015CN")

(1) 2015年可換股票據(「2015年可換股票據」)

| | | |
|---|---|--|
| Holder of the 2015CN 2015年可換股票據持有人 | : | Madian Star Limited |
| Principal amount 本金金額 | : | HK\$86,000,000 86,000,000港元 |
| Outstanding principal amount 未償還本金金額 | : | HK\$40,400,000 40,400,000港元 |
| Interest 利息 | : | 3% per annum 每年3厘 |
| Issue date 發行日期 | : | 12 June 2015 2015年6月12日 |
| Maturity date 到期日 | : | 12 June 2022 2022年6月12日 |
| Conversion price 兌換價 | : | HK\$0.9855 (subject to adjustment) 0.9855港元(可予調整) |

During the Period, no exercise of the conversion rights under the 2015CN was made and the outstanding principal amount as at the date of this report is HK\$40,400,000.

於本期間，2015年可換股票據之兌換權沒有被行使，因此於本報告日期，未償還本金金額為40,400,000港元。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (CONTINUED)

財務回顧(續)

Outstanding Convertible Notes (continued)

未兌換之可換股票據(續)

(2) 2017 Convertible Note 1 (the "2017CN1")

(2) 2017年可換股票據-1(「2017年可換股票據-1」)

| | | |
|--|---|--|
| Holder of the 2017CN1 2017年可換股票據-1持有人 | : | Goodco Development Limited 佳豪發展有限公司 |
| Principal amount 本金金額 | : | HK\$16,000,000 16,000,000港元 |
| Outstanding principal amount 未償還本金金額 | : | HK\$16,000,000 16,000,000港元 |
| Interest 利息 | : | 3% per annum* 每年3厘* |
| Issue date 發行日期 | : | 11 May 2017* 2017年5月11日* |
| Maturity date 到期日 | : | 11 May 2022* 2022年5月11日* |
| Conversion price 兌換價 | : | HK\$2.6279* (subject to adjustment) 2.6279港元*(可予調整) |

During the Period, no exercise of the conversion rights under the 2017CN1 was made and the outstanding principal amount as at the date of this report is HK\$16,000,000.

於本期間，2017年可換股票據-1之兌換權沒有被行使，因此於本報告日期，未償還本金金額為16,000,000港元。

* The conversion price was revised to HK\$0.25 per conversion share (subject to adjustment), the maturity date was extended to 28 August 2024 and the interest payable was increased to 4% per annum, all of which were approved by the Company's independent shareholders at the special general meeting on 19 November 2020.

* 於2020年11月19日，本公司在股東特別大會上獲得本公司獨立股東批准兌換價調整為每股兌換股份0.25港元(可予調整)，到期日延長至2024年8月28日及應付利息提高至每年4厘。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (CONTINUED)

財務回顧(續)

Outstanding Convertible Notes (continued)

未兌換之可換股票據(續)

(3) 2017 Convertible Note 2 (the "2017CN2")

(3) 2017年可換股票據-2(「2017年可換股票據-2」)

| | | |
|--|---|--|
| Holder of the 2017CN2 2017年可換股票據-2持有人 | : | Goodco Development Limited 佳豪發展有限公司 |
| Principal amount 本金金額 | : | HK\$28,200,000 28,200,000港元 |
| Outstanding principal amount 未償還本金金額 | : | HK\$11,280,000 11,280,000港元 |
| Interest 利息 | : | 3% per annum* 每年3厘* |
| Issue date 發行日期 | : | 26 September 2017 2017年9月26日 |
| Maturity date 到期日 | : | 26 September 2020* 2020年9月26日* |
| Conversion price 兌換價 | : | HK\$0.9855* (subject to adjustment) 0.9855港元*(可予調整) |

During the Period, no exercise of the conversion rights under the 2017CN2 was made and the outstanding principal amount as at the date of this report is HK\$11,280,000.

於本期間，2017年可換股票據-2之兌換權沒有被行使，因此於本報告日期，未償還本金金額為11,280,000港元。

* The conversion price was revised to HK\$0.25 per conversion share (subject to adjustment), the maturity date was extended to 28 August 2024 and the interest payable was increased to 4% per annum, all of which were approved by the Company's independent shareholders at the special general meeting on 19 November 2020.

* 於2020年11月19日，本公司在股東特別大會上獲得本公司獨立股東批准兌換價調整為每股兌換股份0.25港元(可予調整)，到期日延長至2024年8月28日及應付利息提高至每年4厘。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (CONTINUED)

財務回顧(續)

Outstanding Convertible Notes (continued)

未兌換之可換股票據(續)

(4) 2019 Convertible Note (the "2019CN")

(4) 2019年可換股票據(「2019年可換股票據」)

| | | |
|---|---|--|
| Holder of the 2019CN 2019年可換股票據持有人 | : | Goodco Development Limited 佳豪發展有限公司 |
| Principal amount 本金金額 | : | HK\$70,000,000 70,000,000港元 |
| Outstanding principal amount 未償還本金金額 | : | HK\$70,000,000 70,000,000港元 |
| Interest 利息 | : | 3% per annum* 每年3厘* |
| Issue date 發行日期 | : | 28 August 2019 2019年8月28日 |
| Maturity date 到期日 | : | 28 August 2024* 2024年8月28日* |
| Conversion price 兌換價 | : | HK\$0.91* (subject to adjustment) 0.91港元*(可予調整) |

During the Period, no exercise of the conversion rights under the 2019CN was made and the outstanding principal amount as at the date of this report is HK\$70,000,000.

於本期間，2019年可換股票據之兌換權沒有被行使，因此於本報告日期，未償還本金金額為70,000,000港元。

* The conversion price was revised to HK\$0.25 per conversion share (subject to adjustment), the maturity date was extended to 28 August 2024 and the interest payable was increased to 4% per annum, all of which were approved by the Company's independent shareholders at the special general meeting on 19 November 2020.

* 於2020年11月19日，本公司在股東特別大會上獲得本公司獨立股東批准兌換價調整為每股兌換股份0.25港元(可予調整)，到期日延長至2024年8月28日及應付利息提高至每年4厘。

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FINANCIAL REVIEW (CONTINUED)

Outstanding Convertible Notes (continued)

On 18 September 2020, the Company and Goodco Development Limited (“Goodco”) entered into three deeds of amendment (the “Deeds of Amendment”) in respect of the proposed alteration, pursuant to which both parties agreed to (a) revise the conversion price of the 2017CN1, 2017CN2 and 2019CN (collectively, the “Goodco CNs”) to HK\$0.25 per conversion share (subject to adjustment); (b) extend the maturity date of the Goodco CNs to 28 August 2024; and (c) increase the interest payable to 4% per annum (the “Proposed Alteration”), subject to the Company’s independent shareholders’ approval at the special general meeting on 19 November 2020.

For further information, please refer to the Company’s announcement dated 21 September 2020 and circular dated 30 October 2020 respectively.

Charges on Assets

As at 30 September 2020, the Group had bank loans amounting to approximately HK\$1,537,813,000 (31 March 2020: approximately HK\$1,431,740,000) which were secured by the Group’s properties with an aggregate net book value of approximately HK\$927,593,000 (investment properties) and approximately HK\$2,664,667,000 (properties held for development for sale) respectively (31 March 2020: approximately HK\$925,149,000 and approximately HK\$2,441,200,000).

財務回顧(續)

未兌換之可換股票據(續)

於2020年9月18日，本公司及佳豪發展有限公司(「佳豪」)就建議修訂訂立三份修訂契據(「修訂契據」)，根據雙方同意，有關建議修訂(a)將2017年可換股票據-1、2017年可換股票據-2及2019年可換股票據(統稱為「佳豪可換股票據」)之兌換價調整為每股兌換股份0.25港元(可予調整)；(b)將佳豪可換股票據的到期日延長至2024年8月28日；及(c)將應付利息提高至每年4厘(「建議修訂」)，此等變更均須於2020年11月19日在股東特別大會上獲得本公司獨立股東之批准。

詳細資料請參閱本公司日期分別為2020年9月21日之公佈及2020年10月30日之通函。

資產抵押

於2020年9月30日，本集團之銀行貸款約為1,537,813,000港元(2020年3月31日：約1,431,740,000港元)乃以本集團之物業作為抵押，賬面總淨值分別約為927,593,000港元(投資物業)及約為2,664,667,000港元(持作出售發展物業)(2020年3月31日：約925,149,000港元及約2,441,200,000港元)。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (CONTINUED)

Material Acquisition

On 6 April 2020, Success Edge Limited (“Success Edge”), a wholly-owned subsidiary of the Company, as buyer, and an independent third party, as seller, entered into an agreement for sale and purchase, pursuant to which, among other things, the buyer conditionally agreed to buy and take up, and the seller conditionally agreed to sell and assign, the entire issued share capital of Nice Able and its shareholder’s loan at a consideration of HK\$89,115,992 subject to the terms and conditions of the agreement for sale and purchase. Nice Able was committed to (i) acquire the entire issued share capital of Success Mark Investments Limited (the registered and beneficial owner of the unit on G/F., No. 93 Catchick Street, Hong Kong) and a loan to it; and (ii) acquire the units on 1/F., 2/F., 3/F., 4/F., 5/F., and Roof, No. 93 Catchick Street, Hong Kong and the units on G/F., 1/F., 3/F., 4/F., 5/F., and Roof, No. 95 Catchick Street, Hong Kong from the respective property vendors. The agreement for sale and purchase was approved by the Company’s shareholders at the special general meeting on 8 June 2020. Completion of the agreement for sale and purchase took place on 22 June 2020, and Nice Able became an indirect wholly-owned subsidiary of the Company.

Details of the transaction can be found in the Company’s announcements dated 6 April 2020, 29 April 2020 and 15 May 2020 respectively and circular dated 21 May 2020.

財務回顧(續)

重大收購

於2020年4月6日，Success Edge Limited (「Success Edge」)(本公司之一間全資附屬公司作為買方)與一名獨立第三方(作為賣方)訂立買賣協議，據此(其中包括)，買方有條件同意根據買賣協議的條款及條件按代價89,115,992港元收購及受讓(而賣方有條件同意根據買賣協議的條款及條件按代價出售及轉讓)Nice Able之全部已發行股份及其股東貸款。Nice Able承諾(i)收購Success Mark Investments Limited(其為香港吉席街93號地下的單位之註冊和實益擁有人)之全部已發行股本及其貸款；及(ii)從各物業賣方收購香港吉席街93號1樓、2樓、3樓、4樓、5樓及天台的單位及香港吉席街95號地下、1樓、3樓、4樓、5樓及天台的單位。買賣協議已於2020年6月8日舉行的股東特別大會上獲本公司股東批准。買賣協議已於2020年6月22日完成，而Nice Able已成為本公司的一間間接全資附屬公司。

有關交易之詳情，請參見本公司日期分別為2020年4月6日、2020年4月29日及2020年5月15日之公佈和日期為2020年5月21日之通函。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (CONTINUED)

Exposure of Foreign Exchange Fluctuations

Most of the Group's revenues and payments are in Hong Kong dollars, United States dollars, Singapore dollars and Renminbi. 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.

Contingent Liabilities

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

Capital Structure

As at 30 September 2020, the total number of issued ordinary shares of the Company was 931,458,010 (31 March 2020: 931,458,010 shares) and the nominal value per share was HK\$0.20 (2019: HK\$0.20).

Capital Expenditures and Capital Commitments

During the Period, the Group invested approximately HK\$72,000 (2019 Period: approximately HK\$975,000) in the purchase of property, plant and equipment, and spent approximately HK\$709,000 (2019 Period: approximately HK\$3,072,000) on addition of investment properties. These capital expenditures were financed from internal resources and funds from previous fund raising activities of the Company.

財務回顧(續)

外匯波動之風險

本集團之營業額與支出以港元、美元、新加坡元及人民幣為主。於本期間，本集團並無因匯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。

或然負債

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

股本結構

於2020年9月30日，本公司已發行普通股總數為931,458,010股(2020年3月31日：931,458,010股)，而每股面值為0.20港元(2019年：0.20港元)。

資本開支及資本承擔

於本期間，本集團投資約72,000港元(2019期間：約975,000港元)於購置物業、廠房及設備，並動用約709,000港元(2019期間：約3,072,000港元)於增置投資物業。該等資本開支的資金均來自內部資源及先前本公司之集資活動。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (CONTINUED)

財務回顧(續)

Capital Expenditures and Capital Commitments (continued)

資本開支及資本承擔(續)

As at 30 September 2020, the Group had capital commitments in respect of capital expenditure contracted for but not provided of approximately HK\$26,224,000 (31 March 2020: approximately HK\$33,891,000).

於2020年9月30日，本集團已訂約但未撥備之資本性開支的資本承擔約為26,224,000港元(2020年3月31日：約33,891,000港元)。

Changes in Fair Value of Investment Properties

投資物業之公平值變動

During the Period, there was a loss of approximately HK\$12,314,000 on changes in fair value of investment properties (2019 Period: loss of approximately HK\$1,714,000).

於本期間，投資物業之公平值變動產生虧損約為12,314,000港元(2019期間：虧損約為1,714,000港元)。

Finance Costs

融資成本

Finance costs were approximately HK\$16,013,000 for the Period, which increased by approximately HK\$1,815,000 or approximately 12.8% from approximately HK\$14,198,000 in 2019 Period. Included in the finance costs of approximately HK\$10,027,000 (2019 Period: approximately HK\$7,613,000) was the effective interest expense on the convertible notes.

融資成本由2019期間約14,198,000港元增加約1,815,000港元或約12.8%至本期間約16,013,000港元，其中約10,027,000港元(2019期間：約7,613,000港元)為可換股票據之實際利息支出。

Changes since 31 March 2020

自2020年3月31日起變動

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

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

Management Discussion and Analysis

管理層討論及分析

PROSPECTS

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

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

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

展望

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

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

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

Disclosure of Interests 權益披露

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

As at 30 September 2020, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or 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 for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules, were as follows:

Long positions in ordinary shares and underlying shares of the Company

As at 30 September 2020, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or 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.

董事及主要執行人員於股份、相關股份及債權證之權益

於2020年9月30日，本公司董事及主要執行人員於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及8分部條文須知會本公司及聯交所的權益及淡倉(包括彼等根據證券及期貨條例之該等條文被視為擁有之權益及淡倉)，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及淡倉，或根據上市規則附錄十所載之上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所的權益及淡倉如下：

於本公司普通股股份及相關股份之好倉

於2020年9月30日，本公司董事或主要執行人員概無於本公司及其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及8分部條文須知會本公司及聯交所的任何權益或淡倉(包括彼等根據證券及期貨條例之該等條文被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。

Disclosure of Interests

權益披露

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

主要股東於股份及相關股份之權益

Long positions in ordinary shares and underlying shares of the Company

於本公司普通股股份及相關股份之好倉

As at 30 September 2020, so far as is known to the Directors and the chief executive of the Company, the interests and short positions of the persons or corporations other than a Director or the chief executive of the Company, in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

於2020年9月30日，就董事或主要行政人員所知，董事或主要行政人員除外之人士或法團於本公司股份或相關股份中擁有如下權益或淡倉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：

| Name of substantial shareholder | Notes | Capacity | Number of ordinary shares held | Number of underlying shares held | Total | Approximate percentage of the total issued shares of the Company 佔已發行股份總數之 概約百分比 |
|--|--------------------------|--|--------------------------------|----------------------------------|-------------|--|
| 主要股東名稱 | 附註 | 身份 | 持有普通股 股份數目 | 持有相關 股份數目 | 總計 | |
| Ace Winner Investment Limited ("Ace Winner") 運樂投資有限公司(「運樂」) | (i) | Beneficial owner 實益擁有人 | 90,855,000 | - | 90,855,000 | 9.75% |
| Goodco Development Limited ("Goodco") 佳豪發展有限公司(「佳豪」) | (i) and (ii) (i)及(ii) | Beneficial owner 實益擁有人 | 161,445,295 | 389,120,000 | 550,565,295 | 59.10% |
| Easyknit Properties Holdings Limited | (i) and (ii) (i)及(ii) | Interest of controlled corporation 受控制法團之權益 | 161,445,295 | 389,120,000 | 550,565,295 | 59.10% |
| Easyknit International Holdings Limited ("Easyknit") 永義國際集團有限公司(「永義」) | (i) and (ii) (i)及(ii) | Interest of controlled corporation 受控制法團之權益 | 275,687,665 | 389,120,000 | 664,807,665 | 71.37% |

Disclosure of Interests 權益披露

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES (CONTINUED)

主要股東於股份及相關股份之權益(續)

Long positions in ordinary shares and underlying shares of the Company (continued)

於本公司普通股股份及相關股份之好倉(續)

| Name of substantial shareholder | Notes | Capacity | Number of ordinary shares held | Number of underlying shares held | Total | Approximate percentage of the total issued shares of the Company 佔已發行股份總數之概約百分比 |
|---------------------------------|-------|----------|--------------------------------|----------------------------------|-------|---|
| 主要股東名稱 | 附註 | 身份 | 持有普通股股份數目 | 持有相關股份數目 | 總計 | |

| | | | | | | |
|---------------------|-------|---------------------------|------------|------------|------------|-------|
| Madian Star Limited | (iii) | Beneficial owner 實益擁有人 | 6,250,000 | 40,994,419 | 47,244,419 | 5.07% |
| Hu Rong 胡榮 | | Beneficial owner 實益擁有人 | 47,030,000 | - | 47,030,000 | 5.05% |

Notes:

附註：

- (i) In the 275,687,665 shares, 90,855,000 shares, 23,387,370 shares and 161,445,295 shares are registered in the name of and beneficially owned by Ace Winner, Landmark Profits Limited and Goodco (which is wholly-owned by Easyknit Properties Holdings Limited) respectively, all of which are wholly-owned subsidiaries of Easyknit.
- (ii) The 389,120,000 underlying shares comprise of (i) 64,000,000 revised conversion shares (subject to adjustment) to be issued upon full conversion of the convertible note held by Goodco issued by the Company on 11 May 2017; (ii) 45,120,000 revised conversion shares (subject to adjustment) to be issued upon full conversion of another convertible note held by Goodco issued by the Company on 26 September 2017; and (iii) 280,000,000 revised conversion shares (subject to adjustment) to be issued upon full conversion of the convertible note held by Goodco issued by the Company on 28 August 2019.

- (i) 於275,687,665股股份中，90,855,000股股份、23,387,370股股份及161,445,295股股份分別以運榮、Landmark Profits Limited及佳豪(由Easyknit Properties Holdings Limited全資擁有)之名義登記及由其實益擁有，該等為永義之全資附屬公司。
- (ii) 389,120,000股股份，包括(i)悉數兌換本公司於2017年5月11日予佳豪之可換股票據後，將發行64,000,000股經調整兌換股份(可予調整)；(ii)悉數兌換本公司於2017年9月26日發行予佳豪之另一份可換股票據後，將發行45,120,000股經調整兌換股份(可予調整)；及(iii)悉數兌換本公司於2019年8月28日發行予佳豪之可換股票據後，將發行280,000,000股經調整兌換股份(可予調整)。

Disclosure of Interests

權益披露

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES (CONTINUED)

Long positions in ordinary shares and underlying shares of the Company (continued)

Notes: (continued)

- (iii) The 40,994,419 underlying shares are the convertible shares to be issued (subject to adjustment) upon full conversion of the convertible note issued by the Company to Madian on 12 June 2015.

Save as disclosed above, as at 30 September 2020, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 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 SCHEME

On 29 June 2012, a share option scheme (the "Share Option Scheme") was adopted and approved by the shareholders of the Company for a period of 10 years commencing on the adoption date whereby the Board, may at its discretion, grant share options to any eligible participants to subscribe for the shares in the Company subject to the terms and conditions as stipulated in the Share Option Scheme. The Share Option Scheme will expire on 28 June 2022.

主要股東於股份及相關股份之權益(續)

於本公司普通股股份及相關股份之好倉(續)

附註：(續)

- (iii) 40,994,419股相關股份為本公司於2015年6月12日發行予Madian之可換股票據悉數兌後將發行之兌換股份(可予調整)。

除上文所披露者外，於2020年9月30日，概無任何人士(董事或本公司主要執行人員除外)曾知會本公司擁有根據證券及期貨條例第XV部第2及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6月29日，當時股東已採納及批准購股權計劃(「購股權計劃」)，年期由採納日期起計10年，董事會可酌情向任何合資格參與者授予購股權(「購股權」)以認購股份，惟須受購股權計劃的條款及細則所限。購股權計劃將於2022年6月28日到期。

Disclosure of Interests 權益披露

SHARE OPTION SCHEME (CONTINUED)

At the annual general meeting of the Company held on 23 July 2020, the scheme mandate limit for the Share Option Scheme was refreshed to allow the Company to issue a maximum of 93,145,801 new shares under the Share Option Scheme to eligible participants. After such refreshment of scheme mandate limit, during the six months ended 30 September 2020, the Company did not grant any Share Options to any eligible participants.

PUBLIC FLOAT

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

購股權計劃(續)

於2020年7月23日舉行之本公司股東週年大會上，購股權計劃之計劃授權限額已獲更新，允許本公司根據購股權計劃發行最多93,145,801股新股份予合資格參與者。自該計劃授權限額獲更新後，於2020年9月30日止六個月期間，本公司沒有授出任何購股權予任何合資格參與者。

公眾持股量

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

Corporate Governance and Other Information 企業管治及其他資料

CORPORATE GOVERNANCE

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

Code Provision A.2.1

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

Code provision A.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the Period, Mr. Kwong Jimmy Cheung Tim serves as Chairman as well as Chief Executive Officer of the Company and this dual leadership role has been adopted by the Company for a number of years. Such deviation is deemed appropriate as it is considered to be more efficient to have one single person to be the Chairman of the Company as well as to discharge the executive functions of the Chief Executive thereby enabling more effective planning and better execution of long-term strategies. The Board believes that the balance of power and authority is adequately ensured by the operations and governance of the Board which comprises experienced and high calibre individuals, with half of them being independent non-executive Directors. The Company will review the current structure when and as it becomes appropriate.

企業管治

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

守則條文第A.2.1條

主席與行政總裁之角色應有區分，並不應由一人同時兼任

企業管治守則第A.2.1條守則條文規定主席與行政總裁之角色應有區分，並不應由一人同時兼任。於本期間，鄺長添先生同時擔任本公司主席及首席行政總裁，而此雙角色領導模式於本公司推行已久且行之有效。此偏離情況被視為恰當，原因是由同一人擔任本公司主席兼履行首席行政總裁的執行職能被視為更具效率，能提高長遠策略的有效規劃及執行表現。董事會認為董事會成員不乏經驗豐富及具才幹之人士(其中半數為獨立非執行董事)，其營運及管治足以確保權力及職能平衡。本公司將於適當時檢討現行架構。

Corporate Governance and Other Information 企業管治及其他資料

CORPORATE GOVERNANCE (CONTINUED)

企業管治(續)

Code Provision C.2.5

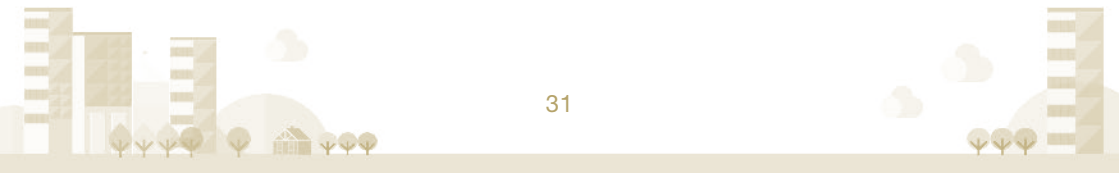
守則條文第C.2.5條

The issuer should have an internal audit function

發行人應設立內部審核功能

Code provision C.2.5 of the CG Code provides that the Group should have an internal audit function. The Group does not have an internal audit function. During the year ended 31 March 2020, the Board reviewed the effectiveness of the internal control system of the Group and there were no major issues but areas for improvement have been identified by the Audit Committee and appropriate measures have been taken. In addition, the Board was of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. The situation will be reviewed annually.

企業管治守則第C.2.5條守則條文規定本集團應設立內部審核功能。本集團沒有設立內部審核功能。於2020年3月31日止年度，董事會已對本集團內部監控制度的有效性進行了檢討，並沒有發現重大問題，但審核委員會已經確定有待改進的範疇，並採取了適當措施。此外，董事會認為，鑑於本集團業務規模、性質及複雜性，本集團目前並無設立內部審核功能的急切需要。本集團將每年審查上述情況。



Corporate Governance and Other Information

企業管治及其他資料

CHANGES IN DIRECTORS' INFORMATION

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

- (a) On 20 August 2020, Mr. Lai Law Kau ("Mr. Lai") was appointed as an executive Director and a member of the executive committee (the "Executive Committee"), the remuneration committee and the nomination committee of the Company, with an annual remuneration of HK\$480,000. Subsequently, with effect from 1 October 2020, (i) Mr. Lai was re-designated from an executive Director and a member of the Executive Committee to the chairman, chief executive officer and the chairman of the Executive Committee; and (ii) Mr. Kwong Jimmy Cheung Tim ("Mr. Kwong") was re-designated from the chairman, chief executive officer and the chairman of the Executive Committee to an executive Director and a member of the Executive Committee; and resigned as a member of the remuneration committee and the nomination committee of the Company. The remuneration for Mr. Kwong will be changed to HK\$600,000 per annum and there is no change for Mr. Lai's remuneration.
- (b) There were changes to the directorships of each of Mr. Lai and Mr. Kwong in certain members of the Group.

董事資料的變動

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

- (a) 於2020年8月20日，賴羅球先生（「賴先生」）獲委任為執行董事及本公司執行委員會（「執行委員會」）、薪酬委員會及提名委員會成員，其薪酬為每年480,000港元。其後，自2020年10月1日起，(i)賴先生由執行董事及執行委員會成員調任為本公司主席、首席行政總裁及執行委員會主席；及(ii)鄭長添先生（「鄭先生」）由本公司主席、首席行政總裁及執行委員會主席調任為本公司執行董事及執行委員會成員；以及辭任薪酬委員會及提名委員會成員。鄭先生之每年酬金變更為600,000港元，而賴先生之薪酬待遇並無變動。
- (b) 賴先生及鄭先生各自於本集團若干成員公司所擔任的董事職務上有所替換。

Corporate Governance and Other Information

企業管治及其他資料

CHANGES IN DIRECTORS' INFORMATION (CONTINUED)

- (c) The director's fee of all independent non-executive Directors, was changed from HK\$140,000 per annum to HK\$150,000 per annum with effect from 1 April 2020.

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

COMPLIANCE WITH THE MODEL CODE

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

AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Kan Ka Hon (chairman of the Audit Committee), Mr. Lau Sin Ming and Mr. Wu Koon Yin Welly. The Audit Committee has reviewed with the management on the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, including the review of the unaudited interim condensed consolidated financial statements for the six months ended 30 September 2020, the interim results announcement and this interim report.

董事資料的變動(續)

- (c) 自2020年4月1日起，所有獨立非執行董事之董事袍金由每年140,000港元更改至每年150,000港元。

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

遵守標準守則

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

審核委員會

審核委員會現時由三位獨立非執行董事組成，分別為簡嘉翰先生(審核委員會主席)、劉善明先生及吳冠賢先生。審核委員會已與管理層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2020年9月30日止六個月之未經審核中期簡明綜合財務報表、中期業績公佈及本中期業績報告。

Corporate Governance and Other Information

企業管治及其他資料

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

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

EMPLOYEES

As at 30 September 2020, the Group had 59 employees (30 September 2019: 59). Staff costs (including Directors' emoluments) amounted to approximately HK\$11,366,000 for the Period (2019 Period: approximately HK\$10,627,000). The Group remunerates its employees based on their performance, experience and prevailing industry practice. The Group has participated in the Mandatory Provident Fund Scheme for the Hong Kong's employees and has made contributions to the state-sponsored pension scheme operated by the PRC government for the PRC employees. The Group has a share option scheme to motivate valued employees.

購買、出售及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。

僱員

於2020年9月30日，本集團有59名員工(2019年9月30日：59名)。於本期間，員工成本(包括董事酬金)約為11,366,000港元(2019期間：約10,627,000港元)。本集團根據僱員之表現、經驗及現行業內慣例而釐定彼等之薪酬。本集團已參與為香港僱員設立之強制性公積金計劃，並為中國僱員向中國政府設立之國家資助退休金計劃作出供款。本集團設有購股權計劃，以鼓勵優秀員工。

Corporate Governance and Other Information 企業管治及其他資料

EVENTS AFTER THE END OF THE REPORTING PERIOD

報告期末後事項

(i) On 5 November 2020 (as supplemented by a supplemental agreement dated 9 November 2020), the Company and Easyknit International Holdings Limited (“Easyknit”) (stock code: 1218) entered into a sale and purchase agreement, pursuant to which, among other things, Easyknit conditionally agreed to purchase, and the Company conditionally agreed to sell, the entire issued shares of Above Ace Limited (“Above Ace”) and Success Edge, both being wholly-owned subsidiaries of the Company, and the Company agreed to procure the assignment to Easyknit of each of the shareholders’ loans owing by Above Ace and Success Edge to the Company at completion, at an aggregate consideration of HK\$1,100,000,000 (subject to adjustments). The completion of the sale and purchase agreement is subject to the Company’s independent shareholders’ approval and is conditional on the Company’s successful bid for Nos. 93 and 95 Catchick Street, Hong Kong in the public auction pursuant to the Ordinance.

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

(i) 於2020年11月5日(及日期為2020年11月9日之補充協議所補充)，本公司與永義國際集團有限公司(「永義」)(股份代號：1218)訂立買賣協議，據此(其中包括)，永義有條件同意收購，而本公司有條件同意出售Above Ace Limited(「Above Ace」)及Success Edge(均為本公司之全資附屬公司)之全部已發行股份，本公司同意促使於完成時Above Ace及Success Edge各自欠本公司之股東貸款轉讓給永義，總代價為1,100,000,000港元(可予調整)。買賣協議須待本公司獨立股東及永義股東批准後完成，以及本公司按照該條例在香港吉席街93及95號的公開拍賣中成功中標為條件。

詳細資料請參閱本公司及永義於日期為2020年11月9日之聯合公佈。

Corporate Governance and Other Information

企業管治及其他資料

EVENTS AFTER THE END OF THE REPORTING PERIOD (CONTINUED)

報告期末後事項(續)

(ii) On 17 November 2020, Skill Master Investments Limited (“Skill Master”) (as purchaser), a wholly-owned subsidiary of the Company, entered into a conditional agreement for sale and purchase (the “Agreement”) with an independent third party (as vendor) (the “Vendor”), pursuant to which, among other things, Skill Master conditionally agreed to acquire and take up, and the Vendor conditionally agreed to sell and assign, the entire issued share capital of Upway International Group Limited (“Upway International”) and the shareholder’s loan owing by Upway International to the Vendor on the completion date at a consideration of HK\$45,000,000 subject to the terms and conditions of the Agreement. On 25 November 2020, completion took place and Upway International became a wholly-owned subsidiary of the Company, and the Group now owns 29 units, representing approximately 93.33% of the undivided shares of Fung Wah Factorial Building, Nos. 646, 648 and 648A Castle Peak Road, Kowloon, Hong Kong.

Further information can be found in the Company’s announcement dated 17 November 2020.

(iii) On 18 September 2020, the Company and Goodco entered into the Deeds of Amendment in respect of the Proposed Alteration. On 19 November 2020, the Company successfully obtained the Company’s independent shareholders’ approval at the special general meeting of the Company.

Further information can be found in the announcements of the Company dated 21 September 2020 and 19 November 2020; and the circular of the Company dated 30 October 2020 respectively.

(ii) 於2020年11月17日，Skill Master Investments Limited(「Skill Master」)(作為買方)(本公司之一間全資附屬公司)與獨立第三方(作為賣方)(「賣方」)訂立有條件買賣協議(「協議」)，據此(其中包括)，Skill Master有條件同意根據買賣協議的條款及細則按代價45,000,000港元收購及受讓(而賣方有條件同意根據協議的條款及細則按代價出售及轉讓)佳上國際集團有限公司(「佳上國際」)之全部已發行股份及佳上國際於完成日欠賣方之股東貸款。於2020年11月25日完成後，佳上國際已成為本公司一間全資附屬公司，而本集團現擁有29個單位，佔位於香港九龍青山道646、648及648A號豐華工業大廈不分割份數約93.33%。

詳細資料請參閱本公司於日期為2020年11月17日之公佈。

(iii) 於2020年9月18日，本公司及佳豪就建議修訂訂立修訂契據。於2020年11月19日，本公司在本公司股東特別大會上成功獲得本公司獨立股東批准。

詳細資料請參閱本公司於日期分別為2020年9月21日及2020年11月19日之公佈；以及2020年10月30日之通函。

Corporate Governance and Other Information 企業管治及其他資料

FORWARD LOOKING STATEMENTS

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

ACKNOWLEDGEMENT

The Board would like to offer its sincere gratitude to the management team and all other employees for their hard work and dedication. Their excellence and commitment are of vital importance in enhancing the Company's growth. Finally, the Board would like to take this opportunity to thank the shareholders of the Company and all other stakeholders for their continuous support and confidence in the Company.

By Order of the Board
EMINENCE ENTERPRISE LIMITED

Lai Law Kau
Chairman and Chief Executive Officer

Hong Kong, 20 November 2020

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

前瞻性陳述

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

致謝

董事會謹向管理層團隊及所有其他僱員的努力及熱誠，致以真誠的謝意。彼等的卓越表現及承擔對提高本公司的發展起著關鍵作用。最後，董事會藉此機會感謝本公司各股東及所有其他利益相關者一直以來對本公司的鼎力支持及信任。

承董事會命
高山企業有限公司

主席兼首席行政總裁
賴羅球

香港，2020年11月20日

本中期業績報告之中，英文版如有任何歧義，概以英文版為準。

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收益表

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

| | | Six months ended 30 September 截至9月30日止六個月 | |
|--|-------------------------|--|--|
| | | 2020 HK\$'000 千港元 (Unaudited) (未經審核) | 2019 HK\$'000 千港元 (Unaudited) (未經審核) |
| | | NOTES 附註 | |
| Revenue | 營業額 | 3 | |
| Rental income | 租金收入 | | 22,664 |
| Management fee income | 管理費收入 | | 23,899 |
| Interest income from loan financing | 來自貸款融資之利息收入 | | 7,344 |
| | | | 11,349 |
| | | | 10,058 |
| | | | 41,357 |
| Cost of services rendered | 提供服務成本 | | 39,950 |
| | | | (1,800) |
| | | | 39,557 |
| | | | 37,862 |
| Other income | 其他收入 | | 4,162 |
| Other gains and losses | 其他收益及虧損 | | 4,593 |
| Other expenses | 其他開支 | | 84 |
| Administrative expenses | 行政開支 | | (49) |
| Net loss on modification of terms of convertible note | 更改可換股票據條款之虧損淨額 | 17 | (21,167) |
| Loss on changes in fair value of investment properties | 投資物業之公平值變動虧損 | 9 | (27,992) |
| Gain on disposal of subsidiaries | 出售附屬公司之收益 | | - |
| Release on disposal of debt instruments at fair value through other comprehensive income | 轉出因出售按公平值計入其他全面收益之債務工具 | | 57,511 |
| Write-down on properties held for development for sale | 持作出售發展物業之減值 | 12 | (313) |
| Reversal of (impairment loss) on financial assets, net: | 金融資產之減值虧損撥回(減值虧損)淨額: | | - |
| - Debt instruments at fair value through other comprehensive income | - 按公平值計入其他全面收益之債務工具 | | (60,851) |
| - Loans receivable | - 應收貸款 | 10 | 53 |
| Net loss on changes in fair value of financial assets at fair value through profit or loss | 按公平值計入損益之金融資產之公平值變動虧損淨額 | | 1,137 |
| Finance costs | 融資成本 | | (377) |
| | | | (16,013) |
| | | | (6,992) |
| Loss before taxation | 除稅前虧損 | 4 | (66,091) |
| Taxation | 稅項 | 5 | 1,539 |
| | | | 134 |

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

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

| | | Six months ended 30 September 截至9月30日止六個月 | |
|---|---|---|--|
| | | 2020 HK\$'000 千港元 (Unaudited) (未經審核) | 2019 HK\$'000 千港元 (Unaudited) (未經審核) |
| | NOTE 附註 | | |
| Loss for the period attributable to owners of the Company | 本公司股東應佔 本期間虧損 | (64,552) | (12,369) |
| Other comprehensive income (expense): | 其他全面收入(開支)： | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | 隨後可能重新分類至 損益之項目： | | |
| Exchange differences arising on translation of financial statements of foreign operations | 換算海外營運於 財務報表之 匯兌差異 | 23,606 | (25,841) |
| Change in fair value of debt instruments at fair value through other comprehensive income | 按公平值計入其他 全面收益之債務 工具公平值變動 | 2,859 | (988) |
| Release on disposal of debt instruments at fair value through other comprehensive income | 轉出因出售按公平值 計入其他全面收益之 債務工具 | 313 | - |
| (Reversal of) impairment loss on debt instruments at fair value through other comprehensive income included in profit or loss | 計入損益之按公平值 計入其他全面 收益之債務工具之 (減值虧損撥回) 減值虧損 | (53) | 185 |
| Other comprehensive income (expense) for the period | 本期間其他全面收入 (開支) | 26,725 | (26,644) |
| Total comprehensive expense for the period attributable to owners of the Company | 本公司股東應佔 本期間全面 開支總額 | (37,827) | (39,013) |
| | | | (Restated) (重列) |
| Basic and diluted loss per share (HK cents) | 每股基本及攤薄虧損 (港仙) | (6.93) | (7.44) |

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 September 2020 於2020年9月30日

| | | | 30 September | 31 March |
|---|-------------------|----|---------------------|-----------|
| | | | 9月30日 | 3月31日 |
| | | | 2020 | 2020 |
| | NOTES | | HK\$'000 | HK\$'000 |
| | 附註 | | 千港元 | 千港元 |
| | | | (Unaudited) | (Audited) |
| | | | (未經審核) | (經審核) |
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 8 | 6,171 | 6,780 |
| Right-of-use assets | 使用權資產 | 8 | 7,042 | 1,013 |
| Investment properties | 投資物業 | 9 | 1,275,489 | 1,262,573 |
| Loans receivable | 應收貸款 | 10 | 17,870 | 8,616 |
| Financial assets at fair value through profit or loss | 按公平值計入損益之金融資產 | 14 | 14,807 | 21,951 |
| Debt instruments at fair value through other comprehensive income | 按公平值計入其他全面收益之債務工具 | 11 | 33,488 | 32,528 |
| Other receivables | 其他應收款項 | 13 | 101,500 | 66,741 |
| | | | 1,456,367 | 1,400,202 |
| Current assets | 流動資產 | | | |
| Properties held for development for sale | 持作出售發展物業 | 12 | 2,664,667 | 2,441,200 |
| Trade and other receivables | 貿易及其他應收款項 | 13 | 26,099 | 16,705 |
| Loans receivable | 應收貸款 | 10 | 275,322 | 321,353 |
| Financial assets at fair value through profit or loss | 按公平值計入損益之金融資產 | 14 | 83,516 | 62,143 |
| Debt instruments at fair value through other comprehensive income | 按公平值計入其他全面收益之債務工具 | 11 | 8,040 | 3,623 |
| Bank balances and cash | 銀行結餘及現金 | | 165,265 | 357,767 |
| | | | 3,222,909 | 3,202,791 |

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 September 2020 於2020年9月30日

| | | | 30 September | 31 March |
|---------------------------------------|-----------|-------|---------------------|------------------|
| | | | 9月30日 | 3月31日 |
| | | | 2020 | 2020 |
| | | NOTES | HK\$'000 | HK\$'000 |
| | | 附註 | 千港元 | 千港元 |
| | | | (Unaudited) | (Audited) |
| | | | (未經審核) | (經審核) |
| Current liabilities | 流動負債 | | | |
| Trade and other payables | 貿易及其他應付款項 | 16 | 99,763 | 104,166 |
| Tax payable | 應付稅項 | | 9,444 | 8,839 |
| Convertible notes | 可換股票據 | 17 | 51,096 | 45,431 |
| Secured bank borrowings | 有抵押銀行借貸 | 18 | 381,936 | 379,177 |
| Lease liabilities | 租賃負債 | | 2,366 | 1,031 |
| | | | 544,605 | 538,644 |
| Net current assets | 流動資產淨值 | | 2,678,304 | 2,664,147 |
| Total assets less current liabilities | 資產總額減流動負債 | | 4,134,671 | 4,064,349 |
| Non-current liabilities | 非流動負債 | | | |
| Deferred tax liabilities | 遞延稅項負債 | | 25,504 | 27,647 |
| Convertible note | 可換股票據 | 17 | 44,566 | 42,270 |
| Secured bank borrowings | 有抵押銀行借貸 | 18 | 1,155,877 | 1,052,563 |
| Lease liabilities | 租賃負債 | | 4,682 | - |
| | | | 1,230,629 | 1,122,480 |
| | | | 2,904,042 | 2,941,869 |
| Capital and reserves | 資本及儲備 | | | |
| Share capital | 股本 | 19 | 186,291 | 186,291 |
| Reserves | 儲備 | | 2,717,751 | 2,755,578 |
| | | | 2,904,042 | 2,941,869 |

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

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

| | Share capital 千港元 | Share premium 千港元 | Convertible note equity reserve 可換股票權 千港元 | Capital reserve 股本儲備 千港元 | Contributed surplus 千港元 | Exchange reserve 匯兌儲備 千港元 | Investment revaluation reserve 投資重估儲備 千港元 | Property revaluation reserve 物業重估儲備 千港元 | Share options reserve 購股權儲備 千港元 | Accumulated profits (losses) 累計溢利(虧損) 千港元 | Total 總額 千港元 |
|---|----------------------|----------------------|---|--------------------------------|----------------------------|---------------------------------|---|---|---------------------------------------|---|--------------------|
| At 1 April 2019 (audited) Exchange differences arising on translation of financial statements of foreign operations Change in fair value of debt instruments at fair value through other comprehensive income Impairment loss on debt instruments at fair value through other comprehensive income included in profit or loss Loss for the period | 29,658 | 2,076,148 | 56,646 | 53,194 | 261,126 | 14,900 | 758 | 40,824 | 1,257 | 199,659 | 2,734,170 |
| 於2019年4月1日(經審核) 換算海外營運財務報表之匯兌差額 按公平值計入其他全面收益之債務工具之公平值變動 計入損益之按公平值計入其他全面收益之債務工具之減值虧損 本期間虧損 | - | - | - | - | - | (25,841) | - | - | - | - | (25,841) |
| Recognition of equity component of convertible note Deferred tax liability on recognition of equity component of convertible note Transfer upon modification of terms of convertible note Deferred tax liabilities released upon modification of terms of convertible note Recognition upon modification of terms of convertible note Deferred tax liability on recognition of equity component upon modification of terms of convertible note Issue of shares on conversion of convertible note Deferred tax liability released upon conversion of convertible note | - | - | 30,213 | - | - | - | (988) | - | - | - | (988) |
| 本期間全面可換股票權 確認可換股票權之權益成分 確認可換股票權之權益成分時之遞延稅項負債 更改可換股票條款時轉撥更改可換股票條款時解除 更改可換股票條款時解除遞延稅項負債 更改可換股票條款時確認 更改可換股票條款時發行股份 認購可換股票條款時發行股份 認購可換股票條款時解除遞延稅項負債 | - | - | (4,985) | - | - | (25,841) | (803) | - | - | (12,369) | (39,013) |
| Total comprehensive expense for the period | - | - | 30,213 | - | - | - | - | - | - | - | 30,213 |
| Recognition of equity component of convertible note Deferred tax liability on recognition of equity component of convertible note Transfer upon modification of terms of convertible note Deferred tax liabilities released upon modification of terms of convertible note Recognition upon modification of terms of convertible note Deferred tax liability on recognition of equity component upon modification of terms of convertible note Issue of shares on conversion of convertible note Deferred tax liability released upon conversion of convertible note | - | - | (48,710) | - | - | - | - | - | - | 48,710 | - |
| 本期間全面可換股票權 確認可換股票權之權益成分 確認可換股票條款時解除 遞延稅項負債 更改可換股票條款時確認 更改可換股票條款時發行股份 認購可換股票條款時發行股份 認購可換股票條款時解除遞延稅項負債 | - | - | 6,132 | - | - | - | - | - | - | - | 6,132 |
| Total comprehensive expense for the period | - | - | 42,456 | - | - | - | - | - | - | - | 42,456 |
| At 30 September 2019 (unaudited) | 37,258 | 2,114,148 | 56,028 | 53,194 | 261,126 | (10,941) | (45) | 40,824 | 1,257 | 236,200 | 2,789,849 |
| 於2019年9月30日(未經審核) | 37,258 | 2,114,148 | 56,028 | 53,194 | 261,126 | (10,941) | (45) | 40,824 | 1,257 | 236,200 | 2,789,849 |

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

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

| | Share capital | Share premium | Convertible note equity reserve | Capital reserve | Contributed surplus | Exchange reserve | Investment revaluation reserve | Property revaluation reserve | Share options reserve | Accumulated profits (losses) | Total |
|---|---------------|---------------|---------------------------------|-----------------|---------------------|------------------|--------------------------------|------------------------------|-----------------------|------------------------------|-----------|
| | 股本 | 股份溢價 | 可換股票權權益儲備 | 股本儲備 | 撥入盈餘 | 匯兌儲備 | 投資重估儲備 | 物業重估儲備 | 購股權儲備 | 累計溢利(虧損) | 總額 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| 於2020年4月1日(經審核) | 186,291 | 2,320,694 | 56,028 | 53,194 | 261,126 | (16,959) | (2,763) | 40,824 | - | 43,634 | 2,941,869 |
| Exchange differences arising on translation of financial statements of foreign operations | - | - | - | - | - | 23,606 | - | - | - | - | 23,606 |
| Change in fair value of debt instruments at fair value through other comprehensive income | - | - | - | - | - | - | 2,859 | - | - | - | 2,859 |
| Release on disposal of debt instruments at fair value through other comprehensive income | - | - | - | - | - | - | - | - | - | - | - |
| Impairment loss on debt instruments at fair value through other comprehensive income | - | - | - | - | - | - | 313 | - | - | - | 313 |
| Profit or loss | - | - | - | - | - | - | (53) | - | - | - | (53) |
| Loss for the period | - | - | - | - | - | - | - | - | - | (64,552) | (64,552) |
| Total comprehensive expense for the period | - | - | - | - | - | 23,606 | 3,119 | - | - | (64,552) | (37,827) |
| 於2020年9月30日(未經審核) | 186,291 | 2,320,694 | 56,028 | 53,194 | 261,126 | 6,647 | 356 | 40,824 | - | (20,918) | 2,904,042 |

Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動表

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

The capital reserve of the Group represents the credit arising from the reduction of share capital of the Company in March 2004 and September 2005 and can be applied in the future for distribution to the shareholders.

本集團之股本儲備代表來自2004年3月及2005年9月削減本公司股本之進賬以及可供將來分派予股東。

The contributed surplus of the Group represents the credit arising from the reduction of share capital of the Company in February 2003, October 2009, December 2012, November 2013, October 2014, March 2015 and October 2015, part of which was applied to set off against accumulated losses of the Company in October 2009, December 2012, November 2013, October 2014, March 2015 and October 2015. The balance may be utilised by the directors in accordance with the Company's Bye-laws and all applicable laws, including to eliminate the accumulated losses of the Company.

本集團之繳入盈餘代表本公司於2003年2月、2009年10月、2012年12月、2013年11月、2014年10月、2015年3月及2015年10月削減股本時所產生之進賬，部分已於2009年10月、2012年12月、2013年11月、2014年10月、2015年3月及2015年10月用作抵銷本公司之累計虧損。董事可根據本公司章程細則及所有適用之法例予以使用該結餘，包括用以抵銷本公司之累計虧損。

The property revaluation reserve of the Group represents the gain on revaluation of certain leasehold properties and prepaid lease payments of the Group when these leasehold properties and prepaid lease payments were transferred to investment properties.

本集團之物業重估儲備代表本集團轉撥出租物業及預付租賃款項至投資物業時重估若干出租物業及預付租賃款項之收益。

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

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

| | | Six months ended 30 September 截至9月30日止六個月 | |
|---|---------------------------|--|-------------|
| | | 2020 | 2019 |
| NOTE | | HK\$'000 | HK\$'000 |
| 附註 | | 千港元 | 千港元 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| Operating cash flows before movements in working capital | 未計營運資金變動前之經營現金流量 | 21,265 | 13,869 |
| Increase in properties held for development for sale | 持作出售發展物業增加 | (124,655) | (45,741) |
| Decrease in loans receivable | 應收貸款減少 | 39,067 | 43,034 |
| Increase in financial assets at fair value through profit or loss | 按公平值計入損益之金融資產增加 | (497) | (1,646) |
| Decrease in trade and other payables | 貿易及其他應付款項減少 | (4,500) | (6,527) |
| Other cash flows used in operating activities | 其他用於經營活動之現金流量 | (47,618) | (25,599) |
| Net cash used in operating activities | 用於經營活動之現金淨額 | (116,938) | (22,610) |
| Investing activities | 投資活動 | | |
| Proceeds from disposal of financial assets at fair value through profit or loss | 出售按公平值計入損益之金融資產之所得款項 | 33,529 | - |
| Proceeds from maturity of debt instruments at fair value through other comprehensive income | 按公平值計入其他全面收益之債務工具到期之所得款項 | 21,930 | 4,421 |
| Net cash outflow on acquisition of properties held for development for sale through acquisition of subsidiaries | 透過收購附屬公司收購持作出售發展物業之現金流出淨額 | (147,116) | (153,833) |

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

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

| | | Six months ended 30 September | |
|---|---------------------|--------------------------------------|-------------|
| | | 截至9月30日止六個月 | |
| | | 2020 | 2019 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| Purchase of financial assets at fair value through profit or loss | 購入按公平值計入損益之金融資產 | (48,173) | - |
| Purchase of debt instruments at fair value through other comprehensive income | 購入按公平值計入其他全面收益之債務工具 | (24,457) | (29,946) |
| Additions of investment properties | 添置投資物業 | (709) | (3,072) |
| Purchase of property, plant and equipment | 購入物業、廠房及設備 | (72) | (975) |
| Net cash inflow on disposal of subsidiaries | 出售附屬公司之現金流入淨額 | - | 360,997 |
| Deposits paid for acquisition of a subsidiary | 收購一間附屬公司之已付按金 | - | (50,000) |
| Placement of bank deposits with original maturity of more than three months | 敘做超過三個月到期之銀行存款 | - | (735) |
| Other investing cash flows | 其他投資現金流量 | 5,109 | 3,133 |
| Net cash (used in) from investing activities | (用於)來自投資活動之現金淨額 | (159,959) | 129,990 |

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

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

| | | Six months ended 30 September 截至9月30日止六個月 | |
|---|---------------------|--|--|
| | | 2020 HK\$'000 千港元 (Unaudited) (未經審核) | 2019 HK\$'000 千港元 (Unaudited) (未經審核) |
| Financing activities | 融資活動 | | |
| Bank borrowings raised | 籌集銀行借貸 | 233,060 | 48,815 |
| Repayment of bank borrowings | 償還銀行借貸 | (127,684) | (201,601) |
| Interest paid | 已付利息 | (20,463) | (19,428) |
| Repayment of lease liabilities | 租賃負債償還 | (1,249) | (1,248) |
| Proceeds from issue of convertible notes | 發行可換股票據之所得款項 | - | 70,000 |
| Net cash from (used in) financing activities | 來自(用於)融資活動之現金淨額 | 83,664 | (103,462) |
| Net (decrease) increase in cash and cash equivalents | 現金及等同現金之淨額(減少)增加 | (193,233) | 3,918 |
| Cash and cash equivalents at beginning of the period | 期初之現金及等同現金 | 357,767 | 141,582 |
| Effect of foreign exchange rate changes | 外匯匯率變動之影響 | 731 | (201) |
| Cash and cash equivalents at end of the period, represented by bank balances and cash | 期末之現金及等同現金，指銀行結餘及現金 | 165,265 | 145,299 |

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

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

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The condensed consolidated financial statements of Eminence Enterprise 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.

The Company is an associate of Easyknit International Holdings Limited (“Easyknit International”), an exempted company incorporated in Bermuda with its shares also listed on the Stock Exchange. At 30 September 2020, Easyknit International had 29.60% (31 March 2020: 27.47%) of the issued share capital of the Company.

1. 一般資料及編製基準

高山企業有限公司(「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，其股份於聯交所上市。

本公司為永義國際集團有限公司(「永義國際」)之聯營公司，一間於百慕達註冊成立為獲豁免之有限公司而其股份亦於聯交所上市。於2020年9月30日，永義國際持有本公司已發行股本之29.60%(2020年3月31日：27.47%)。

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

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

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.

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

2. 主要會計政策

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

除應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)導致會計政策變動外，截至2020年9月30日止六個月之簡明綜合財務報表所採納之會計政策及計算方法與本集團編製截至2020年3月31日止年度之全年綜合財務報表所採用者相同。

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

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

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Application of amendments to HKFRSs

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

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

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

2. 主要會計政策(續)

應用經修訂香港財務報告準則

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

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

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

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

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

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Application of amendments to HKFRSs (continued)

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

Accounting policies

Business combinations or asset acquisitions

Optional concentration test

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

2. 主要會計政策(續)

應用經修訂香港財務報告準則(續)

對應用香港財務報告準則第3號「業務定義」之修訂的影響及會計政策

會計政策

業務合併或資產收購

可選集中度測試

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

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

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

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Application of amendments to HKFRSs
(continued)

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

Transition and summary of effects

The Group has elected to apply the optional concentration test on the acquisition of Nice Able Holdings Limited (“Nice Able”) and Success Mark Investments Limited (“Success Mark”) as detailed in note 22 and concluded that such acquisitions do not constitute a business.

**Accounting policy newly applied by the
Group**

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

Government grants

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

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

2. 主要會計政策(續)

應用經修訂香港財務報告準則(續)

對應用香港財務報告準則第3號「業務定義」之修訂的影響及會計政策(續)

過渡性及影響之總結

誠如附註22所詳述，本集團已選擇對Nice Able Holdings Limited(「Nice Able」)和順滿投資有限公司(「順滿投資」)的收購進行可選的集中度測試並得出結論為該收購不構成業務。

本集團新採用之會計政策

於本中期期間本集團已採用以下與本集團相關的會計政策。

政府補助

直至有合理保證本集團將遵守政府補助所附帶條件才會確認政府補助。

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

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

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

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Accounting policy newly applied by the Group (continued)

Government grants (continued)

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

3. SEGMENT INFORMATION

Information reported to the Group’s chief executive officer, being the chief operating decision maker (the “CODM”), for the purposes of resources allocation and assessment of segment performance focuses on types of 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: (a) property investment, (b) property development, (c) investment in securities and (d) loan financing.

2. 主要會計政策(續)

本集團新採用之會計政策(續)

政府補助(續)

政府補助與應收收入有關而作為已發生的費用或損失的補償，或者是為了向本集團提供即時財務支持而沒有未來相關成本的目的，在應收款項的當期確認為損益。此類補助金列在「其他收入」內。

3. 分部資料

就資源分配及分部表現評估而言，呈報給本集團之主要經營決策者（「主要經營決策者」），為首席行政總裁之資料，乃集中於服務提供之種類。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。

根據香港財務報告準則第8號「經營分部」，本集團之經營及呈報分部為：(a)物業投資、(b)物業發展、(c)證券投資及(d)貸款融資。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

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

3. SEGMENT INFORMATION (CONTINUED)

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

For the six months ended 30 September 2020

3. 分部資料(續)

回顧本期間按經營及呈報分部劃分本集團之營業額及業績之分析如下：

截至2020年9月30日止六個月

| | | Property investment | Property development | Investment in securities | Loan financing | Consolidated |
|--------------------------------|----------|---------------------|----------------------|--------------------------|----------------|--------------|
| | | 物業投資 | 物業發展 | 證券投資 | 貸款融資 | 綜合 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) |
| | | (note) | (note) | | | |
| | | (附註) | (附註) | | | |
| Segment revenue | 分部營業額 | | | | | |
| External | 外來 | 30,008 | - | - | 11,349 | 41,357 |
| Segment profit (loss) | 分部溢利(虧損) | 10,346 | (65,036) | (1,455) | 8,324 | (47,821) |
| Other gains and losses | 其他收益及虧損 | | | | | 84 |
| Other expenses | 其他開支 | | | | | (49) |
| Finance costs | 融資成本 | | | | | (16,013) |
| Other income | 其他收入 | | | | | 4,162 |
| Unallocated corporate expenses | 無分配之公司開支 | | | | | (6,454) |
| Loss before taxation | 除稅前虧損 | | | | | (66,091) |

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

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

3. SEGMENT INFORMATION (CONTINUED)

3. 分部資料(續)

For the six months ended 30 September 2019

截至2019年9月30日止六個月

| | | Property investment 物業投資 HK\$'000 千港元 (Unaudited) (未經審核) (note) (附註) | Property development 物業發展 HK\$'000 千港元 (Unaudited) (未經審核) (note) (附註) | 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) | Consolidated 綜合 HK\$'000 千港元 (Unaudited) (未經審核) |
|---|----------------|---|--|--|--|--|
| Segment revenue | 分部營業額 | | | | | |
| External | 外來 | 29,892 | - | - | 10,058 | 39,950 |
| Segment profit (loss) | 分部溢利(虧損) | 14,424 | (28,091) | (8,640) | 7,027 | (15,280) |
| Other gains and losses | 其他收益及虧損 | | | | | (374) |
| Other expenses | 其他開支 | | | | | (43) |
| Finance costs | 融資成本 | | | | | (14,198) |
| Gain on disposal of subsidiaries | 出售附屬公司之收益 | | | | | 57,511 |
| Net loss on modification of terms of convertible note | 更改可換股票據條款之虧損淨額 | | | | | (37,526) |
| Other income | 其他收入 | | | | | 4,593 |
| Unallocated corporate expenses | 無分配之公司開支 | | | | | (7,186) |
| Loss before taxation | 除稅前虧損 | | | | | (12,503) |

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

附註：來自持作出售發展物業之租金收入已包括在物業投資之分部內。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

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

3. SEGMENT INFORMATION (CONTINUED)

Segment profit (loss) represents the result of each segment without allocation of other gains and losses, gain on disposal of subsidiaries, net loss on modification of terms of convertible note, other expenses, finance costs, other income and unallocated corporate expenses. This is the measure reported to the Group's CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

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

3. 分部資料(續)

分類溢利(虧損)乃指各分部之業績，當中沒有分配其他收益及虧損、出售附屬公司之收益、更改可換股票據條款之虧損淨額、其他開支、融資成本、其他收入及無分配之公司開支。用以向本集團之主要經營決策者，作為資源分配及表現評估之參考。

分部資產及負債

按經營及呈報分部分析本集團之資產及負債如下：

| | | 30 September | 31 March |
|---|-------------------------------|---------------------|-----------|
| | | 9月30日 | 3月31日 |
| | | 2020 | 2020 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| | | (Unaudited) | (Audited) |
| | | (未經審核) | (經審核) |
| Segment assets | 分部資產 | | |
| Property investment | 物業投資 | 1,282,792 | 1,267,969 |
| Property development | 物業發展 | 2,770,470 | 2,511,772 |
| Investment in securities | 證券投資 | 115,594 | 113,819 |
| Loan financing | 貸款融資 | 294,060 | 331,046 |
| Total segment assets | 分部資產總額 | 4,462,916 | 4,224,606 |
| Unallocated financial assets at fair value through profit or loss ("FVTPL") | 無分配之按公平值計入損益之金融資產 (「公平值計入損益」) | 38,382 | 13,487 |
| Right-of-use assets | 使用權資產 | 7,042 | 1,013 |
| Bank balances and cash | 銀行結餘及現金 | 165,265 | 357,767 |
| Others | 其他 | 5,671 | 6,120 |
| Consolidated assets | 綜合資產 | 4,679,276 | 4,602,993 |

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

3. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (continued)

3. 分部資料(續)

分部資產及負債(續)

| | | 30 September 9月30日 2020 HK\$'000 千港元 (Unaudited) (未經審核) | 31 March 3月31日 2020 HK\$'000 千港元 (Audited) (經審核) |
|----------------------------|-------------|---|--|
| Segment liabilities | 分部負債 | | |
| Property investment | 物業投資 | 58,334 | 61,214 |
| Property development | 物業發展 | 29,681 | 29,755 |
| Investment in securities | 證券投資 | 52 | 120 |
| Loan financing | 貸款融資 | 10,450 | 10,690 |
| | | <hr/> | <hr/> |
| Total segment liabilities | 分部負債總額 | 98,517 | 101,779 |
| Secured bank borrowings | 有抵押銀行借貸 | 1,537,813 | 1,431,740 |
| Convertible notes | 可換股票據 | 95,662 | 87,701 |
| Lease liabilities | 租賃負債 | 7,048 | 1,031 |
| Unallocated | 無分配 | 36,194 | 38,873 |
| | | <hr/> | <hr/> |
| Consolidated liabilities | 綜合負債 | 1,775,234 | 1,661,124 |

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

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

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 unallocated financial assets at FVTPL, right-of-use assets, bank balances and cash and other assets used jointly by operating and reportable segments.
- all liabilities are allocated to operating and reportable segments other than secured bank borrowings, liability portion of convertible notes, lease liabilities and other liabilities for which operating and reportable segments are jointly liable.

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：

- 除無分配之按公平值計入損益之金融資產、使用權資產、銀行結餘及現金及經營及呈報分部共同使用之其他資產外，所有資產已分配至經營及呈報分部。
- 除有抵押銀行借貸、可換股票據負債成分、租賃負債及經營及呈報分部共同承擔之其他負債外，所有負債已分配至經營及呈報分部。

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4. LOSS BEFORE TAXATION

4. 除稅前虧損

| | | Six months ended 30 September | |
|---|-------------------------|----------------------------------|-------------|
| | | 截至9月30日止六個月 | |
| | | 2020 | 2019 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| Loss before taxation has been arrived at after charging: | 除稅前虧損已扣除： | | |
| Interest on bank borrowings | 銀行借貸利息 | 18,374 | 18,062 |
| 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 | (12,411) | (11,529) |
| | | 5,963 | 6,533 |
| Effective interest expense on convertible notes | 可換股票據之實際利息開支 | 10,027 | 7,613 |
| Interest on lease liabilities | 租賃負債利息 | 23 | 52 |
| | | 16,013 | 14,198 |
| Depreciation of property, plant and equipment | 物業、廠房及設備之折舊 | 703 | 637 |
| Depreciation of right-of-use assets | 使用權資產之折舊 | 1,214 | 1,215 |
| Net exchange (gain) loss (included in other gains and losses) | 匯兌(溢利)虧損淨額(包括在其他收益及虧損內) | (84) | 374 |
| Total staff costs (including directors' emoluments) | 職工成本總額(包含董事酬金) | 11,366 | 10,627 |
| and after crediting: | 及已計入其他收入： | | |
| Bank and other interest income | 銀行及其他利息收入 | (2,371) | (2,047) |
| Dividend income from listed investments | 來自上市投資之股息收入 | (879) | (1,626) |
| Government grant | 政府補助 | (639) | - |

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簡明綜合財務報表附註

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

5. TAXATION

5. 稅項

| | | Six months ended 30 September | |
|---|----------------------------|----------------------------------|--------------------|
| | | 截至9月30日止六個月 | |
| | | 2020 | 2019 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| The tax charge comprises: | 稅項開支包含： | | |
| Current tax: | 本期稅項： | | |
| Hong Kong | 香港 | 146 | 1 |
| People's Republic of China ("PRC") Enterprise Income Tax | 中華人民共和國 (「中國」)企業 所得稅 | 1,185 | 743 |
| Other jurisdiction | 其他司法地區 | 220 | 28 |
| | | 1,551 | 772 |
| Underprovision in prior years: | 過往年度撥備不足： | | |
| Hong Kong | 香港 | - | - |
| PRC | 中國 | - | 163 |
| Other jurisdiction | 其他司法地區 | 17 | 41 |
| | | 17 | 204 |
| Deferred tax | 遞延稅項 | (3,107) | (1,110) |
| | | (1,539) | (134) |

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

就兩個年度之香港利得稅乃根據估計應課稅溢利之16.5%計算。

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簡明綜合財務報表附註

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

5. TAXATION (CONTINUED)

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries in the PRC is 25%.

Taxation arising in other jurisdiction is calculated at the rates prevailing in the relevant jurisdiction.

6. DIVIDEND

No dividends were paid, declared and proposed in respect of both interim periods.

7. BASIC AND DILUTED LOSS PER SHARE

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

5. 稅項(續)

根據中華人民共和國公佈企業所得稅法(「企業所得稅法」)及企業所得稅法之實施條例，於中國之附屬公司之稅率為25%。

其他司法引伸之稅項乃按相關司法之現行稅率計算。

6. 股息

於兩個中期內並無派付、宣派及建議任何股息。

7. 每股基本及攤薄虧損

本公司股東應佔之每股基本及攤薄虧損乃根據以下資料計算：

Six months ended

30 September

截至9月30日止六個月

| 2020 | 2019 |
|-------------|-------------|
| HK\$'000 | HK\$'000 |
| 千港元 | 千港元 |
| (Unaudited) | (Unaudited) |
| (未經審核) | (未經審核) |

Loss for the purpose of basic and diluted loss per share 就每股基本及攤薄虧損而言之虧損

(64,552)**(12,369)**

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簡明綜合財務報表附註

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

7. BASIC AND DILUTED LOSS PER SHARE (CONTINUED) 7. 每股基本及攤薄虧損(續)

| | Number of shares | |
|--|------------------|------------|
| | 股份數目 | |
| | '000 | '000 |
| | 千 | 千 |
| | | (Restated) |
| | | (重列) |
| Weighted average number of ordinary shares for the purpose of basic and diluted loss per share | | |
| 就每股基本及攤薄虧損而言之加權平均普通股股份數目 | 931,458 | 166,269 |

The computation of diluted loss per share for the six months ended 30 September 2020 and 2019 does not assume the exercise of the Company's outstanding convertible notes and share options as the exercise would result in a decrease in loss per share.

The weighted average number of ordinary shares for the purpose of basic and diluted loss per share for the six months ended 30 September 2019 have been adjusted for the consolidation of shares on 8 January 2020 and rights issue on 4 February 2020.

於計算截至2020年9月30日及2019年9月30日止六個月之每股攤薄虧損時並沒有假設行使本公司尚未行使之購股權會因其行使導致每股虧損減少。

就計算截至2019年9月30日止六個月之每股基本及攤薄虧損而言之加權平均普通股已按2020年1月8日之股份合併及2020年2月4日之供股予以調整。

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

8. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the current interim period, the Group spent HK\$72,000 (six months ended 30 September 2019: HK\$975,000) on acquisition of property, plant and equipment.

For both periods, the Group leases office for its operations. During the current interim period, the Group entered into a renewal of lease agreement with lease term of 3 years without extension and termination option and recognised right-of-use assets of HK\$7,243,000 (six months ended 30 September 2019: nil) and lease liabilities of HK\$7,243,000 (six months ended 30 September 2019: nil).

8. 物業、廠房及設備及使用權資產

於本中期期間，本集團用於購入物業、廠房及設備之款項為72,000港元(截至2019年9月30日止六個月：975,000港元)。

在這兩個期間，本集團均租用辦公室進行經營。於本中期期間，本集團訂立續期為三年且無延期及終止選擇權之租賃協議，並確認使用權資產7,243,000港元(截至2019年9月30日止六個月：無)及租賃負債7,243,000港元(截至2019年9月30日止六個月：無)。

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

9. INVESTMENT PROPERTIES

9. 投資物業

| | | 2020 | | 2019 | |
|--|---------------------|---------------------------------|---------------------------------|---|-----------|
| | | Completed investment properties | Completed investment properties | Investment properties under development | Total |
| | | 已完成投資物業 | 已完成投資物業 | 發展中投資物業 | 總額 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 |
| At 1 April (audited) (note) | 於4月1日(經審核) (附註) | 1,262,573 | 1,611,006 | 52,355 | 1,663,361 |
| Exchange adjustments | 匯兌調整 | 24,521 | (25,051) | (3,402) | (28,453) |
| Additions | 添置 | 709 | 2,023 | 1,049 | 3,072 |
| Disposal of subsidiaries | 出售附屬公司 | - | (304,000) | - | (304,000) |
| (Decrease) increase in fair value recognised in profit or loss | 於損益確認之公平值 (減少)增加 | (12,314) | (4,653) | 2,939 | (1,714) |
| At 30 September (unaudited) | 於9月30日(未經審核) | 1,275,489 | 1,279,325 | 52,941 | 1,332,266 |
| Analysed as: | 分析為： | | | | |
| At 30 September | 於9月30日 | | | | |
| Non-current assets | 非流動資產 | 1,275,489 | 1,279,325 | 52,941 | 1,332,266 |
| At 31 March | 於3月31日 | | | | |
| Assets classified as held for sale | 分類為持作出售 資產 | - | 304,000 | - | 304,000 |
| Non-current assets | 非流動資產 | 1,262,573 | 1,307,006 | 52,355 | 1,359,361 |
| | | 1,262,573 | 1,611,006 | 52,355 | 1,663,361 |

Note: Of the completed investment properties at 1 April 2019, HK\$304,000,000 were presented separately as assets classified as held for sale. These properties were disposed of through disposal of subsidiaries during the last interim period.

附註：於2019年4月1日之已完成投資物業中，304,000,000港元單獨列為持作出售資產。於上一個中期期間，該等物業乃通過出售附屬公司而出售。

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9. INVESTMENT PROPERTIES (CONTINUED)

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

During the year ended 31 March 2020, the Group transferred all investment properties under development to completed investment properties upon the completion of the construction work and commencement of lease to an independent third party.

The fair values of the Group's investment properties at the end of the reporting period were arrived at on the basis of valuation carried out as at respective dates by the following independent firms of qualified professional property valuers not connected with the Group:

9. 投資物業(續)

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

截至2020年3月31日止年度，本集團年內於建築工程完成及開始租賃予獨立第三方時，將在建投資物業轉移至已完工投資物業。

本集團投資物業於報告期末之公平值乃按以下與本集團沒有關連之獨立合資格專業物業估值師行於該等日期進行估值之基準釐定：

| Name of valuer 估值師行名稱 | Location of investment properties 投資物業之所在地 | Carrying amount 賬面值 | |
|--|---|---|--|
| | | 30 September 9月30日 2020 HK\$'000 千港元 (Unaudited) (未經審核) | 31 March 3月31日 2020 HK\$'000 千港元 (Audited) (經審核) |
| Vigers Appraisal and Consulting Limited 威格斯資產評估顧問有限公司 | Hong Kong 香港 | 778,799 | 777,100 |
| Vigers Appraisal and Consulting Limited 威格斯資產評估顧問有限公司 | PRC 中國 | 347,896 | 337,424 |
| Edmund Tie & Company (SEA) Pte Ltd | Singapore 新加坡 | 148,794 | 148,049 |
| | | 1,275,489 | 1,262,573 |

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9. INVESTMENT PROPERTIES (CONTINUED)

The fair value of completed investment properties in Hong Kong amounting to HK\$778,799,000 (31 March 2020: HK\$777,100,000) was arrived at by reference to market evidence of recent transaction prices for similar properties and price per net saleable area, adjusted to reflect the locations and conditions of the subject 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 fair value of completed investment properties in the PRC amounting to HK\$347,896,000 (31 March 2020: HK\$337,424,000) was arrived at by reference to net rental income allowing for reversionary income potential using the applicable market yields for respective locations and types of properties.

The fair value of completed investment properties in Singapore amounting to HK\$148,794,000 (31 March 2020: HK\$148,049,000) was arrived at by reference to market evidence of recent transaction prices for similar properties and price per net saleable area, adjusted to reflect the locations and conditions of the subject properties.

9. 投資物業(續)

於香港之已完成投資物業之公平值為778,799,000港元(2020年3月31日: 777,100,000港元)乃參考同類型物業之近期成交價格之市場情況、每平方尺價格,調整至反映相關物業之位置及狀況及參考採用適用市場收益之相關地區及物業類型之歸屬潛在收入得出之租金收入淨額。

於中國之已完成投資物業之公平值為347,896,000港元(2020年3月31日: 337,424,000港元)乃參考採用適用市場收益之相關地區及物業類型之歸屬潛在收入得出之租金收入淨額。

於新加坡之已完成投資物業之公平值為148,794,000港元(2020年3月31日: 148,049,000港元)乃參考同類型物業之近期成交價格之市場情況釐定,調整至反映相關物業之位置及狀況。

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10. LOANS RECEIVABLE**10. 應收貸款**

| | | 30 September | 31 March |
|-----------------------------|--------|---------------------|-----------|
| | | 9月30日 | 3月31日 |
| | | 2020 | 2020 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| | | (Unaudited) | (Audited) |
| | | (未經審核) | (經審核) |
| Fixed rate loans receivable | 定息應收貸款 | 307,828 | 345,742 |
| Less: Impairment allowance | 減：減值撥備 | (14,636) | (15,773) |
| | | 293,192 | 329,969 |
| Analysed as: | 分析為： | | |
| Current portion | 流動部分 | 275,322 | 321,353 |
| Non-current portion | 非流動部分 | 17,870 | 8,616 |
| | | 293,192 | 329,969 |
| Secured | 有抵押 | 109,077 | 112,466 |
| Unsecured | 無抵押 | 184,115 | 217,503 |
| | | 293,192 | 329,969 |

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10. LOANS RECEIVABLE (CONTINUED)

The movement of impairment allowance for loans receivable during the six months ended 30 September 2020 is as follows:

10. 應收貸款(續)

截至2020年9月30日止六個月內，應收貸款之減值撥備之變動如下：

| | | Impairment allowance for loans receivable* 應收貸款之 減值撥備* HK\$'000 千港元 |
|---|------------------------|--|
| At 1 April 2019 (audited) | 於2019年4月1日(經審核) | 9,192 |
| Changes due to loans receivable recognised as at 1 April 2019 | 於2019年4月1日由於已確認應收貸款而變動 | |
| – Repayments | – 還款 | (830) |
| – Net remeasurement of ECL | – 預期信貸虧損之重新計量淨額 | 3,827 |
| New loans granted | 授出的新貸款 | 3,584 |
| At 31 March 2020 (audited) | 於2020年3月31日(經審核) | 15,773 |
| Changes due to loans receivable recognised as at 1 April 2020 | 於2020年4月1日由於已確認應收貸款之變動 | |
| – Repayments | – 還款 | (2,473) |
| – Net remeasurement of ECL | – 預期信貸虧損之重新計量淨額 | 1,156 |
| New loans granted | 授出的新貸款 | 180 |
| At 30 September 2020 (unaudited) | 於2020年9月30日(未經審核) | 14,636 |

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

* 12個月預期信貸虧損計量基準(「12個月預期信貸虧損」，而「預期信貸虧損」代表預期信貸虧損)。

At 30 September 2020, the range of interest rates on the Group's loans receivable is 4% to 14% (31 March 2020: 4% to 14%) per annum.

於2020年9月30日，本集團之應收貸款年利率介乎4%至14%(2020年3月31日：4%至14%)。

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10. LOANS RECEIVABLE (CONTINUED)

The management closely monitors the credit quality of loans receivable amounting to HK\$293,192,000 at 30 September 2020. During the six months ended 30 September 2020, reversal of allowance for loans receivable of HK\$1,137,000 was recognised in profit or loss (six months ended 30 September 2019: HK\$606,000). As at 30 September 2020, allowance for loans receivable amounted to HK\$14,636,000. There are no loans receivable which are past due at the end of the reporting period.

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

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

10. 應收貸款(續)

管理層緊密監控於2020年9月30日之應收貸款293,192,000港元之信貸質素。截至2020年9月30日止六個月，應收貸款之撥備撥回1,137,000港元已於損益確認(截至2019年9月30日止六個月：606,000港元)。於2020年9月30日，應收貸款之撥備為14,636,000港元。於報告期末，並無已逾期應收貸款。

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

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

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

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

11. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

11. 按公平值計入其他全面收益之債務工具

| | 30 September 9月30日 2020 HK\$'000 千港元 (Unaudited) (未經審核) | 31 March 3月31日 2020 HK\$'000 千港元 (Audited) (經審核) |
|--|--|---|
| Listed investments, at fair value: | | |
| Debt securities listed in Hong Kong or overseas with fixed interest ranging from 4.600% to 11.000% (31 March 2020: 4.600% to 9.125%) per annum and maturity dates ranging from 6 November 2020 to 28 February 2023 (31 March 2020: 18 February 2021 to 28 February 2023) | 上市投資，按公平值：於香港或海外上市之債務證券，固定年利率介乎4.600%至11.000% (2020年3月31日4.600%至9.125%) 及到期日介乎2020年11月6日至2023年2月28日 (2020年3月31日：2021年2月18日至2023年2月28日) | 36,151 |
| | 41,528 | 36,151 |
| Analysed as: | | |
| Current portion | 8,040 | 3,623 |
| Non-current portion | 33,488 | 32,528 |
| | 41,528 | 36,151 |

As at 30 September 2020, debt instruments at fair value through other comprehensive income ("FVTOCI") are stated at fair values which were determined based on the quoted market closing prices available on the Stock Exchange or an overseas recognised stock exchange.

於2020年9月30日，按公平值計入其他全面收益之債務工具以公平值列賬，並根據聯交所或其他海外認可證券交易所所報之市場收市價釐定。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

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

11. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

Debt instruments at FVTOCI are listed bonds with the credit loss allowance measured on 12m ECL basis as the credit risk on financial instrument has not increased significantly since initial recognition. The Group assesses the ECL for debt instruments at FVTOCI by reference to credit rating of the bond investment by rating agencies, macroeconomic factors affecting the respective industry for each issuer, corporate historical default and loss rate and exposure of default of each bond investment.

Reversal of credit loss allowance of HK\$53,000 was recognised in profit or loss in the current period (six months ended 30 September 2019: credit loss allowance of HK\$185,000).

During the current interim period, the Group spent HK\$24,457,000 (six months ended 30 September 2019: HK\$29,946,000) on acquisition of listed debt securities and received HK\$21,930,000 (six months ended 30 September 2019: HK\$4,421,000) from settlement of matured listed debt securities.

11. 按公平值計入其他全面收益之債務工具(續)

按公平值計入其他全面收益之債務工具為按12個月預期信貸虧損基準計量信貸虧損撥備之上市債券，乃由於自初始確認後金融工具之信貸風險並無顯著增加。本集團參考評級機構對債券投資之信貸評級、影響各發行人各自行業之宏觀經濟因素、企業歷史違約率及損失率以及各債券投資違約風險，評估按公平值計入其他全面收益之債務工具之預期信貸虧損。

本年度預期信貸虧損撥備撥回53,000港元於損益中確認(2019年9月30日止六個月：預期信貸虧損撥備185,000港元)。

於本中期期間，本集團動用24,457,000港元(截至2019年9月30日止六個月：29,946,000港元)收購上市債務證券及從已到期之上市債務證券收取21,930,000港元(截至2019年9月30日止六個月：4,421,000港元)。

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

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

12. PROPERTIES HELD FOR DEVELOPMENT FOR SALE

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

At 30 September 2020 and 31 March 2020, the whole amount of properties held for development for sale is expected to be completed more than twelve months after the end of the reporting periods.

At 30 September and 31 March 2020, the Group performed assessment of net realisable value on its properties held for development for sale with reference to valuations made by independent qualified professional property valuers not connected with the Group. The valuations were arriving at by using the residual method. At 30 September 2020, the estimated net realisable value of the properties held for development for sale was lower than their carrying amounts, a write-down amounting to HK\$60,851,000 was recognised in profit or loss in the current period (six months ended 30 September 2019: HK\$24,051,000).

12. 持作出售發展物業

本集團之持作出售發展物業乃位於香港。

於2020年9月30日及2020年3月31日，持作出售發展物業之全額預期於報告期末後超過十二個月完成。

於2020年9月30日及2020年3月31日，本集團已就持作出售發展物業進行可變現淨值評估乃參考與本集團沒有關連之獨立合資格專業物業估值師之估值。該等估值乃根據餘值法得出。於2020年9月30日，持作出售發展物業之可變現淨值低於其賬面值，於本期的損益中確認減值60,851,000港元(2019年9月30日六個月：24,051,000港元)。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

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

13. TRADE AND OTHER RECEIVABLES 13. 貿易及其他應收款項

| | | 30 September 9月30日 2020 HK\$'000 千港元 (Unaudited) (未經審核) | 31 March 3月31日 2020 HK\$'000 千港元 (Audited) (經審核) |
|---|---------------|---|--|
| Trade receivables from contracts with customers | 來自合約客戶之貿易應收款項 | 1,444 | 364 |
| Lease receivables | 應收租賃款項 | 3,402 | 2,447 |
| Prepayments | 預付款項 | 4,865 | 4,559 |
| Interest receivable | 應收利息 | 858 | 1,739 |
| Refundable stamp duty (note) | 應退印花稅(附註) | 101,500 | 66,741 |
| Other receivables | 其他應收款項 | 15,530 | 7,596 |
| | | 127,599 | 83,446 |
| Analysed as: | 分析為： | | |
| Current portion | 流動部分 | 26,099 | 16,705 |
| Non-current portion | 非流動部分 | 101,500 | 66,741 |
| | | 127,599 | 83,446 |

Note: 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. At 30 September 2020, the amount is included in the Group's non-current assets in the condensed consolidated statement of financial position as it is expected that the refund of stamp duty will be received after twelve months from the end of the reporting period.

附註：根據香港印花稅法例之條款，當物業重建項目開始時，本集團申請退回已支付印花稅。於2020年9月30日，由於預計於報告期末12個月後才會收到印花稅退款，故該金額包括在本集團簡明綜合財務狀況表之非流動資產內。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

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

13. TRADE AND OTHER RECEIVABLES (CONTINUED) 13. 貿易及其他應收款項(續)

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

本集團沒有給予於物業投資分部之租戶除賬期。於報告期末，根據發票日期，貿易應收款項之賬齡分析如下：

| | | 30 September | 31 March |
|-------------|---------|---------------------|-----------|
| | | 9月30日 | 3月31日 |
| | | 2020 | 2020 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| | | (Unaudited) | (Audited) |
| | | (未經審核) | (經審核) |
| 0-60 days | 0-60日 | 3,249 | 2,354 |
| 61-90 days | 61-90日 | 353 | 293 |
| 91-120 days | 91-120日 | 1,244 | 164 |
| | | 4,846 | 2,811 |

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

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

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

14. 按公平值計入損益之金融資產

| | 30 September 9月30日 2020 HK\$'000 千港元 (Unaudited) (未經審核) | 31 March 3月31日 2020 HK\$'000 千港元 (Audited) (經審核) |
|--|---|--|
| Listed investments, at fair value: | | |
| – Equity securities listed in Hong Kong (note (a)) | 35,478 | 39,606 |
| – Perpetual bonds (note (b)) | 14,807 | 21,951 |
| Unlisted investments, at fair value | | |
| – Principal protected deposits (note (c)) | 19,030 | 2,523 |
| – Convertible note (note (d)) | 9,656 | 9,050 |
| – Investment funds (note (e)) | 11,495 | 10,964 |
| – Structured products (note (f)) | 7,857 | – |
| | 98,323 | 84,094 |
| Analysed as: | | |
| Current portion | 83,516 | 62,143 |
| Non-current portion | 14,807 | 21,951 |
| | 98,323 | 84,094 |

The directors of the Company have no intention to redeem the perpetual bonds within twelve months from the end of the reporting period. Also, the earliest possible exit dates of some perpetual bonds are after twelve months from the end of the reporting period. These investments are therefore classified as non-current assets in the condensed consolidated statement of financial position.

本公司董事並無意於報告期末十二個月內贖回永久債券。此外，某些永久債券之最早可能退出日期是從報告期結束起12個月後。該等投資因此於簡明綜合財務狀況表內分類為非流動資產。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

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

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Notes:

- (a) The fair values of the listed equity securities are determined based on the quoted market closing prices available on the Stock Exchange.
- (b) The fair value of the perpetual bonds as at 30 September 2020, which amounted to HK\$14,807,000 (31 March 2020: HK\$21,951,000), is determined based on the quoted market closing prices available on an overseas recognised stock exchange, with fixed interest ranging from 3.900% to 7.375% (31 March 2020: from 5.750% to 7.375%) per annum.

The perpetual bonds are recognised as follows:

| | | HK\$'000 千港元 |
|--|-------------------|-----------------|
| At 1 April 2019 (audited) | 於2019年4月1日(經審核) | 4,012 |
| Additions | 添置 | 20,600 |
| Interest received | 已收利息 | (769) |
| Fair value loss recognised in profit or loss | 公平值虧損於損益確認 | (1,649) |
| Exchange adjustments | 匯兌調整 | (243) |
| At 31 March 2020 (audited) | 於2020年3月31日(經審核) | 21,951 |
| Additions | 添置 | 1,383 |
| Interest received | 已收利息 | (814) |
| Fair value gain recognised in profit or loss | 公平值收益於損益確認 | 2,778 |
| Exchange adjustments | 匯兌調整 | 30 |
| Settlement on redemption | 贖回時結算 | (10,521) |
| At 30 September 2020 (unaudited) | 於2020年9月30日(未經審核) | 14,807 |

14. 按公平值計入損益之金融資產(續)

附註：

- (a) 上市股本證券之公平值根據聯交所所報之市場收市價釐定。
- (b) 永久債券於2020年9月30日之公平值14,807,000港元(2020年3月31日：21,951,000港元)根據海外確認的證券交易所所報之市場收市價釐定，固定年利率介乎3.900%至7.375%(2020年3月31日：介乎5.750%至7.375%)。

永久債券確認如下：

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

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

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

14. 按公平值計入損益之金融資產(續)

Notes: (continued)

附註：(續)

(c) The principal protected deposits are denominated in Renminbi ("RMB") and issued by banks in the PRC. They contain embedded derivative, the interest rate of which is determined with reference to the exchange rate of United States dollars ("USD") against Hong Kong dollars ("HKD") and ranges from 1.00% to 2.80% (31 March 2020: 1.40% to 3.41%) per annum with original maturity of three months.

(c) 保本存款以人民幣(「人民幣」)列值並由於中國的銀行發行。其包含內含衍生項目，息率之釐定乃參考美元兌港元之兌換率及年利率介乎1.00%至2.80%(2020年3月31日：1.40%至3.41%)及三個月到期。

(d) On 1 February 2019, the Group subscribed for convertible note issued by a company listed on GEM of the Stock Exchange, with principal amount of HK\$10,000,000 which carries interest at 8% per annum payable monthly in arrears with maturity on 1 February 2021 at redemption amount of 100% of the principal amount. The convertible note can be converted at any time from the date of issue to the maturity date with conversion price of HK\$0.9 per conversion share. In addition, each of the Group and the issuer has the option to early redeem the convertible note at any time from the date of issue to the maturity date at 100% of the principal amount outstanding under the convertible note together with all accrued interest.

(d) 於2019年2月1日，本集團認購由聯交所創業板上市的一家公司之可換股票據，本金額為10,000,000港元，年利率為8%，於每月月末支付及於2021年2月1日到期時贖回100%之本金額。可換股票據自發行日起至到期日止之任何時間以每股0.9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可換股票據尚餘之100%本金額及所有計提利息。

On 19 March 2019, the issuer and the Group entered into a deed of amendment to revise the terms of the convertible note. According to the deed of amendment, the option for each of the Group and the issuer to early redeem the convertible note at any time was cancelled from the date of signing of the deed of amendment.

於2019年3月19日，發行人及本集團簽訂修訂契約以更改可換股票據之條款。根據修訂契約，本集團及發行人於任何時間可提早贖回可換股票據之權利自簽訂修訂契約日取消。

The fair value of the convertible note at 30 September 2020, which amounted to HK\$9,656,000 (31 March 2020: HK\$9,050,000), is determined based on the valuation provided by Fairdex Valuation Advisory Limited, an independent firm of professional qualified valuers not connected with the Group.

可換股票據於2020年9月30日之公平值9,656,000港元(2020年3月31日：9,050,000港元)乃根據由一間與本集團無關聯的獨立專業合資格估值師行誠迅評估有限公司提供。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

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

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

14. 按公平值計入損益之金融資產(續)

Notes: (continued)

附註：(續)

(d) (continued)

(d) (續)

The convertible note is recognised as follows:

可換股票據確認如下：

| | | HK\$'000 千港元 |
|--|-------------------|-----------------|
| At 1 April 2019 (audited) | 於2019年4月1日(經審核) | 9,891 |
| Interest received | 已收利息 | (867) |
| Fair value gain recognised in profit or loss | 公平值收益於損益確認 | 26 |
| At 31 March 2020 (audited) | 於2020年3月31日(經審核) | 9,050 |
| Interest received | 已收利息 | (400) |
| Fair value gain recognised in profit or loss | 公平值收益於損益確認 | 1,006 |
| At 30 September 2020 (unaudited) | 於2020年9月30日(未經審核) | 9,656 |

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

用作估值可換股票據之方法及假設如下：

VALUATION OF CONVERTIBLE NOTE

可換股票據估值

The convertible note is measured at fair value using the Binomial Option Pricing Model, 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:

可換股票據於首次確認及於各其後報告期末使用二項式期權定價模型計量。於認購日期及報告期末，該模型之輸入數據如下：

| | | Date of subscription 1 February 2019 | At 31 March 2020 於2020年 3月31日 | At 30 September 2020 於2020年 9月30日 |
|------------------|------|--|--|--|
| Stock price | 證券價格 | HK\$0.86(港元) | HK\$0.34(港元) | HK\$0.28(港元) |
| Conversion price | 換股價 | HK\$0.90(港元) | HK\$0.90(港元) | HK\$0.90(港元) |
| Volatility | 波動率 | 65.79% | 75.68% | 115.80% |
| Dividend yield | 股息率 | 0% | 0% | 0% |
| Time to maturity | 到期時間 | 2 years(年) | 0.84 years(年) | 0.34 years(年) |
| Risk-free rate | 無風險率 | 1.48% | 0.56% | -0.45% |

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

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

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Notes: (continued)

- (e) The investment funds are issued by an unlisted entity in the PRC. The fair value of the investment funds as at 30 September 2020, which amounted to HK\$11,495,000 (31 March 2020: HK\$10,964,000), is measured at fair value using the discounted cash flow method. The expected interest rate is 9.5% (31 March 2020: 9.5%) per annum with maturity of one year.

The investment funds are recognised as follows:

14. 按公平值計入損益之金融資產(續)

附註：(續)

- (e) 投資基金以人民幣列值並由於中國未上市實體發行。投資基金於2020年9月30日之公平值為11,495,000港元(2020年3月31日：10,964,000港元)用貼現現金流量法按公平值計量。預期年利率為9.5%(2020年3月31日：9.5%)，一年到期。

投資基金確認如下：

| | | HK\$'000 千港元 |
|--|-------------------|-----------------|
| At 1 April 2019 (audited) | 於2019年4月1日(經審核) | 10,245 |
| Interest received | 已收利息 | (553) |
| Fair value gain recognised in profit or loss | 公平值收益於損益確認 | 961 |
| Settlement on redemption | 於贖回時結算 | (10,218) |
| Additions | 增加 | 11,216 |
| Exchange adjustments | 匯兌調整 | (687) |
| | | <hr/> |
| At 31 March 2020 (audited) | 於2020年3月31日(經審核) | 10,964 |
| Interest received | 已收利息 | (515) |
| Fair value gain recognised in profit or loss | 公平值收益於損益確認 | 466 |
| Exchange realignment | 匯兌調整 | 580 |
| | | <hr/> |
| At 30 September 2020 (unaudited) | 於2020年9月30日(未經審核) | 11,495 |

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

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

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Notes: (continued)

- (f) The fair values of the structured products as at 30 September 2020, which amounted to HK\$7,857,000 (31 March 2020: Nil), are determined based on the market closing prices quoted by a bank, with fixed interest ranging from 4.20% to 10.40% (31 March 2020: Nil) per annum with maturity of one month.

The structured products are recognised as follows:

| | | |
|--|------------|-------|
| Additions during the period | 期內增加 | 7,857 |
| Fair value gain recognised in profit or loss | 公平值收益於損益確認 | 1 |
| Exchange adjustments | 匯兌調整 | (1) |

At 30 September 2020 (unaudited)

14. 按公平值計入損益之金融資產(續)

附註：(續)

- (f) 於2020年9月30日，結構性產品的公平值為7,857,000港元(2020年3月31日：無)，乃根據銀行所報的市場收市價釐定，固定利率介乎4.20%至10.40%(2020年3月31日：無)，1個月到期。

結構性產品確認如下：

| | HK\$'000 千港元 |
|-------------------|-----------------|
| 期內增加 | 7,857 |
| 公平值收益於損益確認 | 1 |
| 匯兌調整 | (1) |
| 於2020年9月30日(未經審核) | 7,857 |

15. IMPAIRMENT ASSESSMENT ON OTHER FINANCIAL ASSETS SUBJECT TO ECL MODEL

Other financial assets subject to ECL model include other receivables and bank balances.

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

15. 於預期信貸虧損模式下之其他金融資產減值評估

於預期信貸虧損模式下之其他金融資產包括其他應收款項及銀行結餘。

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

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簡明綜合財務報表附註

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15. IMPAIRMENT ASSESSMENT ON OTHER FINANCIAL ASSETS SUBJECT TO ECL MODEL (CONTINUED)

For other receivables, no allowance for impairment was made since the directors of the Company consider that the probability of default is minimal.

For the bank balances, no allowance for impairment was made since the directors of the Company consider that the probability of default is negligible as such amounts are receivable from or placed in banks with good reputation.

15. 於預期信貸虧損模式下之其他金融資產減值評估(續)

就其他應收款項，並沒有作出減值撥備，因本公司董事認為違約可能性極少。

就銀行結餘，並沒有作出減值撥備因本公司董事認為違約可能性微不足道由於該等金額乃來自或存放於有信譽之銀行之應收款項。

16. TRADE AND OTHER PAYABLES

16. 貿易及其他應付款項

| | | 30 September 9月30日 2020 HK\$'000 千港元 (Unaudited) (未經審核) | 31 March 3月31日 2020 HK\$'000 千港元 (Audited) (經審核) |
|---|--------------------|---|--|
| Trade payables (note (a)): | 貿易應付款項 (附註(a)): | | |
| 0-60 days | 0-60日 | 2 | 463 |
| | | 2 | 463 |
| Retention payable (note (b)) | 應付保修金(附註(b)) | 9,370 | 8,963 |
| Rental deposits received and rental received in advance | 已收租金按金及預收租金 | 36,424 | 31,691 |
| Guarantee money received (note (c)) | 已收保證金額 (附註(c)) | 10,000 | 10,000 |
| Accruals | 預提費用 | 37,455 | 42,977 |
| Other taxes payable | 其他應付稅項 | 6,274 | 6,836 |
| Other payables | 其他應付款項 | 238 | 3,236 |
| | | 99,763 | 104,166 |

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16. TRADE AND OTHER PAYABLES (CONTINUED)

Notes:

- (a) The aged analysis of trade payables is determined based on the invoice date, at the end of the reporting period. The average credit period on the purchases of goods is 30 days.
- (b) Retention payable is withheld from subcontractors for construction works and will be released within twelve months upon completion of their works.
- (c) The amount represents money received from a borrower of the loan financing business as security for loan granted.

16. 貿易及其他應付款項(續)

附註：

- (a) 貿易應付款項於報告期末之賬齡分析乃根據發票日期釐定。購貨之平均除賬期為30日。
- (b) 應付保修金乃就建築工程未付予承建商及將於工程完結時十二個月內支付。
- (c) 該金額代表來自貸款融資業務之一位借款人就授出貸款作為抵押之已收金額。

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簡明綜合財務報表附註

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17. CONVERTIBLE NOTES CONTAINING LIABILITY AND EQUITY COMPONENTS

The movement of the liability component of the above convertible notes during the six months ended 30 September 2020 is set out below:

17. 可換股票據包含負債及權益成分

上述可換股票據負債成分於截至2020年9月30日止六個月之變動載列如下：

| | | HK\$'000 千港元 |
|---|-------------------------------------|-----------------|
| Carrying amount at 1 April 2019 (audited) | 於2019年4月1日之賬面值 (經審核) | 62,986 |
| Issue of the 2019 Convertible Note | 發行2019年可換股票據 | 39,787 |
| Derecognition of original liability component upon modification of terms of the First New 2015 Convertible Note | 於更改第一份新2015年可換股票據條款時取消 確認原本之負債成份 | (86,360) |
| Recognition of new liability component upon modification of terms of the First New 2015 Convertible Note | 於更改第一份新2015年可換股票據條款時 確認新的負債成份 | 43,903 |
| Net loss on modification of terms of First New 2015 Convertible Note | 更改第一份新2015年可換股票據條款之虧損淨額 | 37,526 |
| Conversion | 兌換 | (23,182) |
| Accretion of interest | 利息之自然增值 | 16,741 |
| Interest paid | 已付利息 | (3,700) |
| Carrying amount at 31 March 2020 (audited) | 於2020年3月31日之賬面值 (經審核) | 87,701 |
| Accretion of interest | 利息之自然增值 | 10,027 |
| Interest paid | 已付利息 | (2,066) |
| Carrying amount at 30 September 2020 (unaudited) | 於2020年9月30日之賬面值 (未經審核) | 95,662 |
| Less: Amount with early redemption option shown under current liabilities | 減：提前贖回購股權之金額 顯示於流動負債下 | (51,096) |
| Amount without early redemption option and due after one year shown under non-current liabilities | 無提前贖回購股權且 一年後到期的金額於 非流動負債下顯示 | 44,566 |

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17. CONVERTIBLE NOTES CONTAINING LIABILITY AND EQUITY COMPONENTS (CONTINUED)

The details and terms of all the convertible notes (including the capitalised terms) are the same as those disclosed in the Group's annual financial statements for the year ended 31 March 2020.

17. 可換股票據包含負債及權益成分(續)

所有可換股票據的細節和條款(包括資本化條款)與本集團截至2020年3月31日的年度財務報表中披露的相同。

18. SECURED BANK BORROWINGS

18. 有抵押銀行借貸

| | 30 September 9月30日 2020 HK\$'000 千港元 (Unaudited) (未經審核) | 31 March 3月31日 2020 HK\$'000 千港元 (Audited) (經審核) |
|---|--|--|
| Carrying amount repayable as follows (based on the scheduled repayment dates set out in the loan agreements): | | |
| – within one year | 381,936 | 379,177 |
| – within a period of more than one year but not exceeding two years | 820,113 | 356,771 |
| – within a period of more than two years but not exceeding five years | 253,460 | 648,231 |
| – within a period of more than five years | 82,304 | 47,561 |
| | 1,537,813 | 1,431,740 |
| Less: Amount due within one year shown under current liabilities | (381,936) | (379,177) |
| Amount due after one year shown under non-current liabilities | 1,155,877 | 1,052,563 |

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18. SECURED BANK BORROWINGS (CONTINUED)

During the current interim period, the Group obtained new bank loans amounting to HK\$233,060,000 (six months ended 30 September 2019: HK\$48,815,000) and repaid bank loans amounting to HK\$127,684,000 (six months ended 30 September 2019: HK\$201,601,000).

At 30 September 2020, the Group's secured bank borrowings carry interest ranging from Hong Kong Interbank Offered Rate ("HIBOR") plus 1.30% to 2.15% or London Interbank Offered Rate ("LIBOR") plus 0.80% (31 March 2020: HIBOR plus 1.00% to 1.80%, LIBOR plus 0.80%) per annum, with effective interest ranging from 0.90% to 2.59% (31 March 2020: 1.79% to 3.40%) per annum.

18. 有抵押銀行借貸(續)

於本中期間，本集團取得金額為233,060,000港元(截至2019年9月30日止六個月：48,815,000港元)之新銀行貸款及償還銀行貸款金額為127,684,000港元(截至2019年9月30日止六個月：201,601,000港元)。

於2020年9月30日，本集團之有抵押貸款息率為香港銀行同業拆息加1.3%至2.15%或倫敦銀行同業拆息加0.8%(2020年3月31日：香港銀行同業拆息加1.00%至1.80%，倫敦銀行同業拆息加0.8%)之年利率，實際年利率為0.90%至2.59%(2020年3月31日：1.79%至3.4%)。

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簡明綜合財務報表附註

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19. SHARE CAPITAL

19. 股本

| | | Nominal value per share 每股面值 | Number of shares 股份數目 | Amount 金額 |
|---|----------------------------|------------------------------------|-----------------------------|-----------------|
| | Notes 附註 | HK\$ 港元 | | HK\$'000 千港元 |
| Authorised: | 法定： | | | |
| At 1 April 2019 and 30 September 2019 | 於2019年4月1日、 2019年9月30日 | 0.01 | 20,000,000,000 | 200,000 |
| At 31 March 2020 and 30 September 2020 | 於2020年3月31日及 2020年9月30日 | 0.2 | 1,000,000,000 | 200,000 |
| Issued and fully paid: | 已發行及繳足： | | | |
| At 1 April 2019 | 於2019年4月1日 | 0.01 | 2,965,832,059 | 29,658 |
| Conversion of convertible note | 兌換可換股票據 | (a) 0.01 | 760,000,000 | 7,600 |
| Consolidation of shares | 股份合併 | (b) 0.01 | (3,539,540,457) | - |
| | | 0.2 | 186,291,602 | 37,258 |
| Rights issue of shares | 供股 | (c) 0.2 | 745,166,408 | 149,033 |
| At 31 March 2020 and 30 September 2020 | 於2020年3月31日及 2020年9月30日 | | 931,458,010 | 186,291 |

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19. SHARE CAPITAL (CONTINUED)

- (a) On 27 May 2019, the convertible note issued on 12 June 2015 and modified on 26 March 2019 (the “Second New 2015 Convertible Note”) with a principal amount of HK\$8,400,000 was converted into shares of HK\$0.01 each in the Company at the conversion price of HK\$0.06 per share. Accordingly, a total of 140,000,000 ordinary shares of HK\$0.01 each were allocated and issued by conversion of the convertible note.

On 2 August 2019, the Second New 2015 Convertible Note with a principal amount of HK\$37,200,000 was converted into shares of HK\$0.01 each in the Company at the conversion price of HK\$0.06 per share. Accordingly, a total of 620,000,000 ordinary shares of HK\$0.01 each were allocated and issued by conversion of the convertible note.

19. 股本(續)

- (a) 於2019年5月27日，於2015年6月12日發行及2019年3月26日修改之本金額8,400,000港元的可換股票據(「第二批新2015年可換股票據」)以每股0.06港元之兌換價兌換為本公司每股0.01港元之股份。因此，透過兌換可換股票據合共配售及發行140,000,000股每股0.01港元之普通股股份。

於2019年8月2日，本金額37,200,000港元之第二批新2015年可換股票據以每股0.06港元之兌換價兌換為本公司每股0.01港元之股份。因此，透過兌換可換股票據合共配售及發行620,000,000股每股0.01港元之普通股股份。

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

19. SHARE CAPITAL (CONTINUED)

(b) The Company underwent a capital reorganisation which involved, among others, consolidation of issued and unissued shares, increase of nominal value of paid up capital of consolidated shares and increase of nominal value of all shares in the authorised share capital. The capital reorganisation became effective on 8 January 2020, as a result of which (i) every twenty issued and unissued then existing shares of HK\$0.01 each were consolidated into one consolidated share of HK\$0.20 each, (ii) par value per share of the Company's share capital was increased from HK\$0.01 to HK\$0.2 and (iii) the authorised share capital of the Company be increased by increasing the par value of all consolidated shares in the authorised share capital of the Company from HK\$0.01 each to HK\$0.2 each.

(c) On 4 February 2020, the Company allotted 745,166,408 rights shares of HK\$0.2 each at a subscription price of HK\$0.483 per rights share on the basis of four rights shares for every one then existing ordinary share held. The Company raised HK\$359,915,000 before transaction costs amounting to HK\$4,336,000 with the intention at the time of rights issue to finance potential property investments and serve as general working capital of the Group.

19. 股本(續)

(b) 本公司進行了一項股本重組，其中包括合併已發行和未發行的股份，增加合併股份的實收資本面值和增加法定股本中所有股份的面值。股本重組於2020年1月8日生效，其結果是(i)每20股每股面值0.01港元的已發行和未發行的現有股份合併為一股每股面值0.2港元的合併股份，(ii)每股面值公司的股本由0.01港元增加至0.2港元，以及(iii)通過將本公司法定股本中所有合併股份的面值從每股0.01港元增加到每股0.2港元以增加公司的法定股本。

(c) 於2020年2月4日，本公司按每股供股股份0.483港元的認購價配發745,166,408股每股面值0.2港元的供股股份，按當時每持有一股的現有普通股分配四股供股股份。本公司籌集359,915,000港元，而交易成本為4,336,000港元，旨在透過供股為潛在的物業投資提供資金，並用作本集團的一般營運資金。

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19. SHARE CAPITAL (CONTINUED)

All shares issued during the prior year ranked pari passu with the then existing shares in issue in all respects.

20. FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS

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

Some of the Group's financial assets 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 assets are determined (in particular, the valuation techniques and key 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.

19. 股本(續)

所有於過往年度發行之股份於各方面與當時已發行股份享有同等權利。

20. 金融資產之公平值計量

本集團按經常性基準以公平值計量之金融資產之公平值

部分本集團之金融資產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資產之公平值(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3級)之資料。

- 第1級輸入數據指實體於計量日可識別之相同資產或負債於活躍市場之報價(未經調整);
- 第2級輸入數據指除第1級計入之報價外,可直接(即作為價格)或間接(即按價格衍生)觀察的資產或負債數據;及
- 第3級輸入數據指資產或負債的不可觀察數據。

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20. FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS (CONTINUED)

20. 金融資產之公平值計量(續)

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

本集團按經常性基準以公平值計量之金融資產之公平值(續)

| | | Fair value at 公平值 | | | | |
|----------------------------|-----------------------|--|---------------------------------------|-------------------------|--|---------------------------------------|
| | | 30 September 2020 | 31 March 2020 | Fair value hierarchy | Valuation techniques and key inputs | Significant unobservable inputs |
| | | 9月30日 | 3月31日 | 公平值階 | 估值技術及 主要輸入數據 | 重大不可觀察 輸入數據 |
| | | HK\$'000 千港元 (Unaudited) (未經審核) | HK\$'000 千港元 (Audited) (經審核) | | | |
| Financial assets | | | | | | |
| 金融資產 | | | | | | |
| Debt instruments at FVTOCI | 按公平值計入其他 全面收益之債務工具 | | | | | |
| - Listed debt securities | - 上市債務證券 | 41,528 | 36,151 | Level 1 第1級 | Quoted bid prices in active markets 於活躍市場所報之出價 | N/A 不適用 |
| Financial assets at FVTPL | 按公平值計入損益之 金融資產 | | | | | |
| - Listed equity securities | - 上市股本證券 | 35,478 | 39,606 | Level 1 第1級 | Quoted bid prices in active markets 於活躍市場所報之出價 | N/A 不適用 |
| - Perpetual bonds | - 永久債券 | 14,807 | 21,951 | Level 1 第1級 | Quoted bid prices in active markets 於活躍市場所報之出價 | N/A 不適用 |

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20. FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS (CONTINUED)

20. 金融資產之公平值計量(續)

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

本集團按經常性基準以公平值計量之金融資產之公平值(續)

| | | Fair value at 公平值 | | | | |
|--------------------------------|---------|--|---------------------------------------|-------------------------|--|---|
| | | 30 September 2020 | 31 March 2020 | Fair value hierarchy | Valuation techniques and key inputs | Significant unobservable inputs |
| 金融資產 | | 9月30日 | 3月31日 | 公平值階 | 估值技術及 主要輸入數據 | 重大不可觀察 輸入數據 |
| | | HK\$'000 千港元 (Unaudited) (未經審核) | HK\$'000 千港元 (Audited) (經審核) | | | |
| - Principal protected deposits | - 保本存款 | N/A 不適用 | 2,523 | Level 3 | Discounted cash flows - future cash flows are estimated based on exchange rate of USD against HKD and expected yields of the instruments | Potential return rate of 3.41% per annum |
| | | | | 第3級 | 折現現金流量 - 未來現金流量乃按美元兌港元之兌換率及工具之預計回報作出估計 | 潛在回報率每年3.41% |
| | | 19,030 | N/A 不適用 | Level 2 | Quoted prices provided by a bank | N/A |
| | | | | 第2級 | 銀行所報之價格 | 不適用 |
| - Convertible note | - 可換股票據 | 9,656 | 9,050 | Level 3 | Binomial Option Pricing Model | Volatility of 115.80% (31 March 2020: 75.68%) |
| | | | | 第3級 | 二項式期權定價模型 | 波幅115.80% (2020年3月31日: 75.68%) |

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簡明綜合財務報表附註

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20. FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS (CONTINUED)

20. 金融資產之公平值計量(續)

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

本集團按經常性基準以公平值計量之金融資產之公平值(續)

| | | Fair value at 公平值 | | | | |
|-----------------------|---------|--|---------------------------------------|-------------------------|---|---|
| | | 30 September 2020 | 31 March 2020 | Fair value hierarchy | Valuation techniques and key inputs | Significant unobservable inputs |
| 金融資產 | | 9月30日 | 3月31日 | 公平值階 | 估值技術及 主要輸入數據 | 重大不可觀察 輸入數據 |
| | | HK\$'000 千港元 (Unaudited) (未經審核) | HK\$'000 千港元 (Audited) (經審核) | | | |
| - Investment funds | - 投資基金 | 11,495 | 10,964 | Level 3 | Discounted cash flows - future cash flows are estimated | Weighted average cost of capital at 8.61% (31 March 2020: 7.29%) |
| | | | | 第3級 | 折現現金流量 - 未來現金 流量作出估計 | 加權平均資金成本 8.61%(2020年3月 31日: 7.29%) |
| - Structured products | - 結構性產品 | 7,857 | - | Level 2 | Quoted prices provided by a bank | N/A |
| | | | | 第2級 | 銀行所報之價格 | 不適用 |

A slight increase in the weighted average cost of capital used in isolation would result in a slight decrease in the fair value measurement of the investment funds, and vice versa.

加權平均資本成本獨自使用略有增加，會導致投資基金之公平值計量略有下降，反之亦然。

A slight increase in the volatility used in isolation would result in a slight increase in the fair value measurement of the convertible note, and vice versa.

波動性獨自使用略有增加，將導致可換股票據的公平值計量略有增加，反之亦然。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

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

20. FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS (CONTINUED)

Valuation process

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

Reconciliation of Level 3 fair value measurements

20. 金融資產之公平值計量(續)

評估過程

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

第3級公平值計量之對賬

| | | 30 September 2020 2020年9月30日 | | | |
|--|---------------------|------------------------------------|---------------------|---------------------|-------------|
| | | Principal protected deposits | Convertible note | Investment funds | Total |
| | | 保本存款 | 可換股票據 | 投資基金 | 總額 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) | (未經審核) | (未經審核) |
| At beginning of the period | 於期初 | 2,523 | 9,050 | 10,964 | 22,537 |
| Interest received | 已收利息 | - | (400) | (515) | (915) |
| Unrealised fair value gain recognised in profit or loss | 於損益內確認之未 實現公平值收益 | - | 1,006 | 466 | 1,472 |
| Settlements | 結算 | (2,523) | - | - | (2,523) |
| Exchange realignment | 匯兌調整 | - | - | 580 | 580 |
| At end of the period | 於期末 | - | 9,656 | 11,495 | 21,151 |

Of the total fair value gains or losses for the six months ended 30 September 2020 included in profit or loss, HK\$1,472,000 relates to financial assets at FVTPL held at 30 September 2020.

於截至2020年9月30日止六個月計入損益的公平值收益或虧損總額中，1,472,000港元與於2020年9月30日持有的按公平值計入損益的金融資產有關。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

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

20. FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS (CONTINUED)

20. 金融資產之公平值計量(續)

Reconciliation of Level 3 fair value measurements (continued)

第3級公平值計量之對賬(續)

| | | 31 March 2020 2020年3月31日 | | | |
|--|---------------------|---|---|--|--|
| | | Principal protected deposits 保本存款 HK\$'000 千港元 (Audited) (經審核) | Convertible note 可換股票據 HK\$'000 千港元 (Audited) (經審核) | Investment funds 投資基金 HK\$'000 千港元 (Audited) (經審核) | Total 總額 HK\$'000 千港元 (Audited) (經審核) |
| At beginning of the year | 於年初 | 25,800 | 9,891 | 10,245 | 45,936 |
| Purchases | 購買 | 99,240 | - | 11,216 | 110,456 |
| Interest received | 已收利息 | (756) | (867) | (553) | (2,176) |
| Realised fair value gain recognised in profit or loss | 於損益內確認之 已變現公平值收益 | - | - | 453 | 453 |
| Unrealised fair value gain recognised in profit or loss | 於損益內確認之未 變現公平值收益 | - | 26 | 508 | 534 |
| Settlements | 結算 | (120,601) | - | (10,218) | (130,819) |
| Exchange realignment | 匯兌調整 | (1,160) | - | (687) | (1,847) |
| At end of the year | 於年末 | 2,523 | 9,050 | 10,964 | 22,537 |

Of the total fair value gains or losses for the year included in profit or loss, HK\$534,000 relates to financial assets at FVTPL held at 31 March 2020.

於本年度計入損益的公平值收益或虧損總額中，534,000港元與於2020年3月31日持有的按公平值計入損益的金融資產有關。

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

簡明綜合財務報表附註

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

21. RELATED PARTY TRANSACTIONS/CONNECTED TRANSACTIONS

- (a) During the period, the Group had the following transactions with a wholly-owned subsidiary of Easyknit International:

21. 關連人士交易／關連交易

- (a) 於期內，本集團與永義國際之全資附屬公司之交易如下：

| | | Six months ended | |
|---------------------------------------|----------|-------------------------|--------------------|
| | | 30 September | |
| | | 截至9月30日止六個月 | |
| | | 2020 | 2019 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| Building management fee | 大廈管理費 | 210 | - |
| Interest expense on lease liabilities | 租賃負債利息開支 | 23 | 52 |

The Group rented certain of its office premises from Easyknit International. At 30 September 2020, lease liabilities in respect of the lease contracts amounted to HK\$7,048,000 and refundable rental deposits paid (included in "trade and other receivables" line item) amounted to HK\$416,000.

Ms. Lui Yuk Chu, a director of the Company, also holds 19.09% (31 March 2020: 19.09%) equity interest of Easyknit International through an entity wholly-owned by her.

本集團向永義國際租賃了若干辦公物業。於2020年9月30日，有關租賃合約的租賃負債為7,048,000港元，已付可退還按金(包括在「貿易及其他應收款」項目中)為416,000港元。

雷玉珠女士，本公司一名董事，亦透過一間其全資擁有之實體持有永義國際19.09%(2020年3月31日：19.09%)權益。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

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

21. RELATED PARTY

TRANSACTIONS/CONNECTED TRANSACTIONS (CONTINUED)

(b) Details of the convertible notes issued to Easyknit International are set out in note 17.

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

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

21. 關連人士交易／關連交易(續)

(b) 發行予永義國際之可換股票據之詳情載列於附註17。

(c) **主要管理人員之薪酬**

董事及其他主要管理人員於期內之酬金如下：

| | | Six months ended | |
|---|----------|-------------------------|--------------------|
| | | 30 September | |
| | | 截至9月30日止六個月 | |
| | | 2020 | 2019 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| Short-term employee benefits | 短期僱員福利 | | |
| Salaries and other benefits | 薪金及其他福利 | 6,574 | 5,891 |
| Contributions to retirement benefit schemes | 退休福利計劃供款 | 54 | 45 |
| | | 6,628 | 5,936 |

The remuneration of directors 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。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

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

21. RELATED PARTY TRANSACTIONS/CONNECTED TRANSACTIONS (CONTINUED)

(d) In January 2011, the Company entered into an employment agreement with Mr. Koon Wing Yee, the spouse of Ms. Lui Yuk Chu, 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 a few times to HK\$350,000 with effect from 1 April 2019. The remuneration of Mr. Koon Wing Yee as general manager of the Company during the six months ended 30 September 2020 was HK\$2,109,000 (six months ended 30 September 2019: HK\$2,109,000) and was included in the "compensation of key management personnel" in (c) above. Details of share options of the Company granted to Mr. Koon Wing Yee are set out in (e) below.

21. 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，雷玉珠女士之配偶，訂立僱用協議，僱用彼為本公司總經理。該僱用協議，構成一項關連交易，由2011年2月21日開始，但可由其中任何一方給予三個月通知而終止。每月薪金被調整數次至350,000港元於2019年4月1日生效。截至2020年9月30日止六個月內，官永義先生僱用為本公司總經理之薪酬為2,109,000港元(截至2019年9月30日止六個月：2,109,000港元)並已包括在以上(c)項之「主要管理人員之薪酬」內。有關本公司授予官永義先生購股權之詳情載於以下(e)項。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

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

21. RELATED PARTY TRANSACTIONS/CONNECTED TRANSACTIONS (CONTINUED)

- (e) On 14 October 2016, 113,000,000 share options were granted to directors of the Company and employees of the Group under the share option scheme which was approved by the shareholders of the Company on 29 June 2012. Share options granted to directors of the Company and their close relatives are as follows:

21. 關連人士交易／關連交易(續)

- (e) 於2016年10月14日，根據於2012年6月29日由本公司股東批准之購股權計劃，113,000,000股購股權授予本公司之董事及本集團之僱員。購股權授予本公司之董事及其近親如下：

| | | Number of share options 購股權數目 | | |
|-------------------------------|-------|---|--|--|
| | | Outstanding at 1 April 2019 於2019年 4月1日尚餘 | Expired during the period 於期內到期 | Outstanding at 31 March 2020 and 30 September 2020 於2020年 3月31日及 2020年 9月30日尚餘 |
| Directors | 董事 | | | |
| Mr. Kwong Jimmy Cheung Tim | 鄺長添先生 | 11,300,000 | (11,300,000) | - |
| Ms. Lui Yuk Chu | 雷玉珠女士 | 11,300,000 | (11,300,000) | - |
| | | 22,600,000 | (22,600,000) | - |

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

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

21. RELATED PARTY TRANSACTIONS/CONNECTED TRANSACTIONS (CONTINUED)

21. 關連人士交易／關連交易(續)

(e) (continued)

(e) (續)

| | | Number of share options 購股權數目 | | |
|--|--------------------|-----------------------------------|---------------------------------|--|
| | | Outstanding at 1 April 2019 | Expired during the period | Outstanding at 31 March 2020 and 30 September 2020 於2020年 3月31日及 2020年 9月30日尚餘 |
| | | 於2019年 4月1日尚餘 | 於期內到期 | 9月30日尚餘 |
| Employees | 僱員 | | | |
| Mr. Koon Wing Yee, the spouse of Ms. Lui Yuk Chu | 官永義先生，雷玉珠 女士之配偶 | 11,300,000 | (11,300,000) | - |
| Mr. Ku Wai Ming, a cousin of Ms. Lui Yuk Chu | 古偉明先生，雷玉珠 女士之表親 | 11,300,000 | (11,300,000) | - |
| | | 22,600,000 | (22,600,000) | - |
| | | 45,200,000 | (45,200,000) | - |

No equity-settled share-based payment expense was recognised in both periods.

於兩個期間並沒有於損益確認之以權益結算之股份支付開支。

(f) During the six months ended 30 September 2020, the Group received rental income totalling HK\$144,000 (six months ended 30 September 2019: HK\$144,000) from certain close relatives of Ms. Lui Yuk Chu.

(f) 截至2020年9月30日止六個月，本集團收取雷玉珠女士之若干近親之租金收入共144,000港元(截至2019年9月30日止六個月：144,000港元)。

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

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

22. ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF SUBSIDIARIES

On 6 April 2020, the Group entered into a conditional sale and purchase agreement with an independent third party (the "Seller") for the Group's acquisition of the entire issued share capital and shareholder loan of Nice Able for an aggregate consideration of HK\$89,116,000.

The principal assets of Nice Able are property purchase agreements, which were signed on 25 March 2020, entered into by Nice Able for the acquisition of some units in two blocks of buildings with respective owners and a provisional agreement, which was signed on 25 March 2020, for the acquisition of the entire issued share capital and shareholder loan of Success Mark for an aggregate consideration of HK\$58,000,000. The date of completion of acquisition of Success Mark is 22 July 2020, where the Group is responsible for the payment for completion. Success Mark is the registered owner of a unit in one block of the buildings.

22. 透過收購附屬公司收購資產及負債

於2020年4月6日，本集團與獨立第三方（「賣方」）就本集團以總代價89,116,000港元收購Nice Able之全部已發行股本及股東貸款訂立有條件買賣協議。

Nice Able之主要資產為Nice Able於2020年3月25日與各相關擁有人就收購兩幢建築物之若干單位訂立之臨時協議及於2020年3月25日訂立以總代價58,000,000港元收購順滿投資所有已發行股本及股東貸款之臨時協議。收購順滿投資的完成日期為2020年7月22日，而本集團需負責於完成時支付餘款。順滿投資乃一幢建築物之一個單位之登記擁有人。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

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

22. ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF SUBSIDIARIES (CONTINUED)

The Group plans to acquire the remaining units and demolishes these two buildings in Hong Kong and redevelop the combined sites. Details of these transactions are set out in the Company's announcement dated 6 April 2020 and circular dated 21 May 2020.

On 22 June 2020, the Group completed the acquisition of Nice Able and the shareholder's loan. The shareholder's loan was eliminated in full on consolidation.

The net assets of Nice Able at the date of acquisition were as follows:

22. 透過收購附屬公司收購資產及負債 (續)

本集團計劃收購餘下單位並拆除兩幢於香港之建築物並重建合併地盤。有關該等交易之詳情載於本公司日期為2020年4月6日之公佈及日期為2020年5月21日之通函。

於2020年6月22日，本集團已完成收購Nice Able及股東貸款。股東貸款於合併時全額對銷。

Nice Able於收購日期之淨資產值如下：

| | | 22 June 6月22日 2020 HK\$'000 千港元 (Unaudited) (未經審核) |
|---|--------------------|--|
| Deposits paid for acquisition of properties held for development for sale | 收購持作出售發展物業已付按金 | 89,116 |
| Shareholder's loan | 股東貸款 | (64,116) |
| Net assets acquired | 所收購之淨資產 | 25,000 |
| Cash outflow on acquisition: Consideration paid during the period | 收購之現金流出： 期內已付代價 | (89,116) |

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

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

22. ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF SUBSIDIARIES (CONTINUED)

On 22 July 2020, Nice Able completed the acquisition of some units in two blocks of buildings with respective owners for an additional cash consideration of HK\$151,750,000 and completed the acquisition of Success Mark and the shareholder's loan. The shareholder's loan was eliminated in full on consolidation.

The net assets of Success Mark at the date of acquisition were as follows:

22. 透過收購附屬公司收購資產及負債 (續)

於2020年7月22日，Nice Able以額外現金代價151,750,000港元向兩幢樓宇之部分單位各自擁有人收購若干單位，並完成收購順滿投資及股東貸款。股東貸款在合併時全額抵銷。

順滿投資於收購日期之淨資產值如下：

| | | 22 July 7月22日 2020 HK\$'000 千港元 (Unaudited) (未經審核) |
|--|----------|--|
| Properties held for development for sale | 持作出售發展物業 | 58,136 |
| Other receivables | 其他應收款 | 1 |
| Other payables | 其他應付款 | (97) |
| Tax payable | 應付稅項 | (39) |
| Shareholder's loan | 股東貸款 | (11,707) |
| | | <hr/> |
| Net assets acquired | 所收購之淨資產 | 46,294 |
| | | <hr/> |
| Cash outflow on acquisition: | 收購之現金流出 | |
| Consideration paid during the period | 期內已付代價 | (58,000) |
| | | <hr/> |

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

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

22. ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF SUBSIDIARIES (CONTINUED)

The Group elected to apply the optional concentration test for the acquisitions of Nice Able and Success Mark in accordance with HKFRS 3 and concluded that:

- (a) The land and building components of each unit, together with the in-place leases, are considered a single identifiable asset; and
- (b) The group of units in two blocks of buildings is a group of similar identifiable assets because the assets are similar in nature and risks associated with managing and creating outputs are not significantly different.

Consequently, the Group determined that substantially all of the fair value of the gross assets acquired is concentrated in a group of similar identifiable assets and concluded that the acquired set of activities and assets is not a business.

22. 透過收購附屬公司收購資產及負債 (續)

本集團根據《香港財務報告準則》第3號選擇對收購Nice Able和順滿投資應用可選的集中度測試，並得出以下結論：

- (a) 每個單位的土地和建築物組成部分以及就地租賃均被視為單一可識別資產；和
- (b) 兩棟建築物中的單位是一組可識別的相似資產，因為這些資產性質相似，並且與管理和創建產出相關的風險沒有顯著差異。

因此，本集團確定所收購的總資產的公平價值基本上全部集中在一組類似的可識別資產中，並得出結論，所收購的一系列活動和資產不是一項業務。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

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

23. CAPITAL COMMITMENTS

23. 資本承擔

| | 30 September 9月30日 2020 HK\$'000 千港元 (Unaudited) (未經審核) | 31 March 3月31日 2020 HK\$'000 千港元 (Audited) (經審核) |
|--|---|--|
| Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of | | |
| - investment properties | 429 | 408 |
| - limited partnership interest (note) | 25,795 | 33,483 |
| | 26,224 | 33,891 |

Note: The amount at 30 September 2020 represented USD3.3 million (equivalent to HK\$25,795,000) (31 March 2020: USD4.29 million (equivalent to HK\$33,483,000)) for subscription for limited partnership interest in a limited partnership (the "Limited Partnership") as a limited partner. The purpose of the Limited Partnership is primarily achieving capital appreciation and participation through investments in equity and equity-related securities in Asia-Pacific and Europe and portfolio funds with a similar investment focus. The business of the Limited Partnership will be conducted and managed by one single general partner (the "General Partner") who will act as agent of the Limited Partnership while the investment committee of the Limited Partnership (comprising individuals who are not connected with the Group) shall decide and approve all investment and divestment decisions of the Limited Partnership with reference to the investment objective. The limited partners of the limited partnership, including the Group, shall take no part in the operation of the Limited Partnership on the management or conduct of the business and affairs except with the written consent of the General Partner. Details of this transaction are set out in the Company's announcements dated 27 March 2019 and 10 May 2019.

附註：於2020年9月30日之金額指3,300,000美元(相當於25,795,000港元)(2020年3月31日：4,290,000美元，相當於33,483,000港元)用於作為有限合夥人認購有限合夥公司(「有限合夥公司」)之有限合夥公司權益。有限合夥公司之目的主要為實現資本增值及參與亞太及歐洲股本及股本相關證券投資及投資重點相類似之組合投資。有限合夥公司的業務將由一名普通合夥人(「普通合夥人」)經營及管理。普通合夥人將作為有限合夥公司的代理人，而有限合夥公司的投資委員(由與本集團並無關連的個人組成)將按照投資目標為有限合夥公司作出的投資和撤資決定。除非經普通合夥人書面同意，否則有限合夥公司之有限合夥人(包括本集團)不得參與有限合夥公司關於管理或開展業務及事務之經營。交易之詳情載於本公司日期為2019年3月27日及2019年5月10日的公佈。

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

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

24. EVENTS AFTER THE END OF THE REPORTING PERIOD

The following events took place subsequent to 30 September 2020:

- (a) The Group is the registered owner of more than 90% of the undivided shares of Nos. 93 and 95 Catchick Street (“No. 93 Building and No. 95 Building”) which is situated in Hong Kong. In August 2020, the Company filed an application to the Lands Tribunal for an order to sell all the undivided shares of No. 93 Building and No. 95 Building (including those owned by the Group) for the purposes of the redevelopment of the entire site, with the intention to bid in a public auction and acquire all remaining portions of No. 93 Building and No. 95 Building. The hearing for an order for sale of No. 93 Building and No. 95 Building is expected to be held by the Lands Tribunal on 12 and 13 January 2021.

24. 報告期末後事項

2020年9月30日之後發生了以下事件：

- (a) 本集團為香港吉席街93號及95號（「93號建築物及95號建築物」）逾90%不可分割份數的註冊擁有人。於2020年8月，本公司向土地審裁處提出申請，以命令出售全部93號建築物及95號建築物的不可分割部份（包括本集團擁有的部份）以重建整個土地，有意在公開拍賣獲得93號建築物和95號建築物的所有剩餘部分。土地審裁處預計將在2021年1月12日至13日舉行93號建築物及95號建築物的出售命令聆訊。

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

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

24. EVENTS AFTER THE END OF THE REPORTING PERIOD (CONTINUED)

- (b) On 18 September 2020, the Company entered into the deeds of amendment with Easyknit International in relation to the proposed alterations of the First 2017 Convertible Note, Second 2017 Convertible Note and 2019 Convertible Note.

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

Details of the deeds of amendment are set out in the Company's announcement dated 21 September 2020 and circular dated 30 October 2020. The deeds of amendment have been approved on a special general meeting of the Company held on 19 November 2020.

24. 報告期末後事項(續)

- (b) 於2020年9月18日，本公司與永義國際訂立有關修訂第一批2017年可換股票據，第二批2017年可換股票據及2019年可換股票據的修訂契約。

根據修訂契約，就2017年第一批可換股票據，第二批2017年可換股票據及2019年可換股票據，建議(i)轉換價將調整為每股轉換股份0.25港元；(ii)修正案成為無條件時，到期日將延至2024年8月28日；及(iii)年利率將提高至每年4%。

修訂契約的詳情載於本公司日期為2020年9月21日的公佈及日期為2020年10月30日的通函。修訂契約已於2020年11月19日舉行的本公司股東特別大會上獲得批准。

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

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

24. EVENTS AFTER THE END OF THE REPORTING PERIOD (CONTINUED)

- (c) On 5 November 2020, the Company and Easyknit International entered into a sale and purchase agreement, pursuant to which, among other things, Easyknit International conditionally agreed to purchase, and the Company conditionally agreed to sell, the entire issued shares of Above Ace Limited (“Above Ace”) and Success Edge Limited (“Success Edge”), wholly-owned subsidiaries of the Company, and the Company agreed to procure the assignment of sale loans to Easyknit International, at an aggregate consideration of HK\$1,100,000,000 (subject to adjustments).

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

24. 報告期末後事項(續)

- (c) 於2020年11月5日，本公司與永義國際訂立買賣協議，據此(其中包括)，永義國際有條件同意購買而本公司有條件同意出售Above Ace Limited(「Above Ace」)和本公司之全資附屬公司Success Edge Limited(「Success Edge」)及本公司同意促成向永義國際轉讓銷售貸款，總代價為1,100,000,000港元(可予調整)。

Above Ace 的唯一主要資產是1B，1C，1D和1E參核士街，Success Edge 的唯一主要資產是93號建築物 and 95號建築物的不可分割部份的90%以上。兩項資產均位於香港。交易細節載列於本公司2020年11月9日之公佈中。

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

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

24. EVENTS AFTER THE END OF THE REPORTING PERIOD (CONTINUED)

- (d) On 17 November 2020, the Group entered into sales and purchase agreement with an independent third party to acquire a unit of property in Fung Wah Factorial Building located in Hong Kong for redevelopment for an aggregate consideration of HK\$45,000,000. After completion of the acquisition, the Group will own 29 units representing approximately 93.33% of the undivided shares of the building.

Details of the above are set out in the Company's announcements dated 17 November 2020.

24. 報告期末後事項(續)

- (d) 於2020年11月17日，本集團與獨立第三方訂立買賣協議，以總代價45,000,000港元收購位於香港的豐華工業大廈的物業單位進行重建。收購完成後，本集團將擁有29個單位，約佔該建築物不可分割部份的93.33%。

上述細節載列於本公司2020年11月17日之公佈中。



EMINENCE ENTERPRISE LIMITED
高山企業有限公司

(HKEx Stock Code 股份代號: 616)