



PT INTERNATIONAL DEVELOPMENT CORPORATION LIMITED

保 德 國 際 發 展 企 業 有 限 公 司 *

(Incorporated in Bermuda with limited liability)

(Stock Code : 372)

Interim Report **2017/18**



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Abbreviations

In this interim report, the following abbreviations have the following meanings unless otherwise specified:

“Board”	Board of Directors of the Company
“Bye-laws”	Bye-laws of the Company
“Company”	PT International Development Corporation Limited (formerly known as ITC Corporation Limited)
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“PRC”	People’s Republic of China
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	shareholders of the Company
“HK\$” and “HK cents”	Hong Kong dollars and cents, the lawful currency of Hong Kong
“%”	per cent.

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Ching Man Chun, Louis
(Chairman and Managing Director)
Ms. Chau Mei Wah, Rosanna *(Deputy Chairman)*
Mr. Sue Ka Lok
Ms. Xu Wei
Mr. Gary Alexander Crestejo

Independent Non-executive Directors

Mr. Lau Yuen Sun, Adrian
Mr. Yam Kwong Chun
Mr. Yeung Kim Ting
Mr. Wong Yee Shuen, Wilson

AUDIT COMMITTEE

Mr. Yeung Kim Ting *(Chairman)*
Mr. Lau Yuen Sun, Adrian
Mr. Wong Yee Shuen, Wilson
Mr. Yam Kwong Chun

REMUNERATION COMMITTEE

Mr. Lau Yuen Sun, Adrian *(Chairman)*
Mr. Wong Yee Shuen, Wilson
Mr. Yam Kwong Chun
Mr. Yeung Kim Ting

NOMINATION COMMITTEE

Mr. Yam Kwong Chun *(Chairman)*
Mr. Lau Yuen Sun, Adrian
Mr. Wong Yee Shuen, Wilson
Mr. Yeung Kim Ting

CORPORATE GOVERNANCE COMMITTEE

Mr. Sue Ka Lok *(Chairman)*
Mr. Lau Yuen Sun, Adrian
Mr. Wong Yee Shuen, Wilson
Mr. Yam Kwong Chun
Mr. Yeung Kim Ting

COMPANY SECRETARY

Ms. Cheung Wa Ying

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants

LEGAL ADVISORS

Conyers Dill & Pearman (Bermuda)
Troutman Sanders (Hong Kong)

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Bank of China (Canada)
The Bank of East Asia, Limited
China CITIC Bank International Limited
The Hongkong and Shanghai
Banking Corporation Limited
Bank of Communications Co., Ltd., Hong Kong Branch
HSBC Bank Canada
OCBC Wing Hang Bank, Limited
Industrial and Commercial Bank of China (Asia) Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 2304-2306A
23/F., West Tower Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM 08
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

WEBSITE

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STOCK CODE

Hong Kong Stock Exchange 372

The above information is updated to 18th December 2017, being the latest practicable date before printing of this interim report.



To the Board of Directors of PT International Development Corporation Limited

(Incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of PT International Development Corporation Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 5 to 22, which comprise the condensed consolidated statement of financial position as of 30th September 2017 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

24th November 2017

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30th September 2017

	Notes	(Unaudited) Six months ended 30th September	
		2017 HK\$'000	2016 HK\$'000
Revenue	4	430,940	7,002
Cost of sales		(424,975)	–
Other income and gains		4,994	5,400
Net (loss) gain on financial instruments		(923)	2,340
Administrative expenses		(13,346)	(23,996)
Finance costs		(118)	(406)
Net loss on net decrease in interest in an associate	10	(146,440)	(156)
Share of results of associates			
– share of results		115,278	128,618
– gain on acquisitions of additional interest in an associate		–	31,816
(Loss) profit for the period	6	(34,590)	150,618
Other comprehensive income (expenses):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		3,036	(515)
Share of other comprehensive income (expenses) of associates		7,890	(43,837)
Reclassification adjustment on reserves released on net decrease in interest in associates		(5,666)	3
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Share of other comprehensive (expenses) income of associates		(9,127)	19,668
Other comprehensive expenses for the period		(3,867)	(24,681)
Total comprehensive (expenses) income for the period		(38,457)	125,937
(Loss) profit for the period attributable to:			
Owners of the Company		(34,599)	150,618
Non-controlling interest		9	–
		(34,590)	150,618
Total comprehensive (expenses) income for the period attributable to:			
Owners of the Company		(38,466)	125,937
Non-controlling interest		9	–
		(38,457)	125,937
(Loss) earnings per share:			
Basic	8	HK(2.05) cents	HK9.03 cents
Diluted		HK(2.05) cents	HK9.03 cents

Condensed Consolidated Statement of Financial Position

At 30th September 2017

	Notes	(Unaudited) At 30th September 2017 HK\$'000	(Audited) At 31st March 2017 HK\$'000
Non-current assets			
Property, plant and equipment	9	6,775	6,842
Investment properties	9	44,022	40,907
Intangible assets		–	150
Interests in associates	10	693,029	730,712
Convertible note		14,034	12,555
		757,860	791,166
Current assets			
Inventories		49,375	–
Debtors, deposits and prepayments	11	12,859	28,240
Loans receivable	12	220,000	60,000
Debt instrument		–	13,158
Equity investments		20,558	60,090
Short-term bank deposits, bank balances and cash		78,673	227,968
		381,465	389,456
Current liabilities			
Creditors and accrued expenses	13	3,721	7,568
Bank borrowings – due within one year		216	198
		3,937	7,766
Net current assets		377,528	381,690
Total assets less current liabilities		1,135,388	1,172,856
Non-current liabilities			
Bank borrowings – due over one year		7,365	6,958
Deferred tax liabilities		2,215	2,215
		9,580	9,173
Net assets		1,125,808	1,163,683
Capital and reserves			
Share capital	14	16,883	16,883
Share premium and reserves		1,108,716	1,146,800
Equity attributable to the owners of the Company		1,125,599	1,163,683
Non-controlling interest		209	–
Total equity		1,125,808	1,163,683

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30th September 2017

	Attributable to the owners of the Company											Non-controlling interest	Total
	Share capital	Share premium	Contributed surplus	Reserve on acquisition	Capital redemption reserve	Other reserve	Property revaluation reserve	Investment revaluation reserve	Translation reserve	Accumulated profits	Sub-total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At 1st April 2017	16,883	828,508	-	(24,681)	908	23,058	3,726	(57,498)	31,466	341,313	1,163,683	-	1,163,683
(Loss) profit for the period	-	-	-	-	-	-	-	-	-	(34,599)	(34,599)	9	(34,590)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	-	-	3,036	-	3,036	-	3,036
Share of other comprehensive (expenses) income of an associate	-	-	-	-	-	-	-	(9,127)	7,890	-	(1,237)	-	(1,237)
Reserves released on net decrease in interest in an associate	-	-	-	-	-	-	-	-	(5,666)	-	(5,666)	-	(5,666)
Total comprehensive (expenses) income for the period	-	-	-	-	-	-	-	(9,127)	5,260	(34,599)	(38,466)	9	(38,457)
Capital contribution from a non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	200	200
Reserves released on net decrease in interest in an associate	-	-	-	4,168	-	(3,916)	-	10,116	-	(10,368)	-	-	-
Decrease in an associate's equity attributable to the Group's interest arising on equity transactions of the associate	-	-	-	-	-	(6,663)	-	-	-	7,045	382	-	382
At 30th September 2017	16,883	828,508	-	(20,513)	908	12,479	3,726	(56,509)	36,726	303,391	1,125,599	209	1,125,808
At 1st April 2016	16,677	828,765	196,676	(24,992)	908	22,750	3,242	(127,238)	78,501	2,538,574	3,533,863	-	3,533,863
Profit for the period	-	-	-	-	-	-	-	-	-	150,618	150,618	-	150,618
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	-	-	(515)	-	(515)	-	(515)
Share of other comprehensive income (expenses) of associates	-	-	-	-	-	-	-	19,668	(43,837)	-	(24,169)	-	(24,169)
Reserves released on net decrease in interest in an associate	-	-	-	-	-	-	-	13	3	(13)	3	-	3
Total comprehensive income (expenses) for the period	-	-	-	-	-	-	-	19,681	(44,349)	150,605	125,937	-	125,937
Decrease in associates' equity attributable to the Group's interests arising on equity transactions of the associates	-	-	-	-	-	1,690	-	-	-	(386)	1,304	-	1,304
Final dividend for the year ended 31st March 2016 (note 7)	-	-	-	-	-	-	-	-	-	(50,030)	(50,030)	-	(50,030)
At 30th September 2016	16,677	828,765	196,676	(24,992)	908	24,440	3,242	(107,557)	34,152	2,638,763	3,611,074	-	3,611,074

Condensed Consolidated Statement of Cash Flows

For the six months ended 30th September 2017

	Notes	(Unaudited)	
		2017 HK\$'000	2016 HK\$'000
Net cash used in operating activities		(186,091)	(89,219)
Net cash from investing activities			
Proceeds from disposal of subsidiaries	15	23,840	–
Proceeds from disposal of debt instrument		13,118	–
Proceeds from disposals of property, plant and equipment		1,113	–
Additions to property, plant and equipment	9	(1,254)	(18)
Acquisition of investment properties	9	(82)	(18,880)
Refund of earnest money		–	247,293
Proceeds from disposal of equity investment		–	34,000
Acquisition of convertible note		–	(12,127)
Acquisition of additional interests in associates		–	(3,296)
		36,735	246,972
Net cash (used in) from financing activities			
Interest paid		(118)	(406)
Repayment of bank borrowings		(102)	–
Capital contribution from a non-controlling shareholder of a subsidiary		200	–
New borrowings raised		–	7,408
		(20)	7,002
Net (decrease) increase in cash and cash equivalents		(149,376)	164,755
Cash and cash equivalents at beginning of the period		227,968	(10,032)
Effect of foreign exchange rate changes		81	(86)
Cash and cash equivalents at end of the period, represented by short-term bank deposits, bank balances and cash		78,673	154,637

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September 2017

1. BASIS OF PREPARATION

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

The condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company and all values are rounded to the nearest thousand (HK\$’000) except otherwise indicated.

2. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current period’s presentation.

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical costs basis, except for certain properties and financial instruments, which are measured at revalued amounts or fair values, as appropriate.

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the specific identification method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Non-controlling interests

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary’s net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests’ proportionate share of the recognised amounts of the subsidiary’s identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September 2017

3. PRINCIPAL ACCOUNTING POLICIES (continued)

In the current interim period, the Group has applied, for the first time, the following new amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are mandatorily effective for the current interim period:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle

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

4. REVENUE AND SEGMENT INFORMATION

Revenue represents the amounts received and receivable from outside customers for the period. An analysis of the Group's revenue for the period is as below:

	Six months ended 30th September	
	2017 HK\$'000	2016 HK\$'000
Trading income	425,144	–
Management and other related service income	1,727	1,706
Interest income from provision of finance	1,554	1,420
Interest income from investments	779	377
Property rental income	1,642	1,020
Dividend income from equity investments	–	2,303
Others	94	176
	430,940	7,002

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September 2017

4. REVENUE AND SEGMENT INFORMATION (continued)

Segment information

During the current period, due to the commencement of a new business, management has identified commodities trading as a new operating segment under HKFRS 8 "Operating Segments". Accordingly, the Group's operating segments, based on information reported to the chief operating decision maker ("CODM"), being the Executive Directors of the Company, for the purposes of resources allocation and performance assessment become as follows:

Trading	–	trading of commodities
Finance	–	loan financing services
Long-term investment	–	investments including convertible notes and other long-term equity investments
Other investment	–	investment in other financial assets and trading of securities
Others	–	leasing of investment properties, leasing of motor vehicles and management services

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

Segment revenue and results

Six months ended 30th September 2017

	Trading HK\$'000	Finance HK\$'000	Long-term investment HK\$'000	Other investment HK\$'000	Others HK\$'000	Segment total HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
SEGMENT REVENUE								
External sales	425,144	1,433	528	251	3,584	430,940	-	430,940
Inter-segment sales	-	1,844	-	-	-	1,844	(1,844)	-
Total	<u>425,144</u>	<u>3,277</u>	<u>528</u>	<u>251</u>	<u>3,584</u>	<u>432,784</u>	<u>(1,844)</u>	<u>430,940</u>
RESULTS								
Segment results	<u>169</u>	<u>3,380</u>	<u>1,470</u>	<u>(721)</u>	<u>609</u>	<u>4,907</u>	<u>-</u>	<u>4,907</u>
Central administration costs								(8,217)
Finance costs								(118)
Net loss on net decrease in interest in an associate								(146,440)
Share of result of an associate – share of result								<u>115,278</u>
Loss for the period								<u>(34,590)</u>

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September 2017

4. REVENUE AND SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

Six months ended 30th September 2016

	Trading HK\$'000	Finance HK\$'000	Long-term investment HK\$'000	Other investment HK\$'000	Others HK\$'000	Segment total HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
SEGMENT REVENUE								
External sales	-	1,373	377	2,303	2,949	7,002	-	7,002
Inter-segment sales	-	2,068	-	-	-	2,068	(2,068)	-
Total	-	3,441	377	2,303	2,949	9,070	(2,068)	7,002
RESULTS								
Segment results	-	3,003	(6,257)	11,444	365	8,555	-	8,555
Central administration costs								(17,809)
Finance costs								(406)
Net loss on net decrease in interest in an associate								(156)
Share of results of associates								
- share of results								128,618
- gain on acquisitions of additional interest in an associate								31,816
Profit for the period								150,618

Inter-segment sales are charged at prevailing market rates or at terms determined and agreed by both parties.

Segment results represent the result of each segment without allocation of central administration costs, including directors' salaries, finance costs and items related to interests in associates.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September 2017

4. REVENUE AND SEGMENT INFORMATION (continued)

Segment assets and liabilities

At 30th September 2017

	Trading HK\$'000	Finance HK\$'000	Long-term investment HK\$'000	Other investment HK\$'000	Others HK\$'000	Segment total HK\$'000	Unallocated HK\$'000	Total HK\$'000
SEGMENT ASSETS								
Segment assets	54,494	221,086	14,034	20,565	45,574	355,753	-	355,753
Interests in associates	-	-	-	-	-	-	693,029	693,029
Unallocated corporate assets	-	-	-	-	-	-	90,543	90,543
Total assets	54,494	221,086	14,034	20,565	45,574	355,753	783,572	1,139,325

At 31st March 2017

	Trading HK\$'000	Finance HK\$'000	Long-term investment HK\$'000	Other investment HK\$'000	Others HK\$'000	Segment total HK\$'000	Unallocated HK\$'000	Total HK\$'000
SEGMENT ASSETS								
Segment assets	-	61,140	12,555	73,258	41,817	188,770	-	188,770
Interests in associates	-	-	-	-	-	-	730,712	730,712
Unallocated corporate assets	-	-	-	-	-	-	261,140	261,140
Total assets	-	61,140	12,555	73,258	41,817	188,770	991,852	1,180,622

For the purposes of monitoring segment performance and allocating resources among segments:

- all assets are allocated to operating segment other than interests in associates, intangible assets, short-term bank deposits, bank balances and cash, certain property, plant and equipment and certain debtors and prepayments.
- no segment liabilities information is provided as no such information is regularly provided to the CODM on making decision for resources allocation and performance assessment.

Interest income was allocated to segments. However, the related short-term bank deposits and bank balances and cash are not reported to the CODM as part of segment assets. This is the measure reported to the CODM for the purposes of resources allocation and assessment of segment performance.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September 2017

5. TAXATION

No provision for Hong Kong Profits Tax has been made as the entities within the Group had no assessable profits for both periods.

6. (LOSS) PROFIT FOR THE PERIOD

	Six months ended 30th September	
	2017 HK\$'000	2016 HK\$'000
(Loss) profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	669	714
Amortisation of intangible assets	–	4
Minimum lease payments under operating leases in respect of rented premises	2,268	1,586
and after crediting:		
Gain on disposal of subsidiaries	3,356	–
Gain on disposals of property, plant and equipment	526	–

7. DISTRIBUTIONS

Dividends recognised as distributions to the owners of the Company during the period:

	Six months ended 30th September	
	2017 HK\$'000	2016 HK\$'000
Final dividend for 2017 – nil (2016: HK3.0 cents for 2016) per share	–	50,030
Dividends in form of:		
Cash	–	38,468
Scrip	–	11,562
	–	50,030

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September 2017

8. (LOSS) EARNINGS PER SHARE

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

	Six months ended 30th September	
	2017 HK\$'000	2016 HK\$'000
(Loss) profit for the period attributable to the owners of the Company for the purposes of basic (loss) earnings per share	(34,599)	150,618
Effect of dilutive potential ordinary shares:		
Adjustment to the share of results of an associate based on dilution of its earnings per share	(61)	–
(Loss) profit for the period attributable to the owners of the Company for the purposes of diluted (loss) earnings per share	(34,660)	150,618
	Number of shares	
Weighted average number of shares for the purposes of basic and diluted (loss) earnings per share	1,688,282,827	1,667,654,793

For the period ended 30th September 2016, the computation of diluted earnings per share did not assume the conversion of the share options and warrants of the Group's associates since their assumed exercise would result in an increase in earnings per share.

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the period ended 30th September 2017, the Group spent HK\$1,254,000 (six months ended 30th September 2016: HK\$18,000) and HK\$82,000 (six months ended 30th September 2016: HK\$18,880,000) on the acquisition of property, plant and equipment and investment properties, respectively.

At 30th September 2017, the directors of the Company consider that the carrying amounts of the Group's leasehold land and buildings classified as property, plant and equipment and investment properties carried at revalued amounts and fair values, respectively, do not differ significantly from those which would be determined using fair values at the end of the interim period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September 2017

10. INTERESTS IN ASSOCIATES

	At 30th September 2017 HK\$'000	At 31st March 2017 HK\$'000
Share of consolidated net assets of associates:		
– listed in Hong Kong	1,076,852	1,114,535
– listed overseas	–	–
Goodwill	1,177	1,177
	1,078,029	1,115,712
Impairment losses recognised	(385,000)	(385,000)
	693,029	730,712
Market value of listed securities:		
Hong Kong	227,124	215,376
Overseas	40,511	96,587
	267,635	311,963

In May 2017, the Group's associate, PYI Corporation Limited ("PYI"), placed 915,470,000 new shares at a price of HK\$0.156 per share to not less than six independent third parties (the "PYI Placing"). The PYI Placing and exercise of PYI share options resulted in loss on decrease in interest in PYI of HK\$144,214,000 and HK\$2,226,000 respectively. The Group's interest in PYI decreased from approximately 28.45% at 31st March 2017 to approximately 23.65% at 30th September 2017.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September 2017

11. DEBTORS, DEPOSITS AND PREPAYMENTS

Included in debtors, deposits and prepayments are trade debtors of HK\$2,106,000 (31st March 2017: HK\$1,552,000) and their aged analysis based on the invoice date at the end of the reporting period is as follows:

	At 30th September 2017 HK\$'000	At 31st March 2017 HK\$'000
Trade debtors		
0 – 30 days	2,102	1,548
31 – 60 days	4	4
	2,106	1,552

Trade debts arising from commodities trading and leasing of investment properties are payable in advance, and the credit terms granted by the Group to other trade debtors normally ranged from 30 days to 90 days. For interest receivable, there are no credit terms granted by the Group.

12. LOANS RECEIVABLE

	At 30th September 2017 HK\$'000	At 31st March 2017 HK\$'000
Secured	220,000	–
Unsecured	–	60,000
	220,000	60,000

The loans receivable carry fixed interests at contractual interest rates ranging from 2.00% to 8.00% per annum (31st March 2017: ranging from 2.75% to 5.00% per annum) and repayable within one year (31st March 2017: repayable within one year).

At 30th September 2017, the loans receivable are secured by share charges relating to shares in certain entities independent of the Group. At 31st March 2017, the loans receivable were unsecured.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September 2017

13. CREDITORS AND ACCRUED EXPENSES

Included in creditors and accrued expenses are trade creditors of HK\$877,000 (31st March 2017: HK\$345,000) and their aged analysis based on the invoice date at the end of the reporting period is as follows:

	At 30th September 2017 HK\$'000	At 31st March 2017 HK\$'000
Trade creditors		
0 – 30 days	868	337
31 – 60 days	9	8
	877	345

14. SHARE CAPITAL

	Number of shares		Value	
	2017	2016	2017 HK\$'000	2016 HK\$'000
Ordinary shares of HK\$0.01 each				
Authorised:				
At 1st April and 30th September	102,800,000,000	102,800,000,000	1,028,000	1,028,000
Issued and fully paid:				
At 1st April and 30th September	1,688,282,827	1,667,654,793	16,883	16,677

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September 2017

15. DISPOSAL OF SUBSIDIARIES

During the period, the Company disposed of its entire equity interests in certain subsidiaries for an aggregate consideration of approximately HK\$23,840,000. Most of these subsidiaries are investment holding companies.

The net assets of the subsidiaries disposed of on the relevant dates of disposals were as follows:

	<i>HK\$'000</i>
Analysis of the aggregate assets and liabilities over which control was lost:	
Property, plant and equipment	325
Intangible assets	150
Debtors, deposits and prepayments	20,014
Creditors and accrued expenses	<u>(5)</u>
Net assets disposed of	<u>20,484</u>
Aggregate gain on disposal of the subsidiaries:	
Consideration received	23,840
Net assets disposed of	<u>(20,484)</u>
Gain on disposal (included in other income and gains)	<u>3,356</u>
Cash inflow arising on the disposal:	
Cash consideration	<u>23,840</u>

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September 2017

16. RELATED PARTY TRANSACTIONS

(a) Related party transactions

During the period, the Group had transactions with the following related parties, details of which are as follows:

Class of related party	Nature of transactions	Six months ended 30th September	
		2017 HK\$'000	2016 HK\$'000
Associates of the Group	Rentals and related building management fee charged by the Group	226	370
	Rentals and related building management fee paid by the Group	–	1,397
	Service fees charged by the Group	10	24
	Interest income received by the Group	528	377

(b) Compensation of key management personnel

	Six months ended 30th September	
	2017 HK\$'000	2016 HK\$'000
Fees	263	325
Salaries and other emoluments	1,780	7,080
	2,043	7,405

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September 2017

17. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

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

- Level 1: fair value measurements are derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2: fair value measurements are derived from 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: fair value measurements are derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	Fair value at		Fair value hierarchy	Valuation techniques and key inputs
	30th September 2017 HK\$'000	31st March 2017 HK\$'000		
Equity investments - Listed equity securities	20,558	60,090	Level 1	Quoted closing prices in an active market
Debt instrument	-	13,158	Level 2	Adjusted quoted closing prices in an active market
Convertible note	14,034	12,555	Level 3	Option pricing model that uses current stock price and stock price volatility of the issuer, conversion price and conversion period of the convertible note, and the risk-free rate as valuation inputs. The major significant unobservable input used is the expected volatility of the stock price of the issuer.

There were no transfers into and out of Levels 1, 2 and 3 during the current and prior periods.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September 2017

17. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Reconciliation of Level 3 fair value measurements of financial asset

	Convertible note HK\$'000
At 1st April 2016	–
Purchases	12,127
Interest income recognised in profit or loss	377
Exchange loss recognised in profit or loss	(5)
	<hr/>
At 30th September 2016	12,499
	<hr/>
At 1st April 2017	12,555
Interest income recognised in profit or loss	528
Exchange gain recognised in profit or loss	951
	<hr/>
At 30th September 2017	14,034
	<hr/>

Except the above financial assets that are measured at fair value on a recurring basis, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the condensed consolidated financial statements approximate their fair values.

Fair value measurements and valuation processes

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Executive Directors of the Company are responsible for the determination of the appropriate valuation techniques and inputs for fair value measurements. The Executive Directors review the findings of the valuation and assess the cause of fluctuations in the fair value of the assets.

Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed above.

BUSINESS REVIEW

Review of Financial Performance

During the six months ended 30th September 2017, the Group continued to principally engage in the businesses of investment holding, comprising strategic investments in PYI Corporation Limited ("PYI") and Burcon NutraScience Corporation ("Burcon"), investments in other financial assets and securities, provision of finance, and property investments. In order to diversify its investments and expand its revenue source, the Group has also expanded into the business of commodities trading during the period under review.

For the six months ended 30th September 2017, the Group's revenue increased by over 60 times to HK\$430,940,000 (30th September 2016: HK\$7,002,000). The sharp rise of the Group's revenue was mainly contributed by the newly commenced commodities trading business which presently focuses on the trading of copper cathodes and nickel briquettes.

For the six months ended 30th September 2017, the Group reported a loss of HK\$34,599,000 attributable to the owners of the Company (30th September 2016: profit of HK\$150,618,000) and basic loss per share of HK2.05 cents (30th September 2016: basic earnings per share of HK9.03 cents). The current period's loss was mainly due to a non-cash loss of HK\$146,440,000 on the decrease in interest in PYI primarily as a result of its share placement to independent investors in May 2017; which was partially offset by the share of PYI's profit of HK\$115,278,000 for the six months ended 30th September 2017. For illustrative purposes, without such loss of deemed disposal of interest in PYI, the Group would have achieved a profit of HK\$111,841,000 for the current period.

To reward the shareholders of the Company, a special dividend by way of distribution in specie of all the shares of the Group's former associate, ITC Properties Group Limited ("ITC Properties"), held by the Group was completed in January 2017. The Group no longer shared any result of ITC Properties during the current period (30th September 2016: share of profit of HK\$130,973,000).

Listed Strategic Investments

PYI

Based in Hong Kong, PYI focuses on ports and infrastructure development and investment, and the operation of ports and logistics facilities, in the Yangtze River region of China. It also engages in land and property development and investment in association with ports and infrastructure development and treasury investment. In addition, PYI provides comprehensive engineering and property-related services through its associate Paul Y. Engineering Group Limited.

In May 2017, PYI placed 915,470,000 new shares to independent investors which was the main reason for the loss on decrease in interest in PYI of HK\$146,440,000. The Group's interest in PYI decreased from approximately 28.45% at 31st March 2017 to approximately 23.65% at 30th September 2017.

PYI recorded a profit attributable to the owners of HK\$503,451,000 for the six months ended 30th September 2017. The turnaround from its loss of HK\$8,258,000 in the last period was mainly attributed to the gain on disposal of its 45% equity interest in an associate, Nantong Port Group Limited, of HK\$847,628,000 in the current period, which was partially offset by the recognition of an one-off impairment loss of HK\$144,797,000 on the plant and machinery and intangible assets of its liquefied petroleum gas business. The Group shared a profit of HK\$115,278,000 (30th September 2016: loss of HK\$2,355,000) from PYI for the current period.

Management Discussion and Analysis

BUSINESS REVIEW (continued)

Listed Strategic Investments (continued)

Burcon

Burcon is a leader in developing functionally and nutritionally valuable plant-based proteins. Its shares are listed on the Toronto Stock Exchange, the NASDAQ Global Market, and the Frankfurt Stock Exchange. Since 1999, Burcon has developed a portfolio of composition, application, and process patents originating from its core protein extraction and purification technology. Burcon has developed CLARISOY™, a soy protein which offers clarity and complete nutrition for low pH systems; Peazazz® pea protein which is uniquely soluble with clean flavour characteristics; and Puratein®, Supertein® and Nutratein®, three canola protein isolates with unique functional and nutritional attributes.

Burcon's flagship protein technology, CLARISOY™, has been licensed to Archer Daniels Midland Company ("ADM") (stock code: ADM. NYSE), a leader in the global food ingredient industry listed in the U.S., since March 2011. In November 2016, ADM had fully commissioned the first large-scale CLARISOY™ production facility at its North American headquarters in Decatur, Illinois. In June 2017, ADM demonstrated two new products using CLARISOY™ as the sole protein source at the 2017 Institute of Food Technologist Annual Meeting & Food Expo.

For the period ended 30th September 2017, Burcon recorded a loss of HK\$16,378,000 as compared with HK\$18,106,000 for the corresponding period in 2016.

Note: CLARISOY™, a trademark of ADM, is under license to Burcon from ADM.

The Group's shareholding interests in its major listed strategic investments are summarised below:

Name of investee company	Place of listing	Stock code	Interest held at 30th September 2017
PYI	Hong Kong Stock Exchange	498	23.65%
Burcon	Toronto Stock Exchange NASDAQ Global Market Frankfurt Stock Exchange	BU BUR BNE	20.87%

Provision of Finance

For the six months ended 30th September 2017, the Group's finance operation continued to contribute a profitable segment result of HK\$3,380,000 which increased by 13% compared to last period (30th September 2016: HK\$3,003,000). At 30th September 2017, the loans portfolio held by the Group amounted to HK\$220,000,000 (31st March 2017: HK\$60,000,000).

Management Discussion and Analysis

BUSINESS REVIEW (continued)

Commodities Trading

During the period under review, the Group commenced its trading business which presently focuses on the trading of commodities including copper cathodes and nickel briquettes. The business generated a revenue of HK\$425,144,000 and recorded a segment profit of HK\$169,000. The Group has entered into this business segment in light of the good prospects of the nonferrous metals industry in general and expects that this business will continue to contribute profitable results in future.

Long-term investment

During the period under review, the Group's long-term investment recorded a revenue of HK\$528,000 (30th September 2016: HK\$377,000) and a segment profit of HK\$1,470,000 (30th September 2016: segment loss of HK\$6,257,000). At 30th September 2017, the Group's long-term investment amounted to HK\$14,034,000 (31st March 2017: HK\$12,555,000) and represented an investment in a 3-year unlisted convertible note issued by Burcon with a principal amount of \$2,000,000 Canadian dollars and a coupon rate of 8% per annum. The segment revenue represented interest income from such convertible note. The segment profit for the current period was mainly attributed to an exchange gain of HK\$951,000 arising on translation of the convertible note of Burcon. The turnaround of the segment result was mainly due to the absence of a HK\$6,600,000 loss from the disposal of an investment in an unlisted entity that indirectly held an equity investment listed in Hong Kong recorded in the last period.

Other investment

During the period under review, the Group's other investment contributed a segment revenue of HK\$251,000 (30th September 2016: HK\$2,303,000) and a segment loss of HK\$721,000 (30th September 2016: segment profit of HK\$11,444,000). In the current period, the Group received interest income of HK\$251,000 (30th September 2016: nil) from a debt instrument which represented an investment in a 5-year senior guaranteed note with a principal amount of \$1,800,000 United States dollars and a coupon rate of 4.75% per annum issued by a directly wholly owned subsidiary of ITC Properties. The debt instrument was disposed of during the current period and the Group recorded a loss of HK\$40,000 from the disposal. During the period ended 30th September 2016, the Group received dividend income of HK\$2,303,000 from its equity investments whereas no dividend was received during the current period.

During the current period, the Group recognised a realised loss of HK\$842,000 (30th September 2016: HK\$96,000) from disposal of equity investments and unrealised loss of HK\$41,000 (30th September 2016: unrealised gain of HK\$9,036,000) for holding its listed equity investments at the end of the reporting period.

At 30th September 2017, the Group's equity investments portfolio amounted to HK\$20,558,000 (31st March 2017: HK\$60,090,000) and comprised of shares in various companies listed in Hong Kong.

Others

During the period under review, the Group's other business contributed a segment revenue of HK\$3,584,000 (30th September 2016: HK\$2,949,000) and a segment profit of HK\$609,000 (30th September 2016: HK\$365,000). At 30th September 2017, the Group's other business mainly represented the leasing of investment properties and provision of management services. During the current period, the Group continues to generate a steady property rental income of HK\$1,642,000 (30th September 2016: HK\$1,020,000) from leasing of office premises and hotel strata lots located in Canada and management service income of HK\$1,727,000 (30th September 2016: HK\$1,706,000) from provision of property agency service in Canada.

Management Discussion and Analysis

FINANCIAL REVIEW

Liquidity, financial resources and capital structure

At 30th September 2017, the Group's total assets of HK\$1,139,325,000 (31st March 2017: HK\$1,180,622,000) and equity attributable to shareholders of HK\$1,125,599,000 (31st March 2017: HK\$1,163,683,000) both represented a decrease of 3% as compared to 31st March 2017, mainly due to the loss incurred by the Group for the current period.

The Group continued to adopt a prudent funding and treasury policy to manage its liquidity needs. The objective is to maintain adequate funds for financing working capital and capture investment opportunities as and when they become available.

During the six months ended 30th September 2017, the Group financed its operation mainly by credit facilities provided by banks and shareholders' funds. At 30th September 2017, the Group had current assets of HK\$381,465,000 (31st March 2017: HK\$389,456,000) and liquid assets comprising bank deposits, bank balances and cash, debt instrument, and equity investments totalling HK\$99,231,000 (31st March 2017: HK\$301,216,000). The Group's current ratio, calculated based on current assets over current liabilities of HK\$3,937,000 (31st March 2017: HK\$7,766,000), was at a ratio of about 97 at the period end (31st March 2017: 50).

With the amount of liquid assets on hand as well as credit facilities granted by banks, the management is of the view that the Group has sufficient financial resources to meet its ongoing operational requirements.

Gearing

At 30th September 2017, the Group had bank deposits, bank balances and cash of HK\$78,673,000 and bank borrowings of HK\$7,581,000. The bank borrowings were denominated in Canadian dollars, bore interest at floating rates, and secured by the relevant investment properties.

The Group's gearing ratio was zero at 30th September 2017 and 31st March 2017 as the Group was in net cash position. The gearing ratio is calculated on the basis of net borrowings over the equity attributable to owners of the Company. Net borrowings are arrived at by deducting bank deposits, bank balances and cash from bank borrowings.

Foreign currency management

The monetary assets and liabilities as well as business transactions of the Group are mainly denominated in Hong Kong dollars, Canadian dollars and United States dollars. During the period under review, the Group had not entered into any foreign currency forward contracts, currency swaps or other financial derivatives for hedging purposes. However, the management monitors foreign exchange exposure from time to time. Appropriate measures would be undertaken by the Group when exchange rate fluctuations become significant.

Pledge of assets

At 30th September 2017, investment properties of HK\$17,426,000 (31st March 2017: HK\$16,147,000) were pledged to secure a bank loan granted to the Group.

Management Discussion and Analysis

FINANCIAL REVIEW (continued)

Contingent liabilities

At 30th September 2017, the Group had no significant contingent liabilities (31st March 2017: nil).

Capital commitment

At 30th September 2017, the Group had no significant capital commitments (31st March 2017: nil).

EMPLOYEES AND REMUNERATION POLICY

At 30th September 2017, the Group had a total of 21 employees. The Group's remuneration policy is to ensure that the Group's remuneration structure is appropriate and aligns with the Group's goals and objectives. The employees' remuneration is based on the employees' skill, knowledge and involvement in the Company's affairs and is determined by reference to the Company's performance, as well as remuneration benchmark in the industry and the prevailing market conditions. The ultimate objective of the remuneration policy is to ensure that the Group is able to attract, retain and motivate a high-calibre team which is essential to the success of the Company. The Group also offers benefits to employees including discretionary bonus, training, provident funds, share option scheme and medical coverage. The share option scheme of the Company is established for the eligible participants (including employees).

PROSPECTS

The Company is prudently optimistic on its business outlook. As China's economic growth has become stable, the Company remains positive on its mid-to-long-term prospects and believes that Hong Kong will continue to benefit from the collaboration with China.

The Group continues to hold its investments in PYI and Burcon, which the Company believes will continue to bring positive value to the Group. With a view that the China's economy will continue to grow steadily in the long term, the Directors are confident of the prospects of PYI. For Burcon, it announced in November 2016 that ADM, Burcon's license and production partner for CLARISOY™ soy protein, successfully commissioned the first large-scale CLARISOY™ production facility, which has commercialised Burcon's intellectual property rights. In June 2017, ADM demonstrated two new products using CLARISOY™ as the sole protein source at the 2017 Institute of Food Technologist Annual Meeting & Food Expo. The Directors believe that these achievements will enhance the long-term growth of Burcon and bring positive impact to the Group in the near future.

With the backdrop of "One country, Two systems", Hong Kong has an important role to play in the One Belt One Road Initiative, which is strongly supported by the Chinese government. This initiative is expected to create long-term development opportunities for the metals industry in trade, investment and infrastructure construction in the countries covered by the One Belt One Road Initiative. Furthermore, the Guangdong-Hong Kong-Macao Greater Bay Area is part of the Chinese government's plan to promote urbanisation by developing city clusters and escalating the strength of first-tier cities to boost growth in the less developed areas. This is also expected to stimulate trade, investment and infrastructure construction in the region which in turn will lead to increase in demand of industrial metals. In light of the above, the Group intends to further expand its commodities trading business in order to capture the emerging business opportunities arising from the One Belt One Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area Initiative.

The Group will continue to adhere to its long-term strategy of exploring diversified investment opportunities with growth potential in a prudent yet proactive approach. The Company believes that the Group is well-poised for the challenges ahead and is determined to bring maximum value to its shareholders.

Supplementary Information

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30th September 2017.

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

At 30th September 2017, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporations, within the meaning of Part XV of the SFO, as recorded in the register of the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules were as follows:

(a) Long positions in shares, underlying shares and debentures of the Company

Name of Director	Capacity	Number of shares held	Approximate percentage of the issued share capital of the Company
Mr. Ching Man Chun, Louis ("Mr. Ching")	Interest of controlled corporation	488,000,000 (Note)	28.91%

Note:

These interests were held by Champion Choice Holdings Limited ("Champion Choice"), which was wholly owned by Mr. Ching. Mr. Ching is the sole director of Champion Choice. Accordingly, Mr. Ching was deemed to be interested in 488,000,000 shares of the Company under the SFO.

Supplementary Information

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(b) Long positions in shares, underlying shares and debentures of Burcon NutraScience Corporation ("Burcon")

Name of Director	Capacity	Number of shares held	Number of underlying shares (in respect of the share options (unlisted equity derivatives)) held	Approximate percentage of the issued share capital of Burcon
Chau Mei Wah, Rosanna	Beneficial owner	448,634	–	1.19%
Chau Mei Wah, Rosanna	Beneficial owner	–	145,844	0.39%

At 30th September 2017, Burcon was an associated corporation of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, at 30th September 2017, none of the directors and chief executives of the Company had any interests and short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register of the Company required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEME

The share option scheme of the Company was adopted on 19th August 2011 (the "Share Option Scheme"). No share options were granted, exercised, cancelled or lapsed during the six months ended 30th September 2017. At 30th September 2017, there was no outstanding share option granted by the Company pursuant to the Share Option Scheme.

DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At 30th September 2017, there were no outstanding share options granted by the Company pursuant to the share option scheme of the Company adopted on 19th August 2011. No share options were granted, exercised, cancelled or lapsed during the six months ended 30th September 2017.

Save as disclosed herein, at no time during the six months ended 30th September 2017 was the Company or any of its subsidiaries a party to any arrangements which enabled the directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities including debentures of, the Company or any other body corporate, and none of the directors, chief executives or their spouse or children under the age of 18, had any right to subscribe for securities of the Company, or had exercised any such right during the period.

Supplementary Information

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

At 30th September 2017, so far as is known to the directors and the chief executives of the Company, the interests or short positions of substantial Shareholders in the shares and underlying shares of the Company as recorded in the register of the Company required to be kept under Section 336 of the SFO were as follows:

Name	Capacity	Number of shares held	Approximate percentage of the issued share capital of the Company
Mr. Ching	Interest of controlled corporation	488,000,000 (Note 1)	28.91%
Champion Choice	Beneficial owner	488,000,000 (Note 1)	28.91%
Mr. Suen Cho Hung, Paul ("Mr. Suen")	Interest of controlled corporation	670,676,465 (Note 2)	39.72%
Ace Way Global Limited ("Ace Way")	Interest of controlled corporation	670,676,465 (Note 2)	39.72%
Ace Pride Holdings Limited ("Ace Pride")	Beneficial owner	670,676,465 (Note 2)	39.72%

Notes:

1. These interests were held by Champion Choice, which was wholly owned by Mr. Ching. Mr. Ching is the sole director of Champion Choice. Accordingly Mr. Ching was deemed to be interested in 488,000,000 shares under the SFO. The interests of Mr. Ching and Champion Choice in 488,000,000 shares of the Company referred to the same parcel of shares.
2. These interests were held by Ace Pride, which was wholly owned by Ace Way which in turn was wholly owned by Mr. Suen. Mr. Suen is the sole director of Ace Pride and Ace Way. Accordingly, Mr. Suen was deemed to be interested in 670,676,465 shares of the Company under the SFO. The interests of Mr. Suen, Ace Way and Ace Pride in 670,676,465 shares of the Company referred to the same parcel of shares.

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under Section 336 of the SFO as having interests or short positions in the shares or underlying shares of the Company as at 30th September 2017.

ADVANCE TO AN ENTITY

At the date of this report, a loan agreement with circumstances giving rise to a disclosure under Rule 13.13 of the Listing Rules continue to exist which constituted disclosure obligation pursuant to Rule 13.20 of the Listing Rules is as follows.

Supplementary Information

ADVANCE TO AN ENTITY (continued)

On 20th July 2017, PT Credit Limited, a wholly owned subsidiary of the Company, as lender (the “Lender”) entered into a loan agreement (the “Loan Agreement”) with Mr. Zhu Bin, as the borrower (the “Borrower”) for a short term loan facility up to the principal amount of HK\$200,000,000 (the “Loan Facility”) at an interest rate of 2% per annum, payable on every 3 months interval, for 6 months commencing from the date on which the Loan Facility was drawn down. A share charge on all the issued shares of Thousand Vantage Investment Limited (“Thousand Vantage”) and a debenture incorporating a first floating charge over all the undertaking, property and assets of Thousand Vantage were executed by the Borrower as security for the Loan Facility. Mr. Zhu Bin, save for being a director of, and a shareholder holding 8% equity interest in, an insignificant subsidiary (as defined in Rule 14A.09 of the Listing Rules) of the Group, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Borrower is a third party independent of the Company and its connected persons. Thousand Vantage is a company incorporated in Hong Kong with limited liability holding 75% equity interest in a subsidiary established in the PRC.

Pursuant to the Loan Agreement, the Borrower granted to the Group an exclusive right, during the period of 6 months commencing from the date of the Loan Agreement, as may be extended by agreement between the parties from time to time, to purchase all or part of the issued shares of and all or part of the shareholder’s loans due by Thousand Vantage or to subscribe for new shares of Thousand Vantage. The Loan Facility has been fully drawn down and remains outstanding at the date of this report. The Borrower shall repay the outstanding amount under the Loan Facility to the Lender on the date falling on the end of the 6 month period from the first drawdown date. Details of the Loan Agreement were disclosed in the announcement of the Company dated 20th July 2017.

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

During the six months ended 30th September 2017, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company’s listed securities.

CORPORATE GOVERNANCE CODE

The Company has, throughout the six months ended 30th September 2017, complied with the code provisions of the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Listing Rules except for the following deviations with reason as explained:

Code provision A.2.1

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Deviation

Following the resignation of Mr. Suen Cho Hung, Paul from the positions of the Executive Director, the Managing Director, and the Chairman of the Board with effect from 30th September 2017, Mr. Ching Man Chun, Louis, an Executive Director of the Company, has taken up the positions of the Chairman of the Board and the Managing Director of the Company. The Board considers that vesting the roles of chairman and chief executive in the same person enables more effective and efficient planning and implementation of business plans, the Board also believes that the balance of power and authority is adequately ensured.

Code Provision E.1.2

Code provision E.1.2 of the CG Code stipulates that the chairman of the board should attend the annual general meeting.

Deviation

The then Chairman of the Board, Mr. Suen Cho Hung, Paul, was unable to attend the annual general meeting of the Company held on 27th September 2017 as he had other important business engagement. However, Mr. Sue Ka Lok, an Executive Director of the Company, had chaired the meeting in accordance with Bye-law 77 of the Company’s Bye-laws.

Supplementary Information

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. All directors of the Company have confirmed, following specific enquiry by the Company, that they complied with the required standard set out in the Model Code for the six months ended 30th September 2017.

REVIEW OF INTERIM RESULTS

The Audit Committee has reviewed the unaudited condensed consolidated financial statements and the interim report for the six months ended 30th September 2017. The unaudited condensed consolidated financial statements of the Group for the six months ended 30th September 2017 have not been audited, but have been reviewed by the Company's auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

UPDATES ON DIRECTORS' INFORMATION

The following is the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules updated from the publication of 2017 Annual Report to 18th December 2017:

Mr. Sue Ka Lok has stepped down from his position as the chairman of the board of directors of Courage Investment Group Limited ("Courage Investment") (formerly known as Courage Marine Group Limited) (Hong Kong stock code: 1145, a company listed on the Hong Kong Stock Exchange) and has been re-designated as a non-executive director of Courage Investment with effect from 19th October 2017. The shares of Courage Investment are also listed on the Singapore Exchange Securities Trading Limited.

Mr. Wong Yee Shuen, Wilson has resigned as an independent non-executive director of Ping An Securities Group (Holdings) Limited (Hong Kong stock code: 231, a company listed on the Hong Kong Stock Exchange) with effect from 1st December 2017.

Mr. Yam Kwong Chun has been appointed as an independent non-executive director of Sustainable Forest Holdings Limited (Hong Kong stock code: 723, a company listed on the Hong Kong Stock Exchange) with effect from 15th December 2017.

By Order of the Board

Ching Man Chun, Louis

Chairman and Managing Director

Hong Kong, 24th November 2017