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)

* *For identification purpose only*

2020 Annual Report

CONTENTS

Definitions and Glossary

In this annual report, the following expressions have the following meanings unless otherwise specified:

"associates"	the meaning ascribed to it in the Listing Rules
"Board"	Board of Directors of the Company
"Bye-laws"	Bye-laws of the Company
"Company"	PT International Development Corporation Limited
"connected person(s)"	the meaning ascribed to it in the Listing Rules
"Current Year"	the year ended 31st March, 2020
"Director(s)"	director(s) of the Company
"Group"	the Company and its subsidiaries
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"PRC" and "China"	the 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)
Mr. Sue Ka Lok
Ms. Xu Wei
Mr. Gary Alexander Crestejo *(resigned on 1st November, 2019)*
Mr. Yeung Kim Ting *(re-designated from independent non-executive Director to executive Director on 8th July, 2019)*
Mr. Heinrich Grabner *(appointed on 1st November, 2019)*

Independent Non-executive Directors

Mr. Yam Kwong Chun
Mr. Wong Yee Shuen, Wilson
Mr. Lam Yik Tung *(appointed on 8th July, 2019)*

AUDIT COMMITTEE

Mr. Wong Yee Shuen, Wilson *(Chairman)*
Mr. Yam Kwong Chun
Mr. Lam Yik Tung *(appointed on 8th July, 2019)*

REMUNERATION COMMITTEE

Mr. Lam Yik Tung *(Chairman)*
(appointed on 8th July, 2019)
Mr. Wong Yee Shuen, Wilson
Mr. Yam Kwong Chun

NOMINATION COMMITTEE

Mr. Yam Kwong Chun *(Chairman)*
Mr. Wong Yee Shuen, Wilson
Mr. Lam Yik Tung *(appointed on 8th July, 2019)*

CORPORATE GOVERNANCE COMMITTEE

Mr. Sue Ka Lok *(Chairman)*
Mr. Wong Yee Shuen, Wilson
Mr. Yam Kwong Chun
Mr. Lam Yik Tung *(appointed on 8th July, 2019)*

COMPANY SECRETARY

Ms. Lo Yuen Mei
(appointed on 16th October, 2019)
Mr. Chan Ka Ku
(resigned on 16th October, 2019)

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants

LEGAL ADVISORS

Vincent T.K. Cheung, Yap & Co.
Solicitors & Notaries

PRINCIPAL BANKERS

Bank of Communications Co., Ltd., Hong Kong Branch
DBS Bank (HK) Limited
Fubon Bank (Hong Kong) Limited
Industrial and Commercial Bank of China (Asia) Limited
Nonghyup Bank
The Hong Kong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 3412–3413
34/F., China Merchants Tower, Shun Tak Centre
168–200 Connaught Road Central
Hong Kong *(Note 1)*

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

WEBSITE

www.ptcorp.com.hk

STOCK CODE

Hong Kong Stock Exchange 372

Note 1: With effect from 6th July, 2020, the principle place of business of the Company in Hong Kong was changed to Suites 3412–3413, 34/F., China Merchants Tower, Shan Tak Centre, 168–200 Connaught Road Central, Hong Kong

Chairman's Statement

On behalf of the Board, I am pleased to present the Annual Report of the Group for the year ended 31st March, 2020 to the Shareholders.

The Current Year under review had been very challenging and difficult for the Group. The coronavirus outbreak has triggered many uncertainties and volatility in markets across the globe. Compared with the year in 2019, we have seen a slowdown in trading activities and reduced social interactions between Hong Kong and the rest of the world.

As an investment holding company, our management has always been identifying investment opportunities with good potential and diversifying its investment portfolios in order to generate the most return out of its investment, in the best interests of the Company and its Shareholders as a whole. As we are unable to control the dividend policy over portfolio companies which may affect our investment returns, hence, the Board continuously reviewed our portfolios and has divested less attractive assets such as fishery business, Canadian investments in office premise, and we are also in the process of disposing our investment in PYI Corporation Limited ("**PYI**").

During the Current Year, the Group has made a strategic investment through acquiring a project in the PRC, which had been granted a sea area use right in respect of a parcel of reclaimed land constructed on the relevant sea plot in Yangkou Port, Nantong, the PRC and is in the course of constructing infrastructure for operating chemical storage and related facilities thereon. Such investment reinforces the Group's commitment towards sustainable development. Once the petrochemical storage business operation commences, it will broaden the income stream of the Group.

In respect of commodities trading business, we engaged in marketing and supplying mainly on non-ferrous metals (including coppers and nickels), with the adoption of prudent strategy, we have made efforts in optimising or extending our product range by including aluminium product to replace fishery product; and exploring business relations with other Asian markets, as evidenced by our increased shipments to Singapore and Korea during the Current Year. Our customer base was diversified from purely commodities traders to producers and financial institutions whilst broadened our supplies and sourced from the UK and Australia. Our trading counterparties are reputable with good rating so that we could minimise our counterparty default risk. The Group benefits from these strategies taken to strengthen this business line.

In respect of the money lending business, the Group has applied a stringent and cautious principle in the selection of customers and the provision of loans to minimize potential default risk. The market of money lending business in Hong Kong is relatively keen and competitive. We will proactively explore and generate more income for the Group in this business line.

Looking forward, the weak macro-environment, escalation of trade tensions between the US and China and worldwide concerns over a second wave of Covid-19 have further weighed on market sentiment, thus we expect growth in commodities trading will be muted in the first half of the next financial year. However, we are confident in the medium to long-term prosperity of global economy which we believe may improve our Group's overall performance thereafter.

Chairman's Statement

Amid global economic fluctuations, the Group will continue to capture suitable investment opportunities as and when they arise in respect of the type of business, investment costs and the capital structure in which the businesses are operating with a due and thorough consideration by adopting robust investment strategies under macro headwinds, with an aim to maximise returns to shareholders while minimising losses.

In light of the financial positions, the Group will continue to adopt a prudent funding and treasury policy and manage to have sufficient liquidity to withstand an extended period of uncertainties.

Lastly, on behalf of the Board, I would like to take this opportunity to express my gratitude to all Shareholders, customers, suppliers and business partners for their continuous support to the Company; and extend my appreciation to all management and staffs for their contributions and dedication to the Group throughout the year.

Ching Man Chun, Louis
Chairman and Manging Director

Hong Kong, 29th June, 2020

Management Discussion and Analysis

BUSINESS REVIEW

Review of Financial Performance

For the year ended 31st March, 2020 (the "**Current Year**"), the Group continued to principally engage in the businesses of investments holding, comprising i) strategic investments in PYI and one newly acquired project in the PRC held by Yangtze Prosperity Development (HK) Limited (formerly known as Eastern Yangtze Development (HK) Limited) ("**YPD(HK)**"), which has been granted a sea area use right in respect of a parcel of reclaimed land constructed on the relevant sea plot in Yangkou Port, Nantong, the PRC and is in the course of constructing infrastructure for operating chemical storage and related facilities thereon; ii) trading of commodities; iii) investments in other financial assets and securities; iv) provision of finance; and v) property investments.

Revenue of the Group for the Current Year decreased to HK$1,252,461,000 under unfavorable market conditions (2019: HK$1,785,780,000). The Group reported a loss of HK$902,258,000 attributable to the owners of the Company (2019: a profit of HK$277,056,000) and basic loss per share of HK$44.70 cents (2019: basic earnings per share of HK$13.73 cents). The current year loss was mainly due to (a) an unrealised fair value loss of the Group's investment in AFC Mercury Fund (the "**AFC Fund**") of approximately HK$373,271,000; (b) an impairment loss on interest in the Group's associate, PYI, of approximately HK$345,687,000; and (c) the share of the loss results of PYI of approximately HK$135,334,000.

The above-mentioned unrealised fair value loss (which was non-cash in nature) or impairment loss do not have any impact on the operating cash flows of the Group and the Board remains positive on the prospects of the Group.

Listed Strategic Investments

PYI (owned as to approximately 23.65% interest by the Group)

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, as well as securities and treasury investment. In addition, PYI provides comprehensive engineering and property-related services through its associate Paul Y. Engineering Group Limited.

PYI recorded a loss attributable to the owners of HK$572,268,000 for the Current Year. The Group shared a loss of HK$135,334,000 (2019: share of profit of HK$11,637,000) from PYI for the Current Year.

PYI is used to generating stable income to the Group by way of making dividend payments in the past. However, in the last four years, PYI has not contributed any dividend income to the Group. The Group anticipated that PYI will continue to focus on divesting its ports and logistics business and refocus on other bulk commodities businesses with higher growth potential, in particular the liquefied natural gas business, rather than to return the gain on divestment to shareholders through declaration of dividends in the foreseeable term. As at 31st March, 2020, the Group was in the process of disposing of its entire equity interests in PYI. Subsequent to the end of the reporting period, the Group was offered a good opportunity to realise the majority of its investment in PYI. On 7th April, 2020, the Group entered into a conditional agreement with an independent third party for the disposal of its 19.57% equity interests in PYI (the "**Disposal**") at a consideration of HK$181,440,000, subject to adjustments.

As a conditional precedent to the Disposal, the Group has agreed to place the remaining 4.08% equity interests in PYI to independent third parties by way of placing before completion of the Disposal (the "**Placing**"), after which the Group will no longer hold any shares of PYI after the Placing and the Disposal. Up to the date of this report, the Placing has been completed. The condition precedent to the Disposal has been fulfilled and the Disposal will be completed in due course*. The Placing and the Disposal are expected to result in a gain on disposal of the Group's interest in associate and the Group is in the process of finalising the financial impact on the disposal of the associate.

* As disclosed in the Company's announcement dated 6th July, 2020, the Disposal has been completed on 6th July 2020.

Jiangsu Hong Mao (江蘇宏貿倉儲) (owned as to 90% by the Group)

During the Current Year, the Group made a strategic investment through acquiring a project in the PRC. In September 2019, the Group had entered into a loan capitalisation deed with YPD(HK), pursuant to which YPD(HK) issued and allotted 9,000,000 new shares to the Group in settlement for the outstanding loan receivable of HK$23,400,000 and outstanding interest receivable of HK$1,210,000 due by YPD(HK) to the Group. Upon completion of the transaction, the Group has obtained control over YPD(HK) and its subsidiary and YPD(HK) and its subsidiary have become subsidiaries of the Group.

YPD(HK) is incorporated in Hong Kong and is an investment holding company which in turn owns the entire equity interest in 江蘇宏貿倉儲有限公司 (formerly known as 江蘇濱渡化工倉儲有限公司), which has been granted a sea area use right in respect of a parcel of reclaimed land constructed on the relevant sea plot in Yangkou Port, Nantong, the PRC and is in the course of constructing infrastructure for operating chemical storage and related facilities thereon.

Such investment reinforces the Group's commitment towards sustainable development and it will broaden the income stream of the Group in the near future. This business segment has not commenced operation as at 31st March, 2020.

Commodities Trading

During the Current Year, the Group continued its trading business which focuses on the trading of commodities including copper cathodes, nickel briquettes, aluminium and fishery products. The business generated a revenue of HK$1,244,356,000 (2019: HK$1,772,410,000) and recorded a segment loss of HK$6,012,000 (2019: HK$2,296,000).

The Group maintained the metal trading business in Hong Kong and Shanghai. This business segment is operated by experienced management teams located in both locations, with extensive and unique experience in the field of metal trading. The metal trading business remains one of the main sources of income for the Group. During the Current Year, the commodities market came to a standstill resulting in a decline of overall revenue. It was mainly due to US-China trade war tension which continued to further weaken the manufacturing sectors in China and Asia. In the fourth quarter of the Current Year, the outbreak of the coronavirus pandemic has notable effects on economic activities and transportations around the world. Compared with the year in 2019, there was a slowdown in trading activities in China's and Hong Kong's commodities market. The management was monitoring the situation and the credit exposures in commodities markets and put measures in place to mitigate the risks arising from the impact of the COVID-19 pandemic.

Long-term Investment

During the Current Year, the Group's long-term investment recorded a revenue of HK$4,011,000 (2019: HK$4,312,000) and a segment loss of HK$376,199,000 (2019: segment profit of HK$384,437,000). As at 31st March, 2020, the Group's long-term investment amounted to HK$352,771,000 (2019: HK$752,700,000). The segment revenue and the segment loss for the Current Year was mainly attributed to the dividend income of the preference shares in Thousand Vantage Investment Limited ("**Thousand Vantage**") and the unrealised fair value loss from the AFC Fund, respectively.

Thousand Vantage

In April 2018, the Group, through its subsidiary, entered into a subscription agreement with Thousand Vantage pursuant to which the Group as a subscriber, agreed to subscribe and Thousand Vantage as an issuer, agreed to allot and issue 100 preference shares at a total subscription price of HK$200,000,000. The preference shares confer the Group the right to receive cumulative fixed preferential dividend at a rate of 2% per annum of the subscription price up to the redemption date of 16th April, 2020. The preference shares are guaranteed by the sole shareholder of the Thousand Vantage (the "**Guarantor**") who has executed a share charge in favour of the Group relating to all shares of Thousand Vantage (the "**Share Charge**").

During the Current Year, dividends arising on the preference shares amounting to HK$4,011,000 (2019: HK$3,836,000) are recognised in profit or loss as interest income from investments (included in revenue).

As disclosed in the Company's announcement dated 16th April, 2018, Thousand Vantage shall redeem the preference shares on 16th April, 2020 and the Guarantor granted to the Group an exclusive right during the period commencing from the date of the issue of the preference shares up to the full payment of the redemption price, as may be extended by agreement between the parties from time to time to purchase all or part of the issued ordinary shares of and all or part of shareholder's loan due by Thousand Vantage or to subscribe for new ordinary shares in Thousand Vantage. The Board is currently negotiating with the Guarantor and Thousand Vantage in relation to the acquisition of equity interests in Thousand Vantage, whereby the consideration of which will possibly be offset by the redemption price of HK$200,000,000. Such potential transaction, if materialised, will constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. As at the date of this report, the Group has not entered into any agreement with Thousand Vantage and the Guarantor in relation to extension of the preference shares.

AFC Mercury Fund

In June 2018, the Group, through its subsidiary, entered into a subscription agreement with certain independent third parties pursuant to which the Group agreed to subscribe for shares in AFC Fund, as a limited partner, at an aggregate consideration of US$20,000,000 (equivalent to approximately HK$156,000,000). The AFC Fund principally invests in shares of companies listed on the Korea Exchange, principally STX Corporation Limited. STX Corporation Limited (stock code: 011810) is primarily engaged in the business of energy trading, commodity trading, machinery and engine trading, and shipping and logistics. The shares of the AFC Fund held by the Group represent approximately 29.71% of the issued share capital of the AFC Fund as at 31st March, 2020.

During the Current Year, an unrealised fair value loss of HK$373,271,000 (2019: fair value gain of HK$380,125,000) was recognised in profit or loss.

Management Discussion and Analysis

CEC Asia Media

In December 2018, the Group, through its subsidiary, entered into a subscription agreement with CEC Asia Media Group L.P. ("**CEC Fund**") pursuant to which the Group agreed to subscribe for shares in CEC Fund, as a limited partner, at an aggregate consideration of US$2,000,000 (equivalent to approximately HK$15,600,000). The fund was organised primarily to invest, directly or indirectly, in Global K Centre Limited and Lionheart Entertainment Asia Limited and other strategical investment in relation to media, artist and beauty training academy based in South Korea. The shares of the CEC Fund held by the Group represent 20% of the issued share capital of the CEC Fund.

During the Current Year, an unrealised fair value loss of HK$3,927,000 (2019: nil) was recognised in profit or loss.

Provision of Finance

For the Current Year, the Group's loan financing operation continued to contribute a profitable segment result of HK$3,240,000 (2019: HK$1,571,000) which increased by 106% compared to last year. As at 31st March, 2020, the loan portfolio held by the Group was nil (2019: HK$39,000,000).

Other Investment

During the Current Year, the Group's other investment contributed nil segment revenue (2019: nil) and a segment loss of HK$1,157,000 (2019: HK$82,000).

As at 31st March, 2020, the Group's equity investments portfolio amounted to HK$6,109,000 (2019: HK$6,576,000) and constituted of shares in a company listed in Hong Kong.

Others

During the Current Year, the Group's other business contributed a segment revenue of HK$831,000 (2019: HK$5,688,000) and a segment loss of HK$5,000 (2019: HK$21,375,000). Revenue in this segment was derived from leasing of office premises and hotel strata lots and provision of property agency service, through Illuminate Investment Group which was principally engaged in the holding of an office premise in Canada to earn rentals and the provision of management and other related services.

During the Current Year, the Group recorded a property rental income of HK$203,000 (2019: HK$2,983,000) and management service income of HK$628,000 (2019: HK$2,692,000). In November 2018, the Group announced to dispose of its entire equity interests in Illuminate Investment Group which was principally engaged in the holding of office premises and hotel strata lots in Canada. The disposal was completed in June 2019.

Management Discussion and Analysis

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31st March, 2020, the Group has total assets of HK$547,209,000 (2019: HK$1,488,165,000) represented a decrease of HK$940,956,000 or 63% when compared with the last year.

As at 31st March, 2020, equity attributable to owners of the Company amounted to HK$523,718,000 (2019: HK$1,472,608,000), representing a decrease of HK$948,890,000 or 64% as compared to 31st March, 2019. The decrease was mainly due to (a) an unrealised fair value loss of the Group's investment in AFC Fund; (b) an impairment loss on interest in the Group's associate, PYI; and (c) the share of the loss results of PYI.

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.

As at 31st March, 2020, current assets and current liabilities of the Group were HK$351,572,000 (2019: HK$186,571,000) and HK$17,004,000 (2019: HK$10,758,000) respectively. Accordingly, the Group's current ratio was about 21 (2019: 17).

Gearing Ratio

As at 31st March, 2020, the Group had bank deposits, bank balances and cash of HK$77,938,000 (2019: HK$65,553,000) and nil bank and other borrowings (2019: nil). The Group's gearing ratio was zero at 31st March, 2020 and 31st March, 2019 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.

Material Acquisitions or Disposals and Future Plans for Material Investments

In November 2018, the Group announced an agreement to dispose of its entire equity interests in the Illuminate Investment Group that was principally engaged in the holding of an office premise in Canada for own use and to earn rentals and the provision of management and other related services. As at 31st March, 2019, negotiations with an interested party had already taken place, and the directors of the Company were committed to sell the equity interest in the subsidiaries within twelve months from 31st March, 2019. During the Current Year, the disposal of the subsidiaries has been completed.

During the Current Year, the Group completed the acquisition of 90% equity interest in YPD(HK) by way of a loan capitalisation. On 5th September, 2019, PT Credit Limited ("**PT Credit**"), an indirect wholly-owned subsidiary of the Company, entered into (i) the Loan Capitalisation Deed with YPD(HK), pursuant to which YPD(HK) and PT Credit agreed that the total outstanding amount of the loan in the sum of US$4,000,000 and outstanding accrued interests of approximately US$286,016 shall be capitalised into the capitalisation shares, being 9,000,000 YPD(HK) shares representing 90% of the enlarged share capital of YPD(HK), to be allotted and issued to the PT Credit or its nominee. Following completion, YPD(HK) has become an indirect non-wholly-owned subsidiary of the Company. For details, please refer to the announcement of the Company dated 5th September, 2019.

Management Discussion and Analysis

As disclosed in the Company's announcement dated 16th April, 2018 in relation to subscription of preference shares and 16th April, 2020 in relation to a possible acquisition, Thousand Vantage shall redeem the preference shares on 16th April, 2020 and the Guarantor granted to the Group an exclusive right during the period commencing from the date of the issue of the preference shares up to the full payment of the redemption price, as may be extended by agreement between the parties from time to time to purchase all or part of the issued ordinary shares of and all or part of shareholder's loan due by Thousand Vantage or to subscribe for new ordinary shares in Thousand Vantage. The Board is currently negotiating with the Guarantor and Thousand Vantage in relation to the acquisition of equity interests in Thousand Vantage, whereby the consideration of which will possibly be offset by the redemption price of HK$200,000,000. Such potential transaction, if materialised, will constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. As at the date of this report, the Group has not entered into any agreement with Thousand Vantage and the Guarantor in relation to extension of the preference shares.

Save for those disclosed above in this report, there were no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year under review nor were there material investments authorised by the Board at the date of this report.

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, Renminbi and United States dollars. During the current year, 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

As at 31st March, 2020, none of the Group's assets were pledged to secure any bank loans (2019: nil).

Contingent Liabilities

As at 31st March, 2020, the Group had no significant contingent liabilities (2019: nil).

Capital Commitments

As at 31st March, 2020, the Group had capital commitments of HK$55,510,000 (2019: nil).

Securities in Issue

As at 31st March, 2020, there were 2,018,282,827 shares in issue. There was no change in the capital structure of the Company during the Current Year. The share capital of the Company only comprises of ordinary shares.

Final Dividend

The Board has resolved not to recommend the payment of a final dividend for the year ended 31st March, 2020 (2019: nil).

Management Discussion and Analysis

EMPLOYEES AND REMUNERATION POLICY

As at 31st March, 2020, the Group had a total of 42 employees (including Directors) in Hong Kong and the PRC (2019: 61 employees in Hong Kong, the PRC and Sri Lanka). 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 and provident funds. The share option scheme of the Company is established for the eligible participants (including employees). No share options were granted during the Current Year and there were no outstanding share options as at 31st March, 2020 and as at the date of this report.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Disposal of interest in an associate

On 7th April, 2020, the Group entered into a conditional agreement with an independent third party for the disposal of its 19.57% equity interests in PYI at a consideration of HK$181,440,000, subject to adjustments.

As a conditional precedent to the Disposal, the Group has agreed to place the remaining 4.08% equity interests in PYI to independent third parties by way of placing before completion of the Disposal, after which the Group will no longer hold any shares of PYI after the Placing and the Disposal. Up to the date of this report, the Placing has been completed. The condition precedent to the Disposal has been fulfilled and the Disposal will be completed in due course*. The Placing and the Disposal are expected to result in a gain on disposal of the Group's interest in associate and the Group is in the process of finalising the financial impact on the disposal of the associate.

* As disclosed in the Company's announcement dated 6th July, 2020, the Disposal has been completed on 6th July, 2020.

Debt instrument at amortised cost

As disclosed in note 18, the debt instrument at amortised cost of HK$200,000,000 matured on 16th April, 2020. The Group is negotiating with the Guarantor and Thousand Vantage in relation to the acquisition of equity interests in Thousand Vantage, whereby the consideration of which will possibly be offer by the redemption price of HK$200,000,000 (the "**Potential Transaction**"). Up to the date of this report, the Group has not entered into any agreement in relation to the Potential Transaction and/or the extension or redemption of the debt instrument at amortised cost.

Management Discussion and Analysis

Outbreak of a respiratory illness caused by COVID-19

Under the PRC's lockdown due to the widespread of COVID-19, the commodities trading business in the PRC market has experienced a slowdown in the trading of copper and nickel. Sales and profitability reduced substantially during this period of time mainly driven by the lack of demand and risk migration in place. The Group has closely monitored the commodities price and the market demand and supply situation during this period of time. In terms of risk migration, the Group has reviewed the situation in the following areas: possible delays in payment, increase in cost from possible demurrage and extra storage cost caused by delays in custom clearance and quarantine, difficult logistics for the Chinese market, volatile market price and work-from-home arrangements. However, the Group expects market recovery to be underway and will continue to improve during the remainder of the financial year.

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 Current Year. There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed securities.

Biographies of Directors and Company Secretary

The biographical details of Directors and Company Secretary at the date of this report, are set out below:

EXECUTIVE DIRECTORS

Mr. Ching Man Chun, Louis ("Mr. Ching"), the Chairman and the Managing Director

Mr. Ching, aged 41, joined the Company as an Executive Director on June 2017 and is also a director of various subsidiaries of the Company. Mr. Ching was subsequently appointed as the Chairman of the Board of Directors and Managing Director of the Company in September 2017. Mr. Ching holds a Bachelor of Arts degree in Economics from Boston University in the United States of America. He has extensive experience in commodity trading and business development in the PRC and other countries in Asia and Africa.

Mr. Ching is a non-executive director and deputy president of STX Corporation, the securities of which are listed on the Korea Stock Exchange (stock code: 011810.KS).

Mr. Ching is deemed to be a substantial Shareholder of the Company, as disclosed in the section headed "Interests and Short Positions of Substantial Shareholders Discloseable under the SFO" in the Directors' Report.

Mr. Sue Ka Lok ("Mr. Sue")

Mr. Sue, aged 55, joined the Company as an Executive Director in March 2017 and is the Chairman of the Corporate Governance Committee and also a director of various subsidiaries of the Company. Mr. Sue holds a Bachelor of Economics degree from The University of Sydney in Australia and a Master of Science in Finance degree from the City University of Hong Kong. Mr. Sue is a fellow of the Hong Kong Institute of Certified Public Accountants, a certified practising accountant of the CPA Australia, a fellow of the Hong Kong Securities and Investment Institute and a Chartered Secretary, a Chartered Governance Professional and a fellow of both The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators). He has extensive experience in corporate management, finance, accounting and company secretarial practice.

Mr. Sue is an executive director PYI Corporation Limited (stock code: 498) and EPI (Holdings) Limited (stock code: 689); an executive director and the chief executive officer of China Strategic Holdings Limited (stock code: 235); a non-executive director and the chairman of Courage Investment Group Limited ("**Courage Investment**") (stock code: 1145 and CIN.SI); and a non-executive director of Birmingham Sports Holdings Limited (stock code: 2309). All of the above companies are listed in Hong Kong and Courage Investment is dual-listed in Hong Kong and Singapore.

Biographies of Directors and Company Secretary

Ms. Xu Wei ("Ms. Xu")

Ms. Xu, aged 50, joined the Group as financial controller in June 2017 and the Company as an Executive Director in August 2017 and is also a director of various subsidiaries of the Company. Ms. Xu holds a Bachelor of Economics degree majoring in Accounting from Xiamen University in the PRC. Ms. Xu is a fellow member of the Institute of Public Accountants in Australia and has extensive experience in finance and accounting.

Mr. Yeung Kim Ting ("Mr. Yeung")

Mr. Yeung, aged 54, was first appointed as an Independent Non-executive Director in August 2017 and is subsequently re-designated as an Executive Director of the Company in July 2019 and is also a director of various subsidiaries of the Company. Mr. Yeung has been a Chairman of the Audit Committee, a member of Remuneration Committee, Nomination Committee and Corporate Governance Committee of the Company prior to the re-designation. Mr. Yeung holds a Bachelor of Arts (Honours) degree majoring in Accounting from the University of Ulster in Northern Ireland of the United Kingdom. Mr. Yeung is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He has extensive experience in auditing, accounting and finance.

Mr. Heinrich Grabner ("Mr. Grabner")

Mr. Grabner, aged 45, joined the Group as a chief executive officer and responsible officer of Helios Asset Management (HK) Limited ("**Helios**") in January 2018 and is subsequently appointed as an Executive Director of the Company in November 2019. He is also act as director of certain subsidiaries of the Company including Helios and Muhabura Capital Limited. Mr. Grabner received his B.A. in Economics and Chinese from The University of Michigan. Prior to joining the Group, Mr. Grabner held various senior positions in different investment banking, asset management and private banking companies. He has over two decades of investment management experience in the Asia Pacific region, including extensive experience in mergers and acquisitions, with a focus in finance, mining, energy and infrastructure.

Mr. Grabner is now a non-executive director of Sonora Gold and Silver Corp (SOC.V), the shares of which are listed on the TSX Venture Exchange in Canada.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yam Kwong Chun ("Mr. Yam")

Mr. Yam, aged 55, joined the Company as an Independent Non-executive Director in March 2017 and is the Chairman of Nomination Committee and a member of the Audit Committee, Remuneration Committee and Corporate Governance Committee of the Company. Mr. Yam holds a Bachelor of Commerce degree and a Master of Business Administration degree, both from University of Melbourne in Australia. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a certified practising accountant of the CPA Australia. Mr. Yam had worked for Deloitte Touche Tohmatsu, an international accounting firm and as a finance executive for a number of group of companies operating in Hong Kong, the PRC, the United States of America and other overseas countries. He is currently the finance director of a multinational company engaged in the business of ODM/OEM design, manufacturing and retail distribution of telecommunication. Mr. Yam has extensive experience in auditing, accounting and financial management.

Mr. Yam is now an independent non-executive director of Reliance Global Holdings Limited (formerly known as Sustainable Forest Holdings Limited) (stock code: 723), a company listed on the Hong Kong Stock Exchange.

Biographies of Directors and Company Secretary

Mr. Wong Yee Shuen, Wilson ("Mr. Wong")

Mr. Wong, aged 53, joined the Company as an Independent Non-executive Director in November 2017 and is the Chairman of the Audit Committee, a member of Remuneration Committee, Nomination Committee and Corporate Governance Committee of the Company. Mr. Wong is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of Australia CPA and Australian Institute of Banking and Finance. He holds a master of commerce degree, majoring in banking and finance from University of New South Wales. With more than 20 years' experience in audit/assurance at public accounting firms including PricewaterhouseCoopers and Ernst and Young, Mr. Wong specialised in banking audits and auditing listed companies.

Mr. Wong is currently the chief financial officer of CA Cultural Technology Group Limited (formerly known as China Animation Characters Company Limited)(stock code: 1566). He is also an independent non-executive director of Softpower International Limited (stock code: 380) and Ping An Securities Group (Holdings) Limited (stock code: 231). All of the above companies are listed on The Hong Kong Stock Exchange.

Mr. Lam Yik Tung ("Mr. Lam")

Mr. Lam, aged 44, joined the Company as an Independent Non-executive Director in July 2019 and is the chairman of Remuneration Committee, a member of the Audit Committee, Nomination Committee and Corporate Governance Committee of the Company. Mr. Lam holds a Bachelor of Business Administration degree majoring in Finance and Accounting from Simon Fraser University in Canada. He has accumulated over 10 years of corporate finance, auditing and accounting experience from a European investment bank and an international accounting firm.

COMPANY SECRETARY

Ms. Lo Yuen Mei ("Ms. Lo")

Ms. Lo has been appointed as the Company Secretary of the Company with effect from 16th October, 2019. Ms. Lo holds a Bachelor of Arts (Honours) degree majoring in Accounting from Edinburgh Napier University and a Master of Professional Accounting degree from The Hong Kong Polytechnic University. She has over 20 years of experience in company secretarial and compliance, finance, accounting, internal audit. Ms. Lo is a member of The Hong Kong Institute of Certified Public Accountants.

Directors' Report

The Directors have the pleasure in presenting the Directors' Report and the audited consolidated financial statements of the Group for the Current Year.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. The principal activities of the Company's principal subsidiaries and the Group's principal associates are set out in notes 43 and 17 to the consolidated financial statements respectively.

Further discussion and analysis of the Group's activities as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including a discussion of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group that have occurred since the end of the financial year and an indication of likely future developments in the Group's business, can be found in the "Chairman's Statement" and "Management Discussion and Analysis" sections set out on pages 4 to 13 of this annual report. This discussion forms part of this directors' report.

RESULTS

Details of the Group's results for the Current Year are set out in the consolidated statement of profit or loss and other comprehensive income on pages 62 to 63 of this annual report.

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the Current Year (2019: nil).

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the last five financial years is set out on page 152 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Current Year are set out in note 14 to the consolidated financial statements.

Directors' Report

SHARE CAPITAL

Details of movements in the share capital of the Company during the Current Year are set out in note 31 to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Group and the Company during the Current Year are set out in the consolidated statement of changes in equity on pages 66 to 67 of this annual report and note 42 to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to its Shareholders at 31st March, 2020 and 2019 were as follows:

	2020	2019
	HK$'000	*HK$'000*
Accumulated (loss) profits	**(259,772)**	135,186
	(259,772)	135,186

DIRECTORS

The Directors who held office during the Current Year and up to the date of this annual report were:

Executive Directors:
Mr. Ching Man Chun, Louis *(Chairman and Managing Director)*
Mr. Sue Ka Lok
Ms. Xu Wei
Mr. Gary Alexander Crestejo *(resigned on 1st November, 2019)*
Mr. Yeung Kim Ting *(re-designated from independent non-executive Director to executive Director on 8th July, 2019)*
Mr. Heinrich Grabner *(appointed on 1st November, 2019)*

Independent Non-executive Directors:
Mr. Yam Kwong Chun
Mr. Wong Yee Shuen, Wilson
Mr. Lam Yik Tung *(appointed on 8th July, 2019)*

Pursuant to bye-law 103(B) of the Bye-laws and the code provision A.4.2 of the CG Code, Mr. Heinrich Grabner will hold office until the forthcoming annual general meeting of the Company (the "**2020 AGM**") and, being eligible, offer himself for re-election.

In accordance with bye-law 98 of the Bye-laws and the code provision A.4.2 of the CG Code, Mr. Yam Kwong Chun and Mr. Wong Yee Shuen, Wilson will retire by rotation at the 2020 AGM and, being eligible, offer themselves for re-election.

All Directors are subject to retirement by rotation as required by the Bye-laws and the code provision of CG Code.

DIRECTORS' SERVICE CONTRACTS

None of the Directors being proposed for re-election at the 2020 AGM has a service contract with the Company or any of its subsidiaries which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

The independent non-executive Directors are appointed for a term of twelve-month period which automatically renews for successive twelve-month period unless terminated by either party in writing prior to the expiry of the term, subject to retirement by rotation and re-election in accordance with the Bye-laws.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual written confirmation of their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the independent non-executive Directors are independent as defined in the Listing Rules.

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

As at 31st March, 2020, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or, as the case may be, the percentage in the equity interest and debentures of the Company or its associated corporations (within the meaning of the SFO), which were required (i) 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 have taken or deemed to have under such provisions of the SFO), or (ii) pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

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	Interest of controlled corporation	488,000,000 *(Note)*	24.18%

Note:

Champion Choice Holdings Limited ("**Champion Choice**"), which is the registered holder of 488,000,000 shares of the Company, is wholly-owned by Mr. Ching. Accordingly, Mr. Ching is deemed to be interested in 488,000,000 shares of the Company directly held by Champion Choice under the SFO.

Save as disclosed above, as at 31st March, 2020, none of the Directors and chief executive of the Company or any of their close associates had any interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-laws, every Director or other officer of the Company for the time being acting in relation to any affairs of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he/she may sustain or incur in or about the execution of his/her office or otherwise in relation thereto, and no director or other officer shall be liable for any loss, misfortune or damage which may happen in the execution of his/her office or in relation thereto provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the directors or other officers. The Company has arranged appropriate insurance cover for directors' and officers' liabilities in respect of legal actions against its directors and officers arising out of corporate activities. The level of the coverage is reviewed annually.

DIRECTORS' REMUNERATION

Details of the Directors' remunerations are set out in note 6 to the consolidated financial statements.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year and up to the date of this report, no directors were considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as required to be disclosed pursuant to Rule 8.10 of the Listing Rules, other than those businesses of which the directors of the Company were appointed as directors to represent.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Saved as disclosed in note 41 to the consolidated financial statements, no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries or fellow subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, which subsisted at the end of the Current Year or at any time during the Current Year.

CHANGES IN INFORMATION IN RESPECT OF DIRECTORS

Pursuant to Rule 13.51B of the Listing Rules, the changes in information of Directors subsequent to the date of the 2019/20 Interim Report of the Company are set out below:

1. Mr. Wong Yee Shuen, Wilson was appointed as an independent non-executive director of Ping An Securities Group (Holdings) Limited (stock code: 231), the shares of which is listed on the main board of Hong Kong Stock Exchange since February 2020.

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 current year. As at 31st March, 2020, there was no outstanding share option granted by the Company pursuant to the Share Option Scheme. Details of the Share Option Scheme of the Company are set out in note 32 to the consolidated financial statements.

Save as the disclosed above, at no time during the current year 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 their children, had any right to subscribe for securities of the Company, or had exercised any such right during the Current Year.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

Save as disclosed below, as at 31st March, 2020, the Directors and chief executive of the Company are not aware of any person who had interests or short positions in the shares or 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 recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Substantial Shareholders	**Capacity**	**Number of issued shares held**	**Approximate percentage of the issued shares of the Company**
Mr. Ching	Interest of controlled corporation	488,000,000 *(Note 1)*	24.18%
Champion Choice	Beneficial owner	488,000,000 *(Note 1)*	24.18%
Mr. Suen Cho Hung, Paul ("**Mr. Suen**")	Interest of controlled corporation	339,676,465 *(Note 2)*	16.83%
Ace Way Global Limited ("**Ace Way**")	Interest of controlled corporation	339,676,465 *(Note 2)*	16.83%
Ace Pride Holdings Limited ("**Ace Pride**")	Beneficial owner	339,676,465 *(Note 2)*	16.83%

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS DISCLOSEABLE UNDER THE SFO (continued)

Notes:

1. Champion Choice is the registered holder of 488,000,000 shares of the Company. Mr. Ching, a director of the Company is also a director of Champion Choice, who owns the entire issued share capital of Champion Choice. Accordingly, Mr. Ching is deemed to be interested in 488,000,000 shares of the Company directly held by Champion Choice under the SFO.

2. Ace Pride is the registered holder of 339,676,465 shares of the Company. The entire issued share capital of Ace Pride is directly owned by Ace Way. Mr. Suen owns the entire issued share capital of Ace Way. Accordingly, each of Ace Way and Mr. Suen is deemed to be interested in 166,876,465 shares directly held by Ace Pride under the SFO.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws or the applicable laws of Bermuda, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

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

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

MAJOR CUSTOMERS AND SUPPLIERS

During the Current Year, the Group's purchases and sales attributable to the major customers and suppliers respectively were as follows:

	Customers percentage of total sales	Suppliers percentage of total purchases
Five largest	74.01%	63.87%
The largest	18.77%	19.28%

None of the Directors, or any of their close associates or any Shareholders (which to the best knowledge of the Directors, own more than 5% of the Company's issued shares) had any beneficial interest in the Group's five largest customers or suppliers during the Current Year.

BANK BORROWINGS

As at 31st March, 2020, the Group had no bank and other borrowings (2019: nil).

EQUITY-LINKED AGREEMENTS

Save as disclosed in the section headed "Share Option Scheme" above, no equity-linked agreements were entered into by the Group or existed during the Current Year.

MANAGEMENT CONTRACTS

Other than a contracts of service with any Director or any person under the full employment of the Company, no other contracts relating to the management and administration of the whole or any substantial part of any businesses of the Company were entered into or existed during the Current Year.

CONNECTED TRANSACTION

There was no connected transaction or continuing connected transaction undertaken by the Company during the current year and up to the date of this report which was required to be disclosed pursuant to Chapter 14A of the Listing Rules. The related party transactions disclosed in note 41 to the consolidated financial statements did not constitute connected transactions or continuing connected transactions of the Company, or were either disclosed previously pursuant to the Listing Rules or exempt from reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Directors confirm that the Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Company is aware, there was no incidence of non-compliance with the all applicable laws and regulations that had a significant impact on the businesses and operations of the Group during the Current Year.

EMPLOYEES AND REMUNERATION POLICY

As at 31st March, 2020, the Group had a total of 42 employees (including Directors) in Hong Kong and the PRC (2019: 61 employees in Hong Kong, the PRC and Sri Lanka). 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 and provident funds. The share option scheme of the Company is established for the eligible participants (including employees). No share options were granted during the current year and there were no outstanding share options as at 31st March, 2020 and as at the date of this report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float of its Shares as required under the Listing Rules throughout the current year and as at the date of this report.

AUDIT COMMITTEE

The audited consolidated financial statements of the Company for the year ended 31st March, 2020 have been reviewed by the Audit Committee before they have been duly approved by the Board under the recommendation of the Audit Committee.

AUDITORS

The consolidated financial statements of the Company for the year ended 31st March, 2020 have been audited by Deloitte Touche Tohmatsu ("**Deloitte**"). A resolution will be proposed at the 2020 AGM to re-appoint Deloitte as auditors of the Company.

On behalf of the Board

Ching Man Chun, Louis
Chairman and Managing Director

Hong Kong, 29th June, 2020

Corporate Governance Report

The Board is committed to maintaining a high standard of corporate governance practices and procedures and complying with statutory and regulatory requirements with an aim to maximizing the values and interests of the Shareholders as well as enhancing the transparency and accountability to the stakeholders.

CORPORATE GOVERNANCE CODE

In the opinion of the Directors, the Company had complied with the CG Code throughout the year ended 31st March, 2019 except for the following deviations with reasons as explained:

Code provision A.2.1 – Chairman and Chief Executive
Under the 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:
As 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 with effect from 30th September, 2017. 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.

Except as stated above, the Company has continued to comply with the applicable code provisions of the CG Code. The Board will continue to monitor and review the Company's corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has continued to adopt the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "**Model Code**") as its own code of conduct regarding securities transactions by the Directors of the Company. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the current year. The Company has also continued to adopt a code of conduct governing securities transactions by employees and directors of the subsidiaries who may possess or have access to inside information relating to the Company or its securities.

BOARD OF DIRECTORS

Board Composition and Functions

The members of the Board are individually and collectively responsible for the leadership and control, and for promoting the success, of the Company by directing and supervising the Company's affairs. At the date of this report, the Board comprises eight Directors, including four Executive Directors, namely Mr. Ching Man Chun, Louis ("**Mr. Ching**") *(Chairman and Managing Director)*, Mr. Sue Ka Lok ("**Mr. Sue**"), Ms. Xu Wei ("**Ms. Xu**"), Mr. Yeung Kim Ting ("**Mr. Yeung**") and Mr. Heinrich Grabner ("**Mr. Grabner**"); and three Independent Non-executive Directors, namely Mr. Yam Kwong Chun ("**Mr. Yam**"), Mr. Wong Yee Shuen, Wilson ("**Mr. Wong**") and Mr. Lam Yik Tung ("**Mr. Lam**"). Each of the Directors has signed a formal letter of appointment setting out the key terms and conditions of his/her appointment. A list containing the names of all the Directors and their roles and functions has been published on the respective websites on the Hong Kong Stock Exchange and the Company pursuant to code provision A.3.2 of the CG Code, and will be updated from time to time as and when there are any changes.

The Board has a balanced composition of Executive and Independent Non-executive Directors so that strong independent elements are included in the Board. The Company has always maintained a sufficient number of Independent Non-executive Directors representing more than one-third of the Board as required under the Listing Rules. With three members of the Board being Independent Non-executive Directors who possess professional expertise and a diverse range of experience, the Board can effectively and efficiently exercise independent judgment, give independent advice to the management of the Company and make decisions objectively to the benefits and in the interests of the Company and the Shareholders as a whole. The biographical details of the Directors are set out on pages 14 to 16. There is no financial, business, family or other material/relevant relationship among the members of the Board.

The Company recognises and embraces the benefits of having a diverse Board and therefore has adopted a policy of diversity on the Board (the "**Board Diversity Policy**") in August 2014. With a view to achieving a sustainable and balanced development, the Company believes increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. Board diversity would be considered based on a number of measurable objectives, including but not limited to skills, knowledge, experience, gender, age, length of services and cultural and educational background. All Board candidates will be considered and appointed based on meritocracy, contribution that the selected candidates will bring to the Board against objective criteria, having due regard for the benefits of diversity on the Board. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The nomination committee will review the policy, as appropriate, and recommend any proposed changes to the Board for approval.

The nomination committee has obligation to review the size, structure and composition of the Board on an annual basis. The Company has a diversified Board composition which meets the aforesaid measurable objectives of the Board Diversity Policy. Biographical details of the Directors are set out on pages 14 to 16 of this annual report. A list containing the names of all Directors and their roles and functions is published on the respective websites of the Hong Kong Stock Exchange and the Company, which would be updated from time to time when there are any changes.

At the date of this report, the Board members have no other financial, business, family or other material or relevant relationships with each other.

As part of an ongoing process of Director's training, the Directors keep abreast of the latest developments to enhance and refresh their knowledge and skills. All Directors are provided with reading materials from time to time. During the current year under review, each of the Directors of the Company participated in continuous professional development by way of reading materials relating to updates on the Companies Ordinance of Hong Kong, the SFO, the Codes on Takeovers and Mergers, the Listing Rules and environmental, social and governance reporting.

A summary of the training received by the Directors for the year ended 31st March, 2020 based on their training records provided to the Company is as follows:

Name of Director	Reading regulatory updates	Briefings/ seminars
Executive Directors		
Mr. Ching Man Chun, Louis *(Chairman and Managing Director)*	✔	✔
Mr. Sue Ka Lok	✔	✔
Ms. Xu Wei	✔	✔
Mr. Yeung Kim Ting	✔	✔
Mr. Heinrich Grabner	✔	✔
Independent Non-executive Directors		
Mr. Yam Kwong Chun	✔	✔
Mr. Wong Yee Shuen, Wilson	✔	✔
Mr. Lam Yik Tung	✔	✔

The Board is responsible for the success and sustainable development of the Company. It has delegated the Executive Board with authority and responsibility for handling the management functions and operations of the day-to-day business of the Company, while reserving certain key matters for the approval by the Board. The types of decisions to be taken by the Board include annual and interim period financial reporting and control, equity fund raising, declaration of interim dividend and making recommendation of final dividend or other distributions, notifiable transactions under Chapters 14 and 14A of the Listing Rules and making recommendation for capital reorganisation or scheme of arrangement of the Company.

During the current year under review, four regular Board meetings were held with at least fourteen days' notice given to all Directors. Directors were provided with relevant information to make informed decisions. The Chairman met with the Independent Non-executive Directors without the executive Directors being present during the Current Year. The Board and each Director have separate and independent access to the Company's senior management. A Director who considers a need for independent professional advice in order to perform his/her duties as a Director may convene, or request the secretary of the Company (the "**Company Secretary**") to convene, a meeting of the Board to approve the seeking of independent legal or other professional advice.

The Company has arranged insurance coverage in respect of legal action against the Directors and officers arising out of their duties. Such insurance coverage will review periodically to ensure the adequacy of its coverage.

Corporate Governance Report

ATTENDANCE AT MEETINGS

During the Current Year, the attendance records of each individual Director at Board meetings, audit committee meetings ("**ACM**"), corporate governance committee meetings ("**CGCM**"), nomination committee meeting ("**NCM**"), remuneration committee meeting ("**RCM**") and the 2019 AGM are set out in the following table:

	Number of meetings attended/held					
Name of Director	**Board Meetings**	**ACM**	**CGCM**	**NCM**	**RCM**	**2019 AGM**
Executive Directors						
Mr. Ching Man Chun, Louis *(Chairman and Managing Director)*	6/6	N/A	N/A	N/A	N/A	1/1
Mr. Sue Ka Lok *(CGC Chairman)*	5/6	N/A	2/2	N/A	N/A	0/1
Ms. Xu Wei	6/6	N/A	N/A	N/A	N/A	1/1
Mr. Gary Alexander Crestejo *(resigned on 1st November, 2019)*	3/6	N/A	N/A	N/A	N/A	0/1
Mr. Yeung Kim Ting *(re-designated from independent non-executive Director to executive Director on 8th July, 2019)*	6/6	1/2	1/2	N/A	N/A	1/1
Mr. Heinrich Grabner *(appointed on 1st November, 2019)*	2/6	N/A	N/A	N/A	N/A	N/A
INEDs						
Mr. Yam Kwong Chun *(NC Chairman)*	6/6	2/2	2/2	1/1	1/1	1/1
Mr. Wong Yee Shuen, Wilson *(AC Chairman)*	6/6	2/2	2/2	1/1	1/1	1/1
Mr. Lam Yik Tung *(RC Chairman) (appointed on 8th July, 2019)*	4/6	1/2	1/2	1/1	1/1	1/1

CHAIRMAN AND MANAGING DIRECTOR

Mr. Ching Man Chun, Louis, an Executive Director of the Company from 30th September, 2017, 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.

INDEPENDENT NON-EXECUTIVE DIRECTORS ("INED(S)")

The INEDs are appointed for a specific term, subject to retirement by rotation at least once every three years in accordance with the Bye-laws. Mr. Yam Kwong Chun, Mr. Wong Yee Shuen, Wilson and Mr. Lam Yik Tung have appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10 of the Listing Rules. The Company has received from each of the INEDs an annual written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and considered that all INEDs are independent.

NOMINATION, APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Board has delegated its authority to the nomination committee for the nomination and appointment of new Directors and nomination of the Directors for re-election by the Shareholders at the annual general meeting. Pursuant to the Bye-laws, the Directors shall have the power from time to time and at any time to appoint any person as a director either to fill a casual vacancy on the Board or as an addition to the existing Board who will be subject to retirement and re-election at the next following general meeting or the next following annual general meeting after his/her appointment. The Board has revised a Board Diversity Policy for ensuring a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's businesses within the Board. Selection of candidates for appointment to the Board will be based on a range of perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional and industrial experience, business perspectives, skills, knowledge and length of service. All Board appointments will be based on merit and contribution on an equal-opportunity principle, and selected candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. A candidate to be appointed as an independent non-executive Director must satisfy the independence criteria set out in Rule 3.13 of the Listing Rules.

All Directors, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years, and pursuant to the Bye-laws, not less than one-third of the Directors for the time being shall retire from office by rotation at each annual general meeting, such that each Director shall be subject to retirement at least once every three years at the annual general meeting.

The Board published the procedures for a member to propose a person for election as a Director on the Company's website and delegated its authority to the Nomination Committee for making recommendation to the Board on the appointment or re-appointment of Directors.

Details of retirement by rotation of the Director at the annual general meeting of the Company for the year 2020 (the "**2020 AGM**") will be stated in the circular and accompanied by the notice of the 2020 AGM.

BOARD COMMITTEES

The Board has established four Board Committees, namely Audit Committee, Remuneration Committee, Nomination Committee and Corporate Governance Committee. Each of the Board Committees has its terms of reference with defined powers and authorities given to the Committee members to discharge their duties.

Audit Committee ("AC")

The Board has established the Audit Committee with specific written terms of reference which clearly define its role, authority and function. At the date of this report, the members of the AC comprised of three INEDs namely Mr. Wong Yee Shuen, Wilson (Chairman of the AC), Mr. Yam Kwong Chun and Mr. Lam Yik Tung. Mr. Wong Yee Shuen is a qualified accountant with extensive experience in financial reporting and controls as required by the Listing Rules.

The Board has at all times complied with the requirements of Rule 3.21 of the Listing Rules for having a minimum of three non-executive Directors with at least one of them being an independent non-executive Director with appropriate professional qualifications in the AC. The Company Secretary of the Company serves as the secretary of the AC and minutes of the meetings are sent to the members of the AC within a reasonable time after the meetings. The quorum necessary for the transaction of business by the AC is two.

The principal duties of the AC include reviewing the Group's interim and annual results prior to recommending them to the Board for its approval; making recommendation on the appointment of external auditors and acting as the key representative body for reviewing the Company's relations with its external auditors; and reviewing the Group's financial information and financial reporting system. The AC is also responsible for reviewing the adequacy and effectiveness of the Group's risk management and internal control systems, and the effectiveness of the internal audit function of the Company. The terms of reference of the AC have been published on the respective websites of the Hong Kong Stock Exchange and the Company. The Board has also adopted the risk management and internal control policy and the procedures for the employees of the Group to raise concerns about possible improprieties in financial reporting, internal controls or other matters. The AC has been delegated by the Board with the responsibility for reviewing such procedures and related arrangements. The AC has been provided with sufficient resources to perform its duties.

During the current year, the AC held two meetings. The meetings have performed, inter alia, the following:

- reviewed and discussed with external auditors the annual results for the year ended 31st March, 2019 and the interim results for the six months ended 30th September, 2019 and recommended to the Board for approval respectively;

- reviewed and obtained explanation from management on the interim and annual results, including causes of changes from the previous accounting period, effects on the application of new accounting policies, and compliance with the Listing Rules and relevant legislation;

- reviewed the activities of the Group's internal audit function and its findings and recommendations as laid down in the internal audit reports;

- reviewed the internal audit plan for the year 2020;

- recommended to the Board regarding the re-appointment of the Company's external auditors;
- reviewed the audit plan for the year 2020;
- reviewed the risk management and internal control systems of the Group and reviewed the transaction in compliance with the annual review requirements of the Listing Rules;
- considered the adequacy of resources, professional qualifications and experience of staffs of the Company's accounting and financial reporting function, and their training programs and budget;
- reviewed the proposal for updated term of reference and recommended the same to the Board for approval; and
- held meetings with the external auditors, at least annually, in the absence of management, to discuss matters relating to any issues arising from the audit and any other matters the auditors may wish to raise.

The Board and the members of the AC did not have any differences in opinion during the current year.

Remuneration Committee ("RC")

The Board has established the RC with specific written terms of reference which clearly define its role, authority and function. At the date of this report, the members of the RC comprised of three INEDs namely Mr. Lam Yik Tung (Chairman of the RC), Mr. Yam Kwong Chun, and Mr. Wong Yee Shuen, Wilson. The head of the human resources department of the Company (or his/her nominee or delegate) serves as the secretary of the RC and minutes of the meetings are sent to the members of the RC within a reasonable time after the meetings. The quorum necessary for the transaction of business by the RC is two.

The principal responsibilities of the RC include making recommendations to the Board on the Company's policy and structure for all the Directors and the senior management of the Company and on the establishment of a formal and transparent procedure for developing remuneration policy on such remuneration. The RC pursuant to its terms of reference, has power either (i) to determine, with delegated responsibility, the remuneration packages of executive directors and senior management of the Company; or (ii) to make recommendations to the Board on the remuneration packages of individual executive directors and senior management of the Company. The terms of reference of the RC adopted by the Board and have been published on the respective websites of the Hong Kong Stock Exchange and the Company. The RC has been provided with sufficient resources to perform its duties.

During the current year, the RC held one meeting and has performed, inter alia, the following:

- reviewed the proposal for updated term of reference and recommended the same to the Board for approval; and
- reviewed the Directors' fees for the year of 2019 and recommended the same to the Board for approval.

Details of the remuneration packages of the Directors are set out in note 6 to the consolidated financial statements. During the current year, none of the Directors or any of his/her associates was involved in deciding his/her own remuneration package.

Nomination Committee ("NC")

The Board has established the NC with specific written terms of reference which clearly define its role, authority and function. At the date of this report, the members of the NC comprised of three INEDs namely Mr. Yam Kwong Chun (Chairman of the NC), Mr. Wong Yee Shuen, Wilson, and Mr. Lam Yik Tung. The Company Secretary serves as the secretary of the NC and minutes of the meeting is sent to the members of the NC within a reasonable time after the meeting. The quorum necessary for the transaction of business by the NC is two.

The main responsibilities of the NC include making recommendations to the Board on relevant matters relating to the appointment or re-appointment of the Directors and succession planning for the Directors; assessing the independence of the independent non-executive Directors; reviewing the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy; and reviewing the Board Diversity Policy.

The terms of reference of the NC have been published on the respective websites of the Hong Kong Stock Exchange and the Company. For effective functioning in the course of the Director's nomination process, the Board has also adopted (i) the procedures for a member to propose a person for election as a Director in accordance with the Bye-laws; (ii) the nomination policy setting out the guidelines and criteria for selecting and recommending the candidates for directorship (the "**Nomination Policy**"); and (iii) the Board Diversity Policy. The NC has been provided with sufficient resources to perform its duties.

During the current year, the Company had adopted a Nomination Policy for the purpose of nominating suitable candidates to join the Company's directorship for the Company's business needs and development. The nomination and selection have been delegated to the NC. The NC will review the structure, size and composition of the Board and to identify suitable individuals by assessment of a number of factors, including but not limited to, reputation for integrity, business experience and accomplishment, professional qualification, skills, contribution in time commitment and relevant interests, enhancement in board diversity and the independence of independent non-executive directorship. With regards to ensuring the independence of INEDs, proposed candidates will be required to provide a declaration in respect of the information required to be disclosed pursuant to Rule 13.51(2)(h) to (w) of the Listing Rules. In addition to a confirmation of the independence under Rule 3.13 of the Listing Rules by the proposed candidate (including his/her immediate family members).

During the current year, the NC held one meeting and had reviewed and performed, inter alia, the following:

- reviewed the structure, size and composition (including but not limited to the skills, knowledge and experiences) of the Board in accordance with the Board Diversity Policy, adopted the Nomination Policy and reported to the Board annually;
- reviewed the proposal for updated term of reference and recommended the same to the Board for approval;
- reviewed and assessed the independence of the INEDs;
- reviewed and recommended to the Board for the proposed re-election of the retiring Directors at the 2020 AGM.

Corporate Governance Committee ("CGC")

The Board has established the Corporate Governance Committee with specific written terms of reference which clearly define its role, authority and function. At the date of this report, the members of the CGC comprised three INEDs namely Mr. Yam Kwong Chun, Mr. Wong Yee Shuen, Wilson and Mr. Lam Yik Tung together with one Executive Director as Mr. Sue Ka Lok *(Chairman of the CGC)*. The Company Secretary serves as the secretary of the CGC and minutes of the meeting is sent to the members of the CGC within a reasonable time after the meeting. The quorum necessary for the transaction of business by the CGC is two.

The Board has delegated its corporate governance functions set out in code provision D.3.1 of the Corporate Governance Code (the "**CG Code**") to the CGC. The principal duties of the CGC include making recommendations to the Board on the Company's policies and practices on corporate governance; and reviewing and monitoring (i) the training and continuous professional development of the Directors and the senior management of the Company; (ii) the Company's policies and practices on compliance with legal and regulatory requirements; (iii) the code of conduct and compliance manual *(if any)* applicable to the Company's employees and Directors; and (iv) the Company's compliance with the CG Code and disclosure in the Corporate Governance Report. The terms of reference of the CGC, which follow closely the requirements of the CG Code, was revised by the Board. The CGC has been provided with sufficient resources to perform its duties.

During the current year, the CGC held two meetings to review and consider and make recommendations to the Board for approval on (a) the terms of reference of the CGC, (b) the corporate governance policy, and (b) the compliance with the CG Code and the disclosure of the Corporate Governance Report.

ACCOUNTABILITY AND AUDIT

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation of the financial statements for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the financial statements for the year ended 31st March, 2020, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are fair and reasonable and prepared the financial statements on a going concern basis. The Statement made by the auditors of the Company regarding their reporting responsibilities on the financial statements of the Group is set out in the "Independent Auditors' Report" on pages 58 and 61 of this annual report.

Auditors' Remuneration

Deloitte Touche Tohmatsu ("**Deloitte**"), the Group's principal auditors, was re-appointed by the Shareholders at the last annual general meeting held on 26th August, 2019 as the Company's external auditors to hold office until the forthcoming annual general meeting. For the current year, the total auditors' remuneration in respect of statutory audit and non-audit services provided by Deloitte was set out below:

Services rendered	**Fees paid/ payable** *HK$'000*
Statutory audit fee	1,774
Fees for non-audit services:	
Review of interim results	438
Total auditors' remuneration for the current year	2,212

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for maintaining a sound and effective system of risk management and internal control and for reviewing its effectiveness, particularly in respect of the key controls on finance, operations, and compliance through risk management, to integrate into the Group's business strategies and business operations.

The Directors have adopted an internal control policy (the "**Internal Control Policy**" and "**Policy**") for the Group. The Internal Control Policy is fundamental to the successful operation and day-to-day running of a business and it assists the Company in achieving its business objectives.

The Policy has been developed with a primary objective of providing general guidance and recommendations on a basic framework of risk management and internal control. The Company's risk management and internal control systems comprises a well-established organisational structure and comprehensive policies and standards. Procedures have been designed to safeguard assets against unauthorised use or disposition, to ensure maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and to ensure compliance with applicable laws and regulations. The purpose of the Company's risk management and internal control systems are to provide reasonable and not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure to achieve the Company's business objectives.

The following risk management and internal control systems have been established and executed within the Group:

- control environment including organisational structure, limit of authority, reporting lines and responsibilities;
- risk management self-assessment and internal control review conducted from time to time by the Group;
- appropriate risk management measures such as written policies and procedures; and
- effective information platforms to facilitate internal and external information flow.

The Board oversees the Group's risk management process and internal control systems on an ongoing basis. The Board has conducted an annual review of the effectiveness of the systems of risk management and internal control systems of the Group for the year ended 31st March, 2020, covering the changes of significant risks since the last annual review, the scope and quality of management's ongoing monitoring of risks and of the internal control systems, risk management weaknesses and all material controls, including financial, operational, compliance controls, and particularly the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions. The management of the Company has provided confirmation to the Board on the effectiveness of the internal control system. The Board considers the risk management and internal control systems effective and adequate.

The Company has an internal audit department which monitors and evaluates the effectiveness of the risk management and internal controls within the Group's operating and financial reporting systems. The Board/AC are supported by the internal audit department in reviewing the effectiveness of the risk management and internal control systems. Procedures are in place to identify, evaluate and manage significant risks on operational control, financial control and compliance control. If there are any material internal control defects, the internal audit department will report and recommend measures for improvement to the Board/AC. The Company adopted inside information policy which set out procedures and controls for the handling the dissemination of inside information.

DISSEMINATION OF INSIDE INFORMATION

The Company is committed to a consistent practice of timely, accurate and sufficiently detailed disclosure of material information about the Group. The Company has adopted an Internal Control Policy on disclosure of inside information which sets out the obligations, guidelines and procedures for handling and dissemination of inside information. With these guidelines and procedures, the Group has management controls in place to ensure that potential inside information can be promptly identified, assessed and escalated for the attention of the Board to decide about the need for disclosure.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group is also committed to social responsibilities and its philosophies of sustainable development, and has conducted an annual review on the efforts and achievements made by the Group for environmental, social and governance issues for the current year, details of which as disclosed in the "Environmental, Social and Governance Report" on pages 39 to 57 of this annual report, which also serves as a platform for communication with all equity owners by making responses to the major concerns of all stakeholders in our efforts to facilitate mutual understandings.

COMPANY SECRETARY

Ms. Lo Yuen Mei ("**Ms. Lo**") has been appointed as the Company Secretary in replacement of Mr. Chan Ka Ku ("**Mr. Chan**") with effect from 16th October, 2019. She is an employee of the Group and confirmed that she has complied with all the qualifications, experience and training requirements as required by the Listing Rules. The said change of the Company Secretary was appointed by the Board at a physical Board meeting pursuant to the Listing Rules.

Each of Mr. Chan and Ms. Lo has taken no less than 15 hours of the relevant professional training during the current year. Biographical details of Ms. Lo are set out under the section headed "Biographies of Directors and Company Secretary" on pages 14 to 16 of this annual report.

COMMUNICATION WITH SHAREHOLDERS

Pursuant to code provision E.1.4 of the CG Code, the Board has adopted and will review from time to time the Shareholders' communication policy which was designed with the objective of ensuring that the Shareholders are provided with ready, equal and timely access to balanced and understandable information about the Company in order to enable them to exercise their rights in an informed manner.

The Company communicates with the Shareholders through the publication of annual and interim reports, announcements, circulars as well as the dissemination of additional information about the Group's activities, business strategies and developments. All such information is available on the Company's website at www.ptcorp.com.hk.

During the current year under review, all resolutions put forward at the general meetings were conducted by way of poll and poll results were posted on the websites of the Company and the Hong Kong Stock Exchange in compliance with the requirements of the Listing Rules. Details of procedure for conducting a poll was explained at each general meeting of the Company and questions from Shareholders regarding the voting procedures were answered. Notice of not less than 20 clear business days and 10 clear business days were sent to the Shareholders for the annual general meeting and the special general meeting of the Company respectively during the current year under review.

SHAREHOLDERS' RIGHTS

Shareholder(s) carrying not less than one-tenth of the total voting right at general meeting of the Company have the right, by signed written requisition to the Company's registered office and principal place of business in Hong Kong, to require a special general meeting to be called for the business specified in such requisition.

Shareholder(s) carrying not less than one-twentieth of the total voting right at general meeting or not less than 100 Shareholders have the following rights by depositing the following documents at the Company's registered office and principal place of business in Hong Kong: (i) not less than six weeks before the annual general meeting, a signed written request for a proposed resolution (other than a proposal for election as a director) to be moved at that meeting; and (ii) not less than one week before the general meeting, a signed statement of not more than 1,000 words with respect to any proposed resolution or business to be dealt with in that general meeting.

For the above purpose, the Shareholder(s) concerned shall also deposit with the Company a sum of money reasonably sufficient to meet the expenses in serving the request/statement to all Shareholders. Procedures for Shareholder(s) to propose a person for election as a Director of the Company are available at the "Corporate Governance" section of the Company's website. Shareholders who have enquires to the Board may write to the Company Secretary at the Company's principal place of business in Hong Kong.

DIVIDEND POLICY

The Company has adopted the dividend policy (the "**Dividend Policy**") which has set out the principle and procedures for the payment of dividend to Shareholders to provide stable and sustainable returns to the Shareholders and to share the profits of the Company with the Shareholders. The Board may decide from time to time to declare interim dividends or to recommend the payment of final dividends and special dividends to the Shareholders.

The dividend amount shall be determined at the absolute discretion of the Board taking into account the following factors including (1) the Group's financial performance; (2) the liquidity position and capital requirements of the Group; and (3) any other factors that the Board may consider appropriate, if profitable and without affecting the normal operations of the Group.

CONSTITUTIONAL DOCUMENTS

During the current year under review, there is no change to the Bye-laws of the Company. A copy of the Bye-laws is available at the "Corporate Governance" section of the Company's website and posted on the website of the Hong Kong Stock Exchange.

Environmental, Social and Governance Report

1. ABOUT THE REPORT

The Environmental, Social and Governance ("**ESG**") Report published by PT International Development Corporation Limited (the "**Company**") presents the efforts and achievements made in sustainability and social responsibility by the Company and its subsidiaries (collectively the "**Group**" or "**we**"). The ESG Report details the performance of the Group in carrying out the environmental and social policies and fulfilling the principle of sustainable development.

1.1 Scope of the Report

The ESG Report covers the environmental and social performance of the Group's businesses for the period between 1st April, 2019 and 31st March, 2020 (the "**Year**"). As the Group disposed of its entire interests in certain subsidiaries which are engaged in the trading of fisheries business during the Year, the scope of the ESG Report does not cover the trading of fisheries business. On the other hand, the ESG Report covers the business of provision of chemical storage services, which became a new business of the Group during the Year. However, as it has not yet commenced construction or operation, there is no environmental-related data to be included for the calculation of environmental key performance indicators ("**KPIs**"). In other words, the environmental KPIs cover only two offices of the Group, each in Hong Kong and the People's Republic of China (the "**PRC**") respectively, which is one less as compared to the last reporting period that also included the office under the trading of fisheries business. For details of corporate governance, please refer to the Corporate Governance Report on pages 26 to 38 of the Company's annual report.

1.2 Reporting Standard

The ESG Report was prepared in accordance with the "Environmental, Social and Governance Reporting Guide" under Appendix 27 of the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited.

1.3 ESG Governance

The Group believes that well-established ESG governance principles and practices will increase investment values, and provide long-term returns to stakeholders. In order to ensure the establishment of appropriate and effective ESG risk management measures and internal control systems, the Board of Directors is responsible for supervising the Group's ESG strategies and reporting, as well as assessing and determining ESG related risks. To improve the Group's ESG governance, the Board of Directors regularly arranges independent assessments and efficiency analysis on the adequacy and effectiveness of the aforementioned system through an internal review function.

1.4 Information and Feedback

Your opinions on the Group's ESG performance are highly valued. If you have any advice or suggestions, please feel free to contact the Company by referring to "Corporate Information" on page 3 of the Company's annual report.

2. ABOUT US

The Group is principally engaged in the businesses of long-term investments, listed strategic investments, and provision of finance. We have also expanded our business to commodities trading of metals in recent years, as a way to diversify the source of revenue.

The Group has recognized that our businesses, no matter the investment segment, trading segment or the chemical storage segment, will cause environmental and social impacts in a certain way, either directly or indirectly. Hence, we put focus on our environmental and social performance by striving to protect the natural environment, share vibrant enterprise growth with employees and keep giving back to society with our determination and effort in sustainable development. By upholding the mission "to become a leading, diversified investment conglomerate that excels at investing in and maximizing returns of companies with high growth potential", the Group has integrated the ESG concerns into its business strategies, risk management approach and daily operations. We endeavour to create a harmonious, civilized and sustainable community through maintaining a high-standard operation with integrity, providing service of high quality and caring for the environment, our employees and the community.

3. STAKEHOLDER ENGAGEMENT

The Group believes that our effort to communicate with stakeholders and address their concerns correlates with our success in environmental and social development. Therefore, we actively engage with our key stakeholders through multiple channels, such as meetings, announcements, company websites, and emails, to understand their expectations regarding ESG aspects, which could help the Group to integrate sustainability strategies into our business practices in the long-term.

The following table sets out our key stakeholders, their requirements and expectations for the Group, and the corresponding response and communication channels.

Stakeholders	Requirements and Expectations	Response and Communication Channels
Government and Regulators	• Compliance with national policies, laws and regulation • Support for local economic growth • Contribution in local employment • Tax payment in full and on time • Production safety	• Regular information reporting • Regular meetings with regulators • Dedicated reports • Examination and inspection

Stakeholders	Requirements and Expectations	Response and Communication Channels
Shareholders	• Returns • Transparency and effective communication	• General Meetings • Announcements • Email, telephone communication and company website • Dedicated reports
Partners	• Operation with integrity • Equal rivalry • Performance of contracts	• Review and appraisal meetings • Business communications • Discussion and exchange of views • Engagement and cooperation
Customers	• Health and Safety • Performance of contracts	• Customer service center and hotlines • Customer satisfaction survey • Meeting with customers • Customer feedback
Environment	• Energy saving and emission reduction	• ESG reporting • Communication with locals
Employees	• Remunerations and benefits • Career development • Humanity cares	• Meetings with employees • Employee mailbox
Community and the public	• Participation in charity • Transparency	• Company website • Announcements

4. ENVIRONMENTAL PROTECTION

Given the various types of environmental problems arising around the world, it is crucial to integrate environmental protection practices into our business operation. As a responsible corporation, the Group strictly conforms to a series of environmental laws and regulations such as the Air Pollution Control Ordinance and Waste Disposal Ordinance of Hong Kong, Environmental Protection Law of the People's Republic of China, and Energy Conservation Law of the PRC. Despite the fact that our businesses do not generate heavy pollution or consume a large amount of resources, the Group still puts in place a number of policies which guide emission control, waste management, water saving and energy conservation in order to deliver its long-standing commitment to environmental protection.

The Group has a construction site under the chemical storage business in the PRC, and the Group's project company has completed the marine environmental impact assessment and approval has been granted for the construction and the provision of chemical storage services by the local authorities. We will closely monitor the construction progress to avoid any significant environmental impacts on the surrounding environment once the construction is kickstarted.

During the Year, the Group was not aware of any material non-compliance with relevant laws and regulations relating to environmental issues.

4.1 Emission

As an investment and trading conglomerate, manufacturing processes are not involved thus direct air and water pollutants were not emitted from our main businesses during the Year. The source of air pollutants of the Group comes from private cars that were used in supporting and maintaining our daily business operation.

Air pollutants emission during the Year:

Type	**Weight** *(g)*
Nitrogen oxides (NO_X)	5,485
Sulphur oxides (SO_X)	102
Particulate matter (PM)	404

Climate change has sparked heated discussions in recent years across the globe and actions were commenced by different sectors of the society in an attempt to tackle the rough circumstance, the Group is no exception. We have laid emphasis on greenhouse gas emission control by exerting ourselves in the implementation of an assortment of measures ranging from resources management to energy saving. The Group's greenhouse gas emission is mainly generated from office operation, which can be classified into three scopes: scope 1 – direct emissions from combustion of fuels in vehicles; scope 2 – energy indirect emissions from purchased electricity; and scope 3 – other indirect emissions from outbound business trips by employees and methane gas generation at landfill due to disposal of paper waste.

Greenhouse gas emission during the Year:

Types	**Weight (tons carbon dioxide equivalent ("CO_2e"))**
Total emission	125
Direct emission (Scope 1)	19
Indirect emission (Scope 2)	41
Indirect emission (Scope 3)	65
Intensity (emission/employee)	3.67

In addition to air emissions, the generation of waste also accounts for the emission of the Group. Waste produced by the Group included non-hazardous and hazardous waste. Non-hazardous waste produced mainly includes garbage from day-to-day office operation, while hazardous waste comprises toner cartridges and used fluorescent lamps.

Wastes generated during the Year:

Types	**Weight** *(tons)*	**Intensity** *(tons/employee)*
Non-hazardous waste	7	0.21
	Amount *(kg)*	**Intensity** *(kg/employee)*
Hazardous waste *(kg)*	7	0.21

Committed to taking part in proper waste management, the Group ensures that non-hazardous wastes are collected and disposed of in a proper and legal manner by qualified parties. Hazardous wastes, such as toner cartridges, are returned to suppliers for recycling in a bid to avoid detrimental impacts to the environment.

4.2 Green Operation

It is one of the Group's commitments to promote responsible environmental management and using resources in a sustainable way to build a green environment. Therefore, we operate our office in an environmentally-friendly way.

As a way to reduce the amount of waste we generate we implemented various measures by upholding the principle of "Reduce, Reuse, Recycle and Replace" ("**4Rs**"). We always encourage our staff to reuse envelopes, folders, file cards and other stationery, to recycle and reuse waste paper, metals and plastics by using waste sorting bins, and to reduce the use of disposable and non-recyclable products. For instance, rechargeable batteries are used instead of disposable batteries in our office. We also purchase products with improved recyclability, higher recycled content, reduced packaging and greater durability. We enhance our staff's awareness of the importance of reducing waste generation at source through green procurement practices and administrative approaches. Because of the business nature, the Group was not involved in production process and hence the use of packaging materials.

Apart from waste generation, greenhouse gas emission is another major concern of the Group. Our dedication to reducing carbon footprint can be reflected by several measures, targeting at various sources of emission. For example, employees who are engaged actively in overseas meetings are encouraged to substitute phone or video conferences for overseas business travels to avoid unnecessary outbound travels; in cases where outbound business trips are available, the Group prioritizes direct flights over trips with multiple flights in order to minimize greenhouse gas emissions. We organize events at locations easily accessible by public transportation and optimize route planning for goods delivery to reduce carbon footprint on transportation. Also, we proactively avoid or reduce the amount of paper waste generated by using electronic means to disseminate information internally, setting printers to default duplex and monitoring printing volume regularly. In our office, most of the paper purchased is produced in an environmentally sustainable process.

The Group also puts heavy emphasis on environmental management at the construction site under the chemical storage business. The Group undertakes to procure that its subsidiary (or project company) has to formulate a Health, Safety and Environmental Policy (HSE Policy) which provides strict regulations to contractors who will be working on the construction site. The HSE Policy includes several environmental aspects of daily operation at a construction site, such as the prevention of pollution and waste management. The environmental regulations are aimed to minimize the negative environmental impacts caused by the construction, and the Group will closely monitor the contractor's compliance to the HSE Policy once the construction commences.

In order to identify potential hazards and operability issues regarding the environment at the site of the chemical storage business and make improvements prior to commencement of construction, the Group's project company has conducted a Hazard and Operability Analysis (HAZOP) for the planned operation processes of the business. The HAZOP has identified potential environmental risks in the planned operation of the chemical storage site, and have provided suggestions of improvement, such as adding flammable substance detectors to prevent causing chemical leakage and using closed drainage systems to prevent pipe corrosion and chemical leakage.

4.3 Energy Conservation

The consumption of electricity and use of vehicles are the major sources of energy consumption of the Group. The Group is aware of the possible impacts resulted from the use of energy such as the emission of greenhouse gases and other air pollutants, therefore we shoulder the burden of emission reduction and have dedicated considerable efforts to reducing energy consumption in our office operation.

Energy consumption during the Year:

Type	**Consumption** *(MWh)*
Total energy consumption	120
By type	
Use of vehicles	67
Electricity	53
Intensity (consumption/employee)	3.52

To effectively lower energy consumption, the Group has performed several improvements on the lighting system to minimize electricity use. Besides using energy efficient lighting in all areas of the offices, we ensure all light fixtures and lamps are cleaned regularly to maximize their efficiency and utilize natural light as far as practicable. We have separated the office area into different lighting zones so that lighting can be used more flexibly and have installed dimmers where possible to adjust light intensity.

In addition, we ensure filters and fan coil units of the air conditioning system are cleaned regularly to maintain its high efficiency, while weather strips are placed on doors and windows to prevent leakage of conditioned air. Employees are allowed to wear light clothes every Friday so that energy for air conditioning can be saved, and air-conditioning systems are maintained at 25.5 degrees Celsius throughout the day. The prevention of energy wastage is another important aspect, we thereby use timers to switch off electrical appliances such as printers completely and set all computers to sleeping mode when idling.

4.4 Water Conservation

Water is a precious resource therefore conservation of water is also of great importance from the Group's perspective. We continued to implement certain measures which help cut down on water consumption. The Group has recognized that raising employees' awareness of water saving is essential in bringing actual effects to water conservation. Thus, we continued to promote water saving awareness and practices within the Group. Our staff reused water as far as practicable so as to prevent waste of water. We are also going to install and use water-efficient or low-flow water fixtures such as faucets and showerheads in our office.

Since water consumption fee is included in the management fee of the offices in Hong Kong and the PRC, while the chemical storage business has not commenced construction or operation during the Year, water consumption data of the Year are unavailable.

5. EMPLOYEE-FOCUSED

Human resources act as the pillar of the Group, thus we always put the rights and well-being of our employees in the first place. The Group stringently abides by relevant labour laws and regulations during recruitment, promotion, remuneration and dismissal of employees such as the Employment Ordinance of Hong Kong, Labour Law of the PRC, and Labour Contract Law of the PRC. We have also put in place human resources policies which guide employment and termination, salary review and promotion, as well as employee welfare and equal opportunities.

5.1 Employment

As an equal opportunity employer, the Group assures all candidates of a fair and open recruitment process. Anti-discrimination is highly valued, we do not tolerate any form of discrimination on the grounds of age, sex, physical or mental health status, marital status, family status, race, skin colour, nationality, religion, political affiliation and sexual orientation and other factors, not only during the selection of candidates, but also the consideration of promotion, training and reward provision of employees. Employees are recognized and rewarded by their contribution, performance and skills. To retain talents, the Group reviews and adjusts the salary structure of employees annually. We also offer competitive remuneration to our employees according to both internal and external benchmark as a motivation and to build a high-calibre team which is essential to the Group's success. Whenever an employee offers to resign or is being laid off, an interview will be arranged so as to collect valuable opinions for any possible improvements of the Group's policies.

The Group strictly prohibits the employment of child labour in accordance with the relevant laws and regulations such as the Employment of Children Regulations of Hong Kong and Provision on the Prohibition of Using Child Labour of the PRC. We ensure that no child labour is employed by verifying the identity of new employees before the commencement of work. Forced labour is also stringently prohibited that no staff engagement in unacceptably dangerous and/or hazardous work, physical punishment, abuse, servitude, peonage or trafficking is allowed in any of our operations and services. During the Year, the Group has employed a total of 37 employees in Hong Kong and the PRC.

Indicators	
Total number and percentage *(%)*	
By gender	
Male	20(54)
Female	17(46)
By age	
< 30	6(16)
30–50	22(60)
> 50	9(24)
By employment type	
Permanent	36(97)
Temporary	1(3)
By geographical location	
Hong Kong	27(73)
People's Republic of China	10(27)
Total number resigned and turnover rate *(%)*	
By gender	
Male	6(30)
Female	3(18)
By age	
< 30	2(33)
30–50	6(27)
> 50	1(11)
By geographical location	
Hong Kong	8(30)
People's Republic of China	1(10)

5.2 Promotion and Development

It is the Group's conviction that business success is highly dependent on the continuous improvement in employees' performance and productivity. We therefore are aware of the importance in improving our employees' knowledge and skills, as well as fostering their long-term career development and growth with the Group. We conduct internal training and encourage our employees to take part in external seminars and training courses in order to update themselves with relevant knowledge and techniques. For instance, junior staff were updated with knowledge and trained by the Group's service provider with techniques regarding the application of new accounting software during the Year. The Group is continuously stepping up our education and training policy, planning to provide our employees with necessary up-to-date and job-related training so that they can keep abreast of the ever-changing business environment.

Education acts as the foundation for the growth and development of our employees. In addition to education, the Group also provides chances of promotion and hence a clear career pathway to employees. Appraisal reviews for employees are conducted regularly so that employees who have met the expectations and achieved strong performance can be considered for promotion. We always prefer internal promotion over external recruitment so as to promote organizational growth. It is hoped that every employees are able to advance their career by working in the Group.

5.3 Health and Safety

The Group always put priority on employees' health and safety. Thus it is devoted to providing and maintaining a healthy and safe workplace for its staff and other persons likely to be affected by its business operations through abiding by relevant laws such as the Occupational Safety and Health Ordinance of Hong Kong and Law of the PRC on the Prevention and Control of Occupational Diseases. Health and safety standards are given prime consideration in our operations and regulatory compliance is strongly upheld by the Group.

Our employees at all levels, particularly the management, are accountable for maintaining a vigorous and injury-free working environment through the abiding of safety initiatives. Periodic cleaning of air-conditioning systems, regular floor care maintenance, routine pest control service and disinfection treatment of carpets are carried out to ensure a hygienic working environment. The Group also participates in the annual fire and evacuation drill organized by the respective building management offices so that employees are familiarized with the fire evacuation route and their awareness of fire precaution can be strengthened. We have also set clear guidelines for work under typhoon and rainstorm conditions in accordance with relevant regulations so as to ensure the safety of all staff under extreme weather.

The health and safety of employees and construction workers at the upcoming construction site for the chemical storage business is of utmost importance to the Group, and the Group and the Group's project company strive to maintain a high level of health and safety at the construction through improving construction infrastructure, even prior to the commencement of the construction. Therefore, the Group's project company's Health, Safety and Environmental (HSE) Policy clearly states the regulations regarding health and safety that contractors must abide by, as well as punishments for violation during the upcoming construction. The HSE Policy also sets out standards for the provision of safety equipment to employees by the contractors, including site signboards and notices for safety and instruction and personal protective gear. The Group's project company will also closely monitor and strictly execute the measures set out in the HSE Policy when the construction commences.

Further to the construction, the health and safety during operation is highly concerned, due to the high risk nature of the chemical storage business. The Group's project company has conducted a Hazard and Operability Analysis (HAZOP) and Safety Pre-evaluation Report in order to investigate and show the potential health and safety hazards at the construction site under the chemical storage business. The Safety Pre-evaluation Report identifies the potential safety hazards that could be found in the chemical storage sites operation plan, including hazardous chemicals, risks from storage equipment, risks due to the surrounding environment, etc. The HAZOP Analysis provides recommendations that could be made to minimize risks related to health and safety of employees and improve safety during operations, where the Group's project company can update its construction plan to cater the improvements.

The Group's project company has also obtained an Occupational Health Pre-evaluation Report which ensures that the planned operations for the chemical storage business complies with national laws regarding occupational health and safety, including The Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》) and The "Three Simultaneous" Supervision of Occupational Health in Construction Projects Interim Measures for Administration (《建設項目職業衛生「三同時」監督管理暫行辦法》).

During the Reporting Period, there were no work-related injuries and fatalities, thanks to the effort put by the Group in creating an injury-free business environment. In case of any occurrence of work-related injuries or illness, or reports on unsafe and unhealthy work practices, the Group will make corresponding responses promptly by investigating the cases, planning for remedial measures and providing necessary assistance to the persons involved.

5.4 Welfare

As a way to deliver care to employees, and at the same time stimulate their working initiative, the Group offers all employees a wide range of welfare and benefits. We adopt a five-day work week arrangement so as to assure employees of sufficient rest time. All employees are entitled to a number of leaves according to laws such as public holidays, annual leave, and maternity leave. If the day-off falls on a statutory holiday, compensatory time off will be offered on the following day. The Group also offers benefits to employees including discretionary bonus, training, and provident funds. The share option scheme of the Company is established for the eligible participants (including employees).

Work-life balance is also emphasized by the Group. In Hong Kong, we organized activities such as Christmas lunch and Chinese New Year lunch in a bid to provide opportunities for employees to relax and interact.

6. BUSINESS OPTIMIZATION

The sustainable development of an enterprise highly hinges on the quality and efficiency of its business operations. The Group spares no effort in optimizing its operations and maintaining its reputation by properly managing its supply chain, strictly overseeing its products and services' quality, earnestly serving its customers and behaving ethically in the market.

6.1 Supply Chain Management

To thoroughly fulfill the environmental and social responsibility, management of our business operation including the supply chain cannot be neglected. To ensure that qualified products and service are provided at the request of the Group, we work closely with our supply chain partners in an effort to oversee our supply chain practices thoroughly. Procedures for the selection of suppliers have been set up and strictly followed. The Group always prefers suppliers with high credibility, and by no means works with suppliers who are not in compliance with applicable laws and regulations with respect to anti-discrimination, employment of child or forced labour, bribery, corruption, irresponsible environmental behavior or any other unethical practices. We will stop our cooperation until the situation is rectified if a supplier is found to be inconsistent with the Group's contractual requirements. The Group also aims to attain responsible purchasing and build up a competitive advantage through a green procurement process.

For the chemical storage business, we are fully aware that the risks induced from the chemical storage construction site in different aspects, including construction quality, environment, as well as health and safety. Therefore, all of the aforementioned potential risks are taken into account during the selection process for our construction contractor. We have selected a construction company which has obtained certifications in quality management (ISO 9001), environmental management (ISO 14001) and occupational health and safety management (OHSAS 18001), which shows the Group's devotion to attain sustainable development from top to bottom.

6.2 Products and Service Quality

In the pursuit of excellence in products and service quality, the Group makes every effort to strive for the complete provision of products and service in accordance with customers' needs and expectations. We have operated in compliance with product quality-related laws and regulations, including but not limited to the Securities and Futures Ordinance of Hong Kong and Product Quality Law of the PRC.

We have put in place a system for quality management, aiming at ensuring that our products meet the relevant health and safety requirements and the service that we provide are of high quality. For the money lending business, the Group has obtained the Money Lender's License in conformity with the Money Lenders Ordinance of Hong Kong. For metals trading, products are always inspected and tested with reference to relevant standards prior to selling. Metals traded by the Group are also in compliance with the standard specifications of high-quality metals as set out by the London Metal Exchange, which is a world centre for the trading of industrial metals.

6.3 Customer Services

It is one of the Group's targets to provide the highest satisfaction to all our customers through the provision of customer services which are customer-focused, service-oriented and community-cared. We endeavour to address the needs of customers by providing responsive, caring, professional and customized service as a way to align our business operations with best practices.

With regard to information security and confidentiality, the Group also plays a vital role in handling information of customers, employees and other stakeholders with the highest degree of carefulness. Faced with increasing concerns over privacy protection, the Group carries out several measures which are in line with relevant laws in the places of business such as the Personal Data (Privacy) Ordinance of Hong Kong. We only collect personal data which are necessary for conducting business, and the data will not be used for any purposes without the consent of the related persons. Personal data is not allowed to be transferred or disclosed to entities which are not a member of the Group. The confidentiality obligations of employees persist for a certain period even after the termination of the employment with the Group. Moreover, we maintain appropriate security systems designed to prevent unauthorized access to personal data. Access of data is only allowed for employees or authorized persons based on their needs and roles.

6.4 Business Ethics

Ethics and professionalism are the Group's core values in conducting business, so we are dedicated to running the business with integrity and cultivating an ethical corporate culture.

By conforming to relevant laws and regulations, such as the Prevention of Bribery Ordinance and Anti-Money Laundering and Counter-Terrorist Financing Ordinance of Hong Kong, and Anti-Money Laundering Law of the PRC, we have established a Code of Conduct, which includes provisions for conflicts of interest, privacy and confidentiality of information, and a policy which embodies the principles of integrity, respect, trust and judgment. The Group under no circumstances allows any bribery, corruption, extortion, money-laundering or other fraudulent activities. Employees are required to possess high ethical standards and demonstrate professional conduct in all business dealings with our stakeholders. During the Year, the Group was not aware of any breach of laws and regulations that have a significant impact on the Group in relation to bribery, corruption, extortion, fraud and money laundering.

7. COMMUNITY CONTRIBUTION

Support from society and community has long been an important element for the growth and development of the Group, we therefore recognize the importance of serving the community with love and care. During the Year, we have given back to society by donating over 5,000 surgical masks in order to help the needy protect themselves from the virus outbreak. Furthermore, our staff is constantly encouraged to participate in charitable events and activities, and we will continue to step up our community contribution by dedicating more efforts in participating or organizing community and charitable activities in the future so as to share our fruitful enterprise growth with the community.

APPENDIX: KPI REPORTING GUIDE

KPI	Description	Chapters	Page No.
Environment			
A1 Emissions			
A1.1	The types of emissions and respective emissions data.	Emission	42–43
A1.2	Greenhouse gas emissions in total and, where appropriate, intensity.	Emission	42–43
A1.3	Total hazardous waste produced and, where appropriate, intensity.	Emission	42–43
A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	Emission	42–43
A1.5	Description of measures to mitigate emissions and results achieved.	Green Operation; Energy Conservation	44–45
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Emission; Green Operation	42–44

KPI	Description	Chapters	Page No.
A2 Use of Resources			
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Energy Conservation	45
A2.2	Water consumption in total and intensity.	Water Conservation	46
A2.3	Description of energy use efficiency initiatives and results achieved.	Energy Conservation	45
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Water Conservation	46
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	*No relevant disclosure for the Year*	N/A
A3 The Environment and Natural Resources			
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Emission; Green Operation; Energy Conservation; Water Conservation; Use of Packaging Materials	42–46

KPI	Description	Chapters	Page No.
Social			
B1 Employment			
B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment	46–47
B1.2	Employee turnover rate by gender, age group and geographical region.	Employment	46–47
B2 Health and Safety			
B2.1	Number and rate of work-related fatalities.	Health and Safety	48–49
B2.2	Lost days due to work injury.	Health and Safety	48–49
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety	48–49
B3 Development and Training			
B3.1	The percentage of employees trained by gender and employee category.	*No relevant disclosure for the Year*	N/A
B3.2	The average training hours completed per employee by gender and employee category.	*No relevant disclosure for the Year*	N/A

KPI	Description	Chapters	Page No.
B4 Labor Standards			
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment	46–47
B4.2	Description of steps taken to eliminate such practices when discovered.	*No relevant disclosure for the Year*	N/A
B5 Supply Chain Management			
B5.1	Number of suppliers by geographical region.	*No relevant disclosure for the Year*	N/A
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management	50
B6 Product Responsibility			
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	*No relevant disclosure for the Year*	N/A
B6.2	Number of products and service related complaints received and how they are dealt with.	*No relevant disclosure for the Year*	N/A
B6.3	Description of practices relating to observing and protecting intellectual property rights.	*No relevant disclosure for the Year*	N/A
B6.4	Description of quality assurance process and recall procedures.	Products and Services Quality	51
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Customer Services	51

KPI	Description	Chapters	Page No.
B7 Anti-corruption			
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Business Ethics	52
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Business Ethics	52
B8 Community Investment			
B8.1	Focus areas of contribution.	Community Contribution	52
B8.2	Resources contributed to the focus area.	Community Contribution	52

Deloitte. 德勤

TO THE SHAREHOLDERS OF
PT INTERNATIONAL DEVELOPMENT CORPORATION LIMITED
(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of PT International Development Corporation Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 62 to 151, which comprise the consolidated statement of financial position as at 31st March, 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
Revenue recognition from trading of goods	
We identified revenue recognition from trading of goods as a key audit matter due to the significance of revenue of the Group to the consolidated statement of profit or loss and other comprehensive income. As disclosed in note 5 to the consolidated financial statements, revenue from trading of goods is recognised at a point in time when the control of the goods is transferred to customers upon delivery of the goods. Revenue from trading of goods amounted to HK$1,244,356,000 for the year ended 31st March, 2020 as set out in note 5 to the consolidated financial statements.	Our procedures in relation to revenue recognition from trading of goods included: • Obtaining an understanding of the Group's revenue recognition policy; • Obtaining an understanding of the revenue business processes and relevant controls relating to the recognition of trading income; • Assessing the criteria under which the Group concludes it as acting as a principal and recognises revenue on gross basis based on the requirements under HKFRS 15 "Revenue from Contracts with Customers"; and • Testing the trading income on a sample basis by examining underlying documents.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

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

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Tse Fung Chun.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
29th June, 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st March, 2020

	NOTES	2020 HK$'000	2019 HK$'000
Revenue	*5*		
Contracts with customers		**1,244,984**	1,775,102
Interest under effective interest method		**7,274**	7,682
Leases		**203**	2,996
Total revenue		**1,252,461**	1,785,780
Cost of sales		**(1,239,909)**	(1,766,242)
Other income, other gains and losses	*7*	**2,682**	35,855
Net (loss) gain on financial instruments	*8*	**(379,365)**	380,043
Net decrease in fair values of investment properties		**–**	(18,142)
Administrative expenses		**(56,459)**	(53,078)
Finance costs	*9*	**(2,160)**	(406)
Share of results of an associate		**(135,334)**	11,637
Impairment loss on interest in an associate	*17*	**(345,687)**	(100,000)
(Loss) profit before taxation	*10*	**(903,771)**	275,447
Taxation credit	*11*	**185**	1,751
(Loss) profit for the year		**(903,586)**	277,198
Other comprehensive (expenses) income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(1,266)**	(5,263)
Share of other comprehensive expenses of an associate		**(31,788)**	(35,388)
Reclassification of reserves released on disposal of subsidiaries		**978**	(6,062)
Items that will not be reclassified to profit or loss:			
Share of other comprehensive expenses of an associate		**(14,556)**	(14,416)
Loss on revaluation of land and buildings		**–**	(1,794)
Deferred tax arising on revaluation of land and buildings		**–**	242
Other comprehensive expenses for the year		**(46,632)**	(62,681)
Total comprehensive (expenses) income for the year		**(950,218)**	214,517

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st March, 2020

	NOTE	2020 HK$'000	2019 HK$'000
(Loss) profit for the year attributable to:			
Owners of the Company		**(902,258)**	277,056
Non-controlling interests		**(1,328)**	142
		(903,586)	277,198
Total comprehensive (expenses) income for the year attributable to:			
Owners of the Company		**(948,890)**	214,375
Non-controlling interests		**(1,328)**	142
		(950,218)	214,517
		HK cents	*HK cents*
(Loss) earnings per share:	*13*		
Basic		**(44.70)**	13.73
Diluted		**N/A**	13.73

Consolidated Statement of Financial Position

At 31st March, 2020

	NOTES	2020 HK$'000	2019 HK$'000
Non-current assets			
Property, plant and equipment	14	**27,323**	2,724
Right-of-use assets	16	**15,872**	–
Interest in an associate	17	**–**	547,145
Debt instrument at amortised cost	18	**–**	200,000
Financial assets at fair value through profit or loss	19	**152,442**	551,725
		195,637	1,301,594
Current assets			
Inventories	20	**31,256**	1,094
Debtors, deposits and prepayments	21	**8,026**	32,266
Loan receivable	22	**–**	39,000
Debt instrument at amortised cost	18	**200,000**	–
Derivative financial instruments	23	**6,513**	–
Equity investment held for trading	24	**6,109**	6,572
Restricted deposits with brokers	25	**1,950**	–
Short-term bank deposits, bank balances and cash	25	**77,938**	65,553
		331,792	144,485
Assets classified as held for sale/disposal group held for sale	26	**19,780**	42,086
		351,572	186,571
Current liabilities			
Creditors and accrued expenses	27	**7,429**	3,609
Derivative financial instruments	23	**2,637**	–
Contract liabilities	28	**2,522**	–
Tax payable		**–**	331
Lease liabilities – due within one year	29	**4,416**	–
		17,004	3,940
Liabilities classified as disposal group held for sale	26	**–**	6,818
		17,004	10,758
Net current assets		**334,568**	175,813
Total assets less current liabilities		**530,205**	1,477,407
Non-current liability			
Lease liabilities – due after one year	29	**282**	–
Net assets		**529,923**	1,477,407

Consolidated Statement of Financial Position

At 31st March, 2020

	NOTE	2020 HK$'000	2019 HK$'000
Capital and reserves			
Share capital	*31*	**20,183**	20,183
Share premium and reserves		**625,871**	1,452,425
Amounts recognised in other comprehensive income and accumulated in equity relating to assets held for sale		**(122,336)**	–
Equity attributable to the owners of the Company		**523,718**	1,472,608
Non-controlling interests		**6,205**	4,799
Total equity		**529,923**	1,477,407

The consolidated financial statements on pages 62 to 151 were approved and authorised for issue by the Board of Directors on 29th June, 2020 and are signed on its behalf by:

Ching Man Chun, Louis
Chairman and Managing Director

Xu Wei
Executive Director

Consolidated Statement of Changes in Equity

For the year ended 31st March, 2020

	Attributable to the owners of the Company												
	Share capital *HK$'000*	Share premium *HK$'000*	Reserve on acquisition *HK$'000* *(Note)*	Capital redemption reserve *HK$'000*	Other reserve *HK$'000*	Property revaluation reserve *HK$'000*	Investment revaluation reserve *HK$'000*	Translation reserve *HK$'000*	Amounts recognised in other comprehensive income and accumulated in equity relating to assets held for sale *HK$'000*	Accumulated profits *HK$'000*	Sub-total *HK$'000*	Non-controlling interests *HK$'000*	Total *HK$'000*
At 1st April, 2018	20,183	959,550	(20,513)	908	12,479	6,992	(59,424)	63,442	–	273,863	1,257,480	4,903	1,262,383
Profit for the year	–	–	–	–	–	–	–	–	–	277,056	277,056	142	277,198
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	–	(5,263)	–	–	(5,263)	–	(5,263)
Share of other comprehensive expenses of an associate	–	–	–	–	–	–	(14,416)	(35,388)	–	–	(49,804)	–	(49,804)
Reserves released on disposal of subsidiaries *(note 36)*	–	–	–	–	–	–	–	(6,062)	–	–	(6,062)	–	(6,062)
Loss on revaluation of land and buildings	–	–	–	–	–	(1,794)	–	–	–	–	(1,794)	–	(1,794)
Deferred tax arising on revaluation of land and buildings	–	–	–	–	–	242	–	–	–	–	242	–	242
Total comprehensive (expenses) income for the year	–	–	–	–	–	(1,552)	(14,416)	(46,713)	–	277,056	214,375	142	214,517
Share of equity transactions of the associate	–	–	–	–	393	–	–	–	–	360	753	–	753
Disposal of subsidiaries *(note 36)*	–	–	–	–	–	–	–	–	–	–	–	(246)	(246)
At 31st March, 2019	20,183	959,550	(20,513)	908	12,872	5,440	(73,840)	16,729	–	551,279	1,472,608	4,799	1,477,407

Consolidated Statement of Changes in Equity

For the year ended 31st March, 2020

	Attributable to the owners of the Company												
	Share capital HK$'000	Share premium HK$'000	Reserve on acquisition HK$'000 (Note)	Capital redemption reserve HK$'000	Other reserve HK$'000	Property revaluation reserve HK$'000	Investment revaluation reserve HK$'000	Translation reserve HK$'000	Amounts recognised in other comprehensive income and accumulated in equity relating to assets held for sale HK$'000	Accumulated profits HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 31st March, 2019 and 1st April, 2019	20,183	959,550	(20,513)	908	12,872	5,440	(73,840)	16,729	–	551,279	1,472,608	4,799	1,477,407
Loss for the year	–	–	–	–	–	–	–	–	–	(902,258)	(902,258)	(1,328)	(903,586)
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	–	(1,266)	–	–	(1,266)	–	(1,266)
Share of other comprehensive expenses of an associate	–	–	–	–	–	–	(14,556)	(31,788)	–	–	(46,344)	–	(46,344)
Reserves released on disposal of subsidiaries *(note 36)*	–	–	–	–	–	–	–	978	–	–	978	–	978
Total comprehensive expenses for the year	–	–	–	–	–	–	(14,556)	(32,076)	–	(902,258)	(948,890)	(1,328)	(950,218)
Share of equity transactions of the associate	–	–	–	–	(2,730)	–	–	–	–	2,730	–	–	–
Acquisition of subsidiaries *(note 37)*	–	–	–	–	–	–	–	–	–	–	–	2,734	2,734
Disposal of subsidiaries *(note 36)*	–	–	–	–	–	(5,440)	–	–	–	5,440	–	–	–
Transfer upon classification of interest in an associate as assets held for sale *(note 26)*	–	–	20,513	–	(10,142)	–	88,396	13,427	(122,336)	10,142	–	–	–
At 31st March, 2020	20,183	959,550	–	908	–	–	–	(1,920)	(122,336)	(332,667)	523,718	6,205	529,923

Note: The reserve on acquisition represents the Group's share of differences between the fair value and the attributable carrying amount of the attributable underlying assets and liabilities in relation to the acquisition of additional interests in subsidiaries by an associate.

Consolidated Statement of Cash Flows

For the year ended 31st March, 2020

	NOTES	2020 HK$'000	2019 HK$'000
OPERATING ACTIVITIES			
(Loss) profit before taxation		**(903,771)**	275,447
Adjustments for:			
Depreciation of property, plant and equipment		**1,639**	1,798
Depreciation of right-of-use assets		**8,815**	–
Decrease in fair values of investment properties		**–**	18,142
Loss (gain) on disposals of property, plant and equipment		**22**	(102)
Interest income		**(9,200)**	(8,678)
Interest expenses		**2,160**	406
Net loss (gain) on financial instruments		**374,479**	(379,926)
Share of results of an associate		**135,334**	(11,637)
Impairment loss on interest in an associate		**345,687**	100,000
Loss (gain) on disposal of subsidiaries		**330**	(34,605)
Allowances for inventories		**3,335**	–
Unrealised exchange loss		**–**	239
Operating cash flows before movements in working capital		**(41,170)**	(38,916)
(Increase) decrease in inventories		**(34,982)**	2,559
Decrease in debtors, deposits and prepayments		**19,434**	97,016
Decrease (increase) in loan receivable		**15,600**	(39,000)
Increase in equity investment held for trading		**(694)**	(1,779)
Decrease in creditors and accrued expenses		**(5,919)**	(3,609)
Increase (decrease) in contract liabilities		**2,522**	(109,153)
Cash used in operations		**(45,209)**	(92,882)
Interest received		**9,905**	3,770
Tax paid		**(135)**	(346)
NET CASH USED IN OPERATING ACTIVITIES		**(35,439)**	(89,458)
INVESTING ACTIVITIES			
Proceeds from disposal of subsidiaries, net of cash and cash equivalents disposed of	*36*	**37,336**	56,228
Capital distribution from financial asset at fair value through profit or loss		**22,085**	–
Interest received		**1,926**	996
Cash inflow on acquisition of subsidiaries not constituting a business	*37*	**658**	–
Proceeds from disposals of property, plant and equipment		**92**	445
Additions to property, plant and equipment		**(3,171)**	(2,779)
Placements in restricted deposits with brokers		**(1,950)**	–
Purchase of financial assets at fair value through profit or loss		**–**	(171,600)
Acquisition of investment properties		**–**	(71)
NET CASH FROM (USED IN) INVESTING ACTIVITIES		**56,976**	(116,781)

Consolidated Statement of Cash Flows

For the year ended 31st March, 2020

	NOTE	2020 HK$'000	2019 HK$'000
FINANCING ACTIVITIES			
Repayment of lease liabilities		**(8,495)**	–
Interest paid		**(428)**	(508)
Repayment of bank and other borrowings		**–**	(7,104)
NET CASH USED IN FINANCING ACTIVITIES		**(8,923)**	(7,612)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**12,614**	(213,851)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		**66,619**	281,996
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**(1,295)**	(1,526)
CASH AND CASH EQUIVALENTS CARRIED FORWARD		**77,938**	66,619
Represented by:			
Short-term bank deposits, bank balances and cash		**77,938**	65,553
Assets classified as disposal group held for sale	26	**–**	1,066
		77,938	66,619

1. GENERAL

PT International Development Corporation Limited (the "Company") is an exempted company incorporated in Bermuda with limited liability. Its shares are listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). The addresses of the registered office and the principal place of business of the Company are disclosed in the "Corporate Information" section of this annual report.

The Company is an investment holding company. The principal activities of the Company's principal subsidiaries (together with the Company referred to as the "Group") and the Group's principal associate are set out in notes 43 and 17, respectively.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)")

New and amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs and interpretation issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time in the current year:

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

Except as described below, the application of the new and amendments to HKFRSs and interpretation in the current year has had no material impact on the Group's financial performance and position for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

HKFRS 16 "Leases"

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 "Leases" ("HKAS 17"), and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) – Int 4 "Determining whether an Arrangement contains a Lease" and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (continued)

New and amendments to HKFRSs that are mandatorily effective for the current year (continued)

HKFRS 16 "Leases" (continued)

Definition of a lease (continued)

For contracts entered into or modified on or after 1st April, 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1st April, 2019.

As at 1st April, 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities by applying HKFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening accumulated profits and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on a lease-by-lease basis, to the extent relevant to the respective lease contracts:

(i) relied on the assessment of whether leases are onerous by applying HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets" as an alternative of impairment review;

(ii) elected not to recognise right-of-use assets and lease liabilities for leases with lease term that ends within 12 months of the date of initial recognition; and

(iii) applied a single discount rate to a portfolio of leases with similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rates for certain leases of properties in the People's Republic of China (the "PRC") and certain leases of properties in Hong Kong were determined on a portfolio basis.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rates applied by the relevant group entities range from 4.35% to 5.63% per annum.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (continued)

New and amendments to HKFRSs that are mandatorily effective for the current year (continued)

HKFRS 16 "Leases" (continued)

As a lessee (continued)

	At 1st April, 2019
	HK$'000
Operating lease commitments disclosed as at 31st March, 2019	13,707
Lease liabilities discounted at relevant incremental borrowing rates	13,057
Less: Practical expedient – leases with lease term ending within 12 months from the date of initial application	(471)
Lease liabilities relating to operating leases recognised upon application of HKFRS 16 at 1st April, 2019	12,586
Analysed as:	
Current	4,262
Non-current	8,324
	12,586

The carrying amount of right-of-use assets as at 1st April, 2019 comprises the following:

	Right-of-use assets
	HK$'000
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	12,586
Adjustments on rental deposits at 1st April, 2019	112
	12,698
By class:	
Office premises	12,698

Note: Before the application of HKFRS 16, the Group considered refundable rental deposits paid as rights and obligations under leases to which HKAS 17 applied, presented under debtors, deposits and prepayments. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets and were adjusted to reflect the discounting effect at transition. Accordingly, HK$112,000 was adjusted to refundable rental deposits paid and right-of-use assets.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (continued)

New and amendments to HKFRSs that are mandatorily effective for the current year (continued)

HKFRS 16 "Leases" (continued)

As a lessor

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated.

Before application of HKFRS 16, refundable rental deposits received were considered as rights and obligations under leases to which HKAS 17 applied. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right-of-use assets and were adjusted to reflect the discounting effect at transition. The discounting effect of rental deposits received at transition is not significant.

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1st April, 2019. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31st March, 2019	Adjustments	Carrying amounts under HKFRS 16 at 1st April, 2019
	HK$'000	*HK$'000*	*HK$'000*
Non-current assets			
Right-of-use assets	–	12,698	12,698
Current assets			
Debtors, deposits and prepayments	32,266	(112)	32,154
Current liabilities			
Lease liabilities – due within one year	–	(4,262)	(4,262)
Non-current liabilities			
Lease liabilities – due after one year	–	(8,324)	(8,324)

For the purpose of reporting cash flows from operating activities under indirect method for the year ended 31st March, 2020, movements in working capital have been computed based on opening consolidated statement of financial position as at 1st April, 2019 as disclosed above.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (continued)

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts[1]
Amendments to HKFRS 16	Covid-19-Related Rent Concessions[6]
Amendments to HKFRS 3	Definition of a Business[2]
Amendments to HKFRS 3	Reference to the Conceptual Framework[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1 and HKAS 8	Definition of Material[4]
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use[5]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[5]
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020[5]

1 Effective for annual periods beginning on or after 1st January, 2021
2 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1st January, 2020
3 Effective for annual periods beginning on or after a date to be determined
4 Effective for annual periods beginning on or after 1st January, 2020
5 Effective for annual periods beginning on or after 1st January, 2022
6 Effective for annual periods beginning on or after 1st June, 2020

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the "Amendments to References to the Conceptual Framework in HKFRS Standards", will be effective for annual periods beginning on or after 1st January, 2020.

The directors of the Company anticipate that the application of the new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of HKFRS 16 (since 1st April, 2019) or HKAS 17 (before application of HKFRS 16), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of Assets" ("HKAS 36").

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets 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 or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs).

Acquisition of subsidiaries not constituting a business

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets and financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Interest in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Interest in an associate (continued)

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" ("HKFRS 5"). When the associate uses accounting policies that differ from those of the Group for like transactions and events in similar circumstances, appropriate adjustments have been made to conform the associate's accounting policies to those of the Group. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal of the relevant associate.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Interest in an associate (continued)

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interest in the associate that are not related to the Group.

Non-current assets and disposal group held for sale

Non-current assets and disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the assets or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets or disposal group and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in the relevant subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment in an associate, the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method from the time when the investment is classified as held for sale.

Non-current assets and disposal group classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell except for financial assets within the scope of HKFRS 9 and investment properties which continue to be measured in accordance with the accounting policies as set out in respective sections.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue from contracts with customers (continued)

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Input method

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

Definition of a lease (upon application of HKFRS 16 in accordance with transitions in note 2)

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2)

Allocation of consideration to components of a contract

For a contract that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2) (continued)

Right-of-use assets (continued)

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 "Financial Instruments" ("HKFRS 9") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment; or

- the lease payments change due to changes in market rental rates following a market rent review in which case the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2) (continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities and lease incentives from lessor by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessee (prior to 1st April, 2019)

Operating lease payments are recognised as an expense on a straight-line basis over the lease terms.

The Group as a lessor (upon application of HKFRS 16 in accordance with transitions in note 2)

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

Rental income which is derived from the Group's ordinary course of business is presented as revenue.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

The Group as a lessor (prior to 1st April, 2019)

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the terms of the relevant leases.

Rental income which is derived from the Group's ordinary course of business is presented as revenue.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of the translation reserve (attributable to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Borrowing costs

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

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees after deducting any amount already paid.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit/loss before taxation because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interest in an associate, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 "Income Taxes" requirements to right-of-use assets and lease liabilities separately. Temporary differences on initial recognition of the relevant right-of-use assets and lease liabilities are not recognised due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the supply of goods or services, or for administrative purposes, other than construction in progress. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Constructions in progress are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets over their estimated useful lives, using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment on property, plant and equipment and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of property, plant and equipment and right-of-use assets are estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or the group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or the group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

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

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Restoration provisions

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised at the date of inception of the lease at the directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 "Revenue from Contracts with Customers" ("HKFRS 15"). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income which is derived from the Group's ordinary course of business is presented as revenue.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL"), except that at the date of initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 "Business Combinations" applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term;

- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that is required to be measured at amortised cost or fair value through other comprehensive income ("FVTOCI") as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated at FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "net (loss) gain on financial instruments" line item.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including debt instrument at amortised cost, trade and other debtors and deposits, loan receivable, restricted deposits with brokers, short-term bank deposits and bank balances) which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

The Group always recognises lifetime ECL for trade debtors which are assessed for ECL individually. For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) *Significant increase in credit risk*

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

(i) Significant increase in credit risk (continued)

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default; (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade debtors where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which HKFRS 3 applies; (ii) held for trading; or (iii) it is designated as at FVTPL.

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at amortised cost

Financial liabilities (representing trade and other creditors) are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

4. CRITICAL ACCOUNTING ESTIMATES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgment in applying accounting policies

The following is the critical judgment, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that has the most significant effect on the amounts recognised in the consolidated financial statements.

Principal versus agent consideration (principal)

The Group engages in trading of commodities. The Group concluded that the Group acts as the principal for such transactions as it controls the specified good before it is transferred to the customer after taking into consideration that the Group is primarily responsible for fulfilling the promise to provide the goods. The Group is also subject to inventory risk. When the Group satisfies the performance obligation, the Group recognises trading revenue in the gross amount of consideration to which the Group expects to be entitled as specified in the contracts.

During the year ended 31st March, 2020, the Group recognised revenue relating to trading of goods amounting to HK$1,244,356,000 (2019: HK$1,772,410,000).

4. CRITICAL ACCOUNTING ESTIMATES AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of asset within the next financial year.

Fair value measurement of financial instruments

As at 31st March, 2020, the Group's unlisted equity investment amounting to HK$11,673,000 as disclosed in note 19 is measured at fair value with fair value being determined based on significant unobservable inputs using valuation techniques. Judgment and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair value of the instrument. See note 34(c) for further disclosures.

5. REVENUE AND SEGMENT INFORMATION

Revenue

An analysis of the Group's revenue for the year is as follows:

	2020 ***HK$'000***	2019 *HK$'000*
Revenue from contracts with customers		
– Trading income	**1,244,356**	1,772,410
– Management and other related service income	**628**	2,692
	1,244,984	1,775,102
Interest under effective interest method		
– Interest income from provision of finance	**3,263**	3,370
– Interest income from investments	**4,011**	4,312
	7,274	7,682
Leases		
– Property rental income	**203**	2,983
– Others	**–**	13
	203	2,996
	1,252,461	1,785,780

5. REVENUE AND SEGMENT INFORMATION (continued)

Revenue (continued)

Disaggregation of revenue from contracts with customers

	2020 **HK$'000**	2019 HK$'000
Types of goods or services		
Trading income		
– Metals	**1,239,851**	1,730,032
– Fisheries	**4,505**	40,050
– Agricultural products	**–**	2,328
	1,244,356	1,772,410
Management and other related service income	**628**	2,692
	1,244,984	1,775,102
Geographical location		
Hong Kong	**996,778**	1,141,231
The PRC, excluding Hong Kong	**243,073**	620,649
Canada	**628**	2,692
Sri Lanka	**4,505**	10,530
	1,244,984	1,775,102

Revenue from trading of commodities is recognised at a point in time when the control of the goods is transferred to the customers upon delivery of the goods. Revenue from the provision of management and other related services is recognised over time using the input method under HKFRS 15.

Revenue from trading of commodities are either receipt in advance in full or are granted with an average credit term of 90 days. For management and other related services, the credit terms normally ranged from 30 days to 90 days.

5. REVENUE AND SEGMENT INFORMATION (continued)

Revenue (continued)

Set out below is the reconciliation of revenue from contracts with customers with amounts disclosed in the segment information.

For the year ended 31st March, 2020

	Trading HK$'000	Finance HK$'000	Long-term investment HK$'000	Other investment HK$'000	Chemical HK$'000	Others HK$'000	Total HK$'000
Trading income	1,244,356	–	–	–	–	–	1,244,356
Management and other related service income	–	–	–	–	–	628	628
Revenue from contracts with customers	1,244,356	–	–	–	–	628	1,244,984
Interest income from provision of finance	–	3,263	–	–	–	–	3,263
Interest income from investment	–	–	4,011	–	–	–	4,011
Interest under effective interest method	–	3,263	4,011	–	–	–	7,274
Revenue arising from leases – property rental income	–	–	–	–	–	203	203
Total revenue	1,244,356	3,263	4,011	–	–	831	1,252,461

5. REVENUE AND SEGMENT INFORMATION (continued)

Revenue (continued)

For the year ended 31st March, 2019

	Trading *HK$'000*	Finance *HK$'000*	Long-term investment *HK$'000*	Other investment *HK$'000*	Others *HK$'000*	Total *HK$'000*
Trading income	1,772,410	–	–	–	–	1,772,410
Management and other related service income	–	–	–	–	2,692	2,692
Revenue from contracts with customers	1,772,410	–	–	–	2,692	1,775,102
Interest income from provision of finance	–	3,370	–	–	–	3,370
Interest income from investments	–	–	4,312	–	–	4,312
Interest under effective interest method	–	3,370	4,312	–	–	7,682
Property rental income	–	–	–	–	2,983	2,983
Others	–	–	–	–	13	13
Revenue arising from leases	–	–	–	–	2,996	2,996
Total revenue	1,772,410	3,370	4,312	–	5,688	1,785,780

All of the unsatisfied performance obligations as at 31st March, 2020 and 2019 were expected to be settled within one year from the year end date. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information

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 are as follows:

Trading	–	trading of commodities
Finance	–	loan financing services
Long-term investment	–	investments including debt instruments and equity investments
Other investment	–	investment in trading of securities
Chemical	–	chemical storage services*
Others	–	leasing of investment properties, leasing of motor vehicles and management services

* During the year ended 31st March, 2020, the Group acquired, through the acquisition of subsidiaries, a right to use a parcel of reclaimed land and certain chemical storages and related facilities under construction thereon for the provision of chemical storage services. The segment has not commenced operation at the end of the reporting period. Details of the acquisition are disclosed in note 37.

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Information regarding the above operating segments, which are also reportable segments of the Group, is reported below.

Segment revenue and results

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

For the year ended 31st March, 2020

	Trading HK$'000	Finance HK$'000	Long-term investment HK$'000	Other investment HK$'000	Chemical HK$'000	Others HK$'000	Consolidated HK$'000
SEGMENT REVENUE							
External sales	1,244,356	3,263	4,011	–	–	831	1,252,461
RESULTS							
Segment results	(6,012)	3,240	(376,199)	(1,157)	(1,627)	(5)	(381,760)
Central administration costs							(40,136)
Other income, other gains and losses							1,306
Finance costs							(2,160)
Share of results of an associate							(135,334)
Impairment loss on interest in an associate							(345,687)
Loss before taxation							(903,771)

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Segment revenue and results (continued)

For the year ended 31st March, 2019

	Trading *HK$'000*	Finance *HK$'000*	Long-term investment *HK$'000*	Other investment *HK$'000*	Others *HK$'000*	Consolidated *HK$'000*
SEGMENT REVENUE						
External sales	1,772,410	3,370	4,312	–	5,688	1,785,780
RESULTS						
Segment results	(2,296)	1,571	384,437	(82)	(21,375)	362,255
Central administration costs						(32,850)
Other income, other gains and losses						34,811
Finance costs						(406)
Share of results of an associate						11,637
Impairment loss on interest in an associate						(100,000)
Profit before taxation						275,447

Segment result represents the result of each segment without allocation of central administration costs, including directors' salaries, certain other income, other gains and losses, finance costs and items related to interest in an associate.

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Segment assets and liabilities

As at 31st March, 2020

	Trading HK$'000	Finance HK$'000	Long-term investment HK$'000	Other investment HK$'000	Chemical HK$'000	Others HK$'000	Segment total HK$'000	Unallocated HK$'000	Total HK$'000
SEGMENT ASSETS									
Segment assets	59,919	–	352,771	6,109	35,369	–	454,168	–	454,168
Assets classified as held for sale	–	–	–	–	–	–	–	19,780	19,780
Unallocated corporate assets	–	–	–	–	–	–	–	73,261	73,261
Total assets	59,919	–	352,771	6,109	35,369	–	454,168	93,041	547,209

As at 31st March, 2019

	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	28,132	42,195	752,700	6,576	–	829,603	–	829,603
Assets classified as disposal group held for sale	–	–	–	–	42,086	42,086	–	42,086
Interest in an associate	–	–	–	–	–	–	547,145	547,145
Unallocated corporate assets	–	–	–	–	–	–	69,331	69,331
Total assets	28,132	42,195	752,700	6,576	42,086	871,689	616,476	1,488,165

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

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

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Other information

For the year ended 31st March, 2020

	Trading HK$'000	Finance HK$'000	Long-term investment HK$'000	Other investment HK$'000	Chemical HK$'000	Others HK$'000	Segment total HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measurement of segment results or segment assets:									
Additions to property, plant and equipment									
– through acquisition of subsidiaries *(note 37)*	–	–	–	–	23,773	–	23,773	–	23,773
– additions	73	–	–	–	–	–	73	3,098	3,171
Addition to right-of-use assets									
– through acquisition of subsidiaries *(note 37)*	–	–	–	–	11,239	–	11,239	–	11,239
– new lease entered	–	–	–	–	791	–	791	–	791
Depreciation	2,182	–	–	–	226	–	2,408	8,046	10,454
Interest income	–	3,263	4,011	–	–	–	7,274	1,926	9,200
Loss on disposal of subsidiaries	–	–	–	–	–	–	–	330	330
Loss on disposal of property, plant and equipment	–	–	–	–	–	–	–	22	22
Allowances for inventories	3,335	–	–	–	–	–	3,335	–	3,335
Net loss on financial instruments	1,010	–	377,198	1,157	–	–	379,365	–	379,365

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Other information (continued)

For the year ended 31st March, 2019

	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*
Amounts included in the measurement of segment results or segment assets:								
Additions to property, plant and equipment	946	–	–	–	20	966	1,813	2,779
Additions to investment properties	–	–	–	–	71	71	–	71
Depreciation	299	–	–	–	472	771	1,027	1,798
Interest income	–	3,370	4,312	–	–	7,682	996	8,678
Decrease in fair values of investment properties	–	–	–	–	(18,142)	(18,142)	–	(18,142)
Gain on disposal of subsidiaries	–	–	–	–	–	–	34,605	34,605
Gain on disposals of property, plant and equipment	–	–	–	–	–	–	102	102
Net gain (loss) on financial instruments	–	–	380,125	(82)	–	380,043	–	380,043

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Geographical information

The Group's operations are located in Hong Kong, the PRC, Canada and Sri Lanka.

Information about the Group's revenue from external customers or counterparties is presented based on the locations of transactions conducted. Information about the Group's non-current assets is presented based on the physical locations of the assets. Information about the Group's interest in an associate is presented based on the place of listing of the associate.

	Revenue		Carrying amount of non-current assets *(Note)*	
	2020	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**1,004,052**	1,148,395	**6,151**	548,829
The PRC, excluding Hong Kong	**243,073**	620,649	**37,044**	375
Canada	**831**	6,206	**–**	–
Sri Lanka	**4,505**	10,530	**–**	665
	1,252,461	1,785,780	**43,195**	549,869

Note: Non-current assets exclude financial assets.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

Customer	**Segment**	**2020**	2019
		HK$'000	*HK$'000*
Customer A	Trading	**N/A**[1]	521,995
Customer B	Trading	**N/A**[1]	334,624
Customer C	Trading	**233,627**	N/A[1]
Customer D	Trading	**207,641**	N/A[1]
Customer E	Trading	**196,631**	N/A[1]
Customer F	Trading	**187,534**	N/A[1]

[1] The corresponding revenue did not contribute over 10% of the total revenue of the Group.

Revenue by services and investments

The Group's major revenue by services and investments was disclosed in the segment revenue above.

6. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

The emoluments paid or payable to each of the directors and the chief executives were as follows:

(a) Directors' emoluments

	Fees *HK$'000*	Salaries and other benefits *HK$'000*	Retirement benefit scheme contributions *HK$'000*	Discretionary bonus *HK$'000*	Total *HK$'000*
2020					
Executive directors:					
Ching Man Chun, Louis *(Chief Executive)*	10	4,560	18	–	4,588
Xu Wei	10	851	18	55	934
Gary Alexander Crestejo *(resigned on 1st November, 2019)*	7	320	12	–	339
Sue Ka Lok	10	390	20	–	420
Heinrich Grabner *(appointed on 1st November, 2019)*	4	840	7	133	984
Yeung Kim Ting *(redesignated from independent non-executive director on 8th July, 2019)*	7	1,316	14	–	1,337
Independent non-executive directors:					
Wong Yee Shuen, Wilson	150	–	–	–	150
Yam Kwong Chun	150	–	–	–	150
Yeung Kim Ting *(redesignated to executive director on 8th July, 2019)*	40	–	–	–	40
Lam Yik Tung *(appointed on 8th July, 2019)*	110	–	–	–	110
Total	498	8,277	89	188	9,052

6. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

(a) Directors' emoluments (continued)

	Fees *HK$'000*	Salaries and other benefits *HK$'000*	Retirement benefit scheme contributions *HK$'000*	Discretionary bonus *HK$'000*	Total *HK$'000*
2019					
Executive directors:					
Ching Man Chun, Louis *(Chief Executive)*	10	1,200	18	100	1,328
Xu Wei	10	857	18	55	940
Gary Alexander Crestejo	10	480	18	–	508
Sue Ka Lok	10	342	18	30	400
Independent non-executive directors:					
Wong Yee Shuen, Wilson	150	–	–	–	150
Yam Kwong Chun	150	–	–	–	150
Yeung Kim Ting	150	–	–	–	150
Lau Yuen Sun, Adrian *(resigned on 30th April, 2018)*	12	–	–	–	12
Total	502	2,879	72	185	3,638

Ching Man Chun, Louis is the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive of the Company.

The executive directors' emoluments shown above were for their services in connection with management of the affairs of the Company and its subsidiaries. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

6. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

(b) Five highest paid employees

The five highest paid employees of the Group during the year included three (2019: two) directors of the Company, details of whose emoluments are set out in note (a) above. Amounts disclosed as follows represent the remuneration of the remaining two (2019: three) highest paid employees who are neither a director nor chief executive of the Company during the year.

	2020	2019
	HK$'000	*HK$'000*
Salaries and other benefits	**1,988**	3,219
Discretionary bonus	**160**	1,323
Retirement benefit scheme contributions	**36**	109
	2,184	4,651

Their emoluments were within the following bands:

	Number of individuals	
	2020	2019
Nil to HK$1,000,000	**1**	–
HK$1,000,001 to HK$1,500,000	**1**	1
HK$1,500,001 to HK$2,000,000	**–**	2

During the year, no emoluments were paid by the Group to the five highest paid individuals, including directors of the Company, as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, neither the chief executive nor any of the directors has waived any emoluments during the year.

The discretionary bonus is based on the directors' and employees' skills, knowledge and involvement in the Group's affairs and determined by reference to the Group's performance, as well as remuneration benchmark in the industry and the prevailing market conditions.

7. OTHER INCOME, OTHER GAINS AND LOSSES

	2020 HK$'000	2019 HK$'000
(Loss) gain on disposals of property, plant and equipment	(22)	102
(Loss) gain on disposal of subsidiaries *(note 36)*	(330)	34,605
Net foreign exchange loss	(270)	(990)
Bank interest income	872	996
Interest income on loan to a third party	1,054	–
Others	1,378	1,142
	2,682	35,855

8. NET (LOSS) GAIN ON FINANCIAL INSTRUMENTS

	2020 HK$'000	2019 HK$'000
(Decrease) increase in fair values of financial assets at fair value through profit or loss	(377,198)	380,125
Increase in fair value of equity investment held for trading, realised	–	117
Decrease in fair value of equity investment held for trading, unrealised	(1,157)	(199)
Decrease in fair values of derivative financial instruments, realised	(4,886)	–
Increase in fair values of derivative financial instruments, unrealised	3,876	–
	(379,365)	380,043

9. FINANCE COSTS

	2020 HK$'000	2019 HK$'000
Interest on lease liabilities	428	–
Interest on discounted bills without recourse	1,732	–
Interest on bank and other borrowings	–	406
	2,160	406

10. (LOSS) PROFIT BEFORE TAXATION

	2020 HK$'000	2019 HK$'000
(Loss) profit before taxation has been arrived at after charging (crediting):		
Staff costs, including directors' emoluments:		
Salaries and other benefits	**26,304**	23,294
Retirement benefit scheme contributions	**579**	582
	26,883	23,876
Auditor's remuneration – audit services	**1,774**	1,700
Depreciation of property, plant and equipment	**1,639**	1,798
Depreciation of right-of-use assets	**8,815**	–
Cost of inventories recognised as an expense, including allowances for inventories of HK$3,335,000 (2019: nil)	**1,239,909**	1,766,242
Minimum lease payments under operating leases in respect of rented premises	**–**	9,658
Rental income under operating leases, net of negligible outgoings, in respect of:		
– investment properties	**(203)**	(2,983)
– motor vehicles	**–**	(13)

11. TAXATION

	2020 HK$'000	2019 HK$'000
Current tax		
PRC Enterprise Income Tax ("EIT")	**–**	436
Overprovision in prior years	**(185)**	–
	(185)	436
Deferred tax *(note 30)*:		
Credit for the year	**–**	(2,187)
Tax credit	**(185)**	(1,751)

11. TAXATION (continued)

On 21st March, 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28th March, 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2,000,000 of profits of the qualifying group entity will be taxed at 8.25% and profits above HK$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits arising in Hong Kong for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, PRC EIT is calculated at 25% of the assessable profits for the subsidiaries in the PRC.

Taxation in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. No provision for income tax has been made as the relevant subsidiaries had no relevant assessable profits.

The taxation for the year can be reconciled to the (loss) profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2020 ***HK$'000***	2019 *HK$'000*
(Loss) profit before taxation	**(903,771)**	275,447
Tax (credit) charge at the Hong Kong Profits Tax rate of 16.5%	**(149,122)**	45,449
Tax effect of expenses not deductible for tax purposes	**126,867**	22,649
Tax effect of income not taxable for tax purposes	**(1,615)**	(69,431)
Overprovision in prior years	**(185)**	–
Tax effect of tax losses not recognised	**1,990**	1,147
Utilisation of tax losses not recognised	**–**	(230)
Tax effect of share of results of an associate	**22,330**	(1,920)
Effect of different tax rates applicable to subsidiaries operating in other jurisdictions	**(450)**	585
Tax credit for the year	**(185)**	(1,751)

Details of deferred taxation are set out in note 30.

12. DISTRIBUTIONS

The directors of the Company have resolved not to recommend the payment of a final dividend for the year ended 31st March, 2020 (2019: nil).

13. (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:

	2020	2019
	HK$'000	*HK$'000*
(Loss) profit for the year attributable to the owners of the Company for the purpose of basic loss per share (2019: basic and diluted earnings per share)	**(902,258)**	277,056

	Number of shares	
	2020	2019
Number of shares for the purposes of basic loss per share (2019: basic and diluted earnings per share)	**2,018,282,827**	2,018,282,827

For the year ended 31st March, 2020, no diluted loss per share is presented as the Company and the Group's associate have no potential ordinary shares in issue.

For the year ended 31st March, 2019, the computation of diluted earnings per share did not assume the exercise of the share options of the Group's associate because the exercise price of those share options were higher than the average market price of the shares of the associate.

14. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings HK$'000	Office equipment HK$'000	Motor vehicles HK$'000	Furniture and fixtures HK$'000	Construction in progress HK$'000	Total HK$'000
COST OR VALUATION						
At 1st April, 2018	7,166	4,407	20,068	3,250	–	34,891
Translation adjustments	(231)	(31)	–	(84)	–	(346)
Additions	–	1,224	326	1,229	–	2,779
Disposal of subsidiaries *(note 36)*	–	–	(19,275)	–	–	(19,275)
Disposals	–	(173)	(790)	(156)	–	(1,119)
Revaluation decrease	(2,138)	–	–	–	–	(2,138)
Reclassification to assets classified as disposal group held for sale *(note 26)*	(4,797)	(272)	–	(1,596)	–	(6,665)
At 31st March, 2019	–	5,155	329	2,643	–	8,127
Translation adjustments	–	(35)	–	–	(97)	(132)
Additions	–	166	3,000	5	–	3,171
Acquisition of subsidiaries *(note 37)*	–	–	–	–	23,773	23,773
Disposal of subsidiaries *(note 36)*	–	(3,426)	(209)	(703)	–	(4,338)
Disposals	–	(4)	(140)	–	–	(144)
At 31st March, 2020	–	1,856	2,980	1,945	23,676	30,457
DEPRECIATION						
At 1st April, 2018	–	3,676	18,600	2,514	–	24,790
Translation adjustments	(6)	(22)	–	(70)	–	(98)
Provided for the year	350	554	147	747	–	1,798
Disposal of subsidiaries *(note 36)*	–	–	(18,225)	–	–	(18,225)
Eliminated on disposals	–	(172)	(448)	(156)	–	(776)
Reversal on revaluation	(344)	–	–	–	–	(344)
Reclassification to assets classified as disposal group held for sale *(note 26)*	–	(257)	–	(1,485)	–	(1,742)
At 31st March, 2019	–	3,779	74	1,550	–	5,403
Translation adjustments	–	(20)	–	–	–	(20)
Provided for the year	–	697	471	471	–	1,639
Disposal of subsidiaries *(note 36)*	–	(3,246)	(70)	(542)	–	(3,858)
Eliminated on disposals	–	(2)	(28)	–	–	(30)
At 31st March, 2020	–	1,208	447	1,479	–	3,134
CARRYING VALUES						
At 31st March, 2020	–	648	2,533	466	23,676	27,323
At 31st March, 2019	–	1,376	255	1,093	–	2,724

14. PROPERTY, PLANT AND EQUIPMENT (continued)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Freehold land	Nil
Buildings	4%
Office equipment	20%–33$^1/_3$%
Motor vehicles	20%
Furniture and fixtures	20%

15. INVESTMENT PROPERTIES

	HK$'000
FAIR VALUE	
At 1st April, 2018	71,997
Translation adjustments	(2,729)
Additions	71
Decrease in fair values recognised in profit or loss, unrealised	(18,142)
Disposal of subsidiaries *(note 36)*	(16,789)
Reclassification to assets classified as disposal group held for sale *(note 26)*	(34,408)
At 31st March, 2019 and 2020	–

16. RIGHT-OF-USE ASSETS

	Leasehold land HK$'000	Leased properties HK$'000	Total HK$'000
As at 1st April, 2019			
Carrying amount	–	12,698	12,698
As at 31st March, 2020			
Carrying amount	10,972	4,900	15,872
For the year ended 31st March, 2020			
Depreciation charge	158	8,657	8,815
Expenses relating to short-term leases and other leases with lease terms ending within 12 months of the date of initial application of HKFRS 16			200
Expense relating to leases of low-value assets			59
Total cash outflow for leases			9,182
Additions to right-of-use assets			
– through acquisition of subsidiaries as disclosed in note 37			11,239
– additions during the year			791

The Group leases office premises for its operations. The lease contracts are entered into for fixed terms of two to three years. Lease terms are negotiated on an individual basis and certain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

During the year ended 31st March, 2020, the Group acquired, through the acquisition of subsidiaries as disclosed in note 37, a right to use a parcel of reclaimed land constructed on a sea plot in Yangkou Port, Nantong of the PRC and certain construction in progress of chemical storage and related facilities under construction located on the constructed land. The sea area use right has a remaining lease term of 42 years and will expire in 2061. The consideration on the date of acquisition of the subsidiaries allocated to the sea area use right (recognised in right-of-use assets) and the construction in progress (recognised in property, plant and equipment) amounted to HK$11,239,000 and HK$23,773,000, respectively. Details of the acquisition of assets through acquisition of subsidiaries are disclosed in note 37.

In addition, lease liabilities of HK$4,698,000 are recognised with related right-of-use assets of HK$4,900,000 as at 31st March, 2020. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

17. INTEREST IN AN ASSOCIATE

	2019
	HK$'000
Share of consolidated net assets of an associate listed in Hong Kong	1,030,968
Goodwill	1,177
	1,032,145
Accumulated impairment losses recognised	(485,000)
	547,145
Market value of listed securities of the associate in Hong Kong	178,828

As at 31st March, 2019, the carrying value of the Group's interest in an associate listed in Hong Kong (i.e. PYI Corporation Limited ("PYI")) was higher than the market value of its listed securities. In assessing the interest in the associate for impairment, the directors of the Company determined the recoverable amount using value in use calculations. In determining the estimated value in use of the interest in the associate, the directors of the Company estimated the present value of the estimated future cash flows expected to arise from dividends to be received from the associate and from its ultimate disposal using a discount rate of 7% per annum. During the year ended 31st March, 2019, an impairment loss of HK$100,000,000 was recognised in profit or loss. The accumulated impairment losses recognised in respect of the Group's interest in the associate as at 31st March, 2019 amounted to HK$485,000,000.

As at the end of the prior reporting period at 30th September, 2019, the directors of the Company performed impairment assessment of the interest in the associate and determined the recoverable amount to be the fair value less cost of disposal (which is based on quoted prices in an active market for the identical asset directly and categorised as Level 1 of the fair value hierarchy) as the fair value less cost of disposal was higher than the value in use.

To assess the value in use as at 30th September, 2019 for the purpose of the impairment test, the directors of the Company have considered the present value of the estimated future cash flows expected to arise from dividends to be received from the associate and from its ultimate disposal. The directors of the Company anticipate that PYI will continue to focus on divesting its ports and logistics business and refocus on other bulk commodities businesses with higher growth potential, in particular the liquefied natural gas business, rather than to return the gain on divestment to shareholders through declaration of dividends in the foreseeable term. Accordingly, the directors of the Company revised their estimates of future dividends to be received from PYI and determined that the value in use of the interest in the associate as at 30th September, 2019 to be lower than its fair value less cost of disposal. As such, the fair value less cost of disposal is used as the recoverable amount of the interest in the associate.

As the recoverable amount of the interest in the associate is less than its carrying amount, a further impairment loss of HK$345,687,000 was recognised in profit or loss during the six months ended 30th September, 2019. As there is no favourable change of the business of the associate subsequent to the prior reporting period at 30th September, 2019, no reversal of impairment loss was made as at 31st March, 2020.

17. INTEREST IN AN ASSOCIATE (continued)

As at 31st March, 2020, the Group is in the process of disposing of its entire equity interests in its associate and accordingly, the interest in the associate has been reclassified as an asset held for sale. Details are disclosed in note 26.

Particulars of the Group's associate as at 31st March, 2019 are as follows:

Name of associate	Place of listing	Place of incorporation/ registration	Principal place of operations	Percentage of issued share capital and voting rights held indirectly by the Company 2019 %	Principal activities
PYI	Hong Kong	Bermuda	Hong Kong	23.65	Investment holding in companies engaged in ports and infrastructure development and investment, the operation of ports and logistics facilities, land and property development and investment in association with ports and infrastructure development, securities trading and investment as well as provision of loan financing services, comprehensive engineering and property-related services

Summarised consolidated financial information of the associate

Summarised consolidated financial information in respect of the Group's associate is set out below. The summarised consolidated financial information below represents amounts shown in the associate's consolidated financial statements prepared in accordance with HKFRSs.

17. INTEREST IN AN ASSOCIATE (continued)

Summarised consolidated financial information of the associate (continued)

The Group's associate is accounted for using the equity method in these consolidated financial statements.

	2019
	HK$'000
Financial information of financial performance	
Revenue	628,368
Profit for the year	64,356
Other comprehensive expenses for the year	(263,118)
Total comprehensive expenses for the year	(198,762)
Dividend declared by the associate during the year, attributable to the Group	–
Financial information of financial position	
Property, plant and equipment	1,308,915
Investment properties	1,324,481
Project under development	175,428
Interests in associates and joint ventures	773,037
Other non-current assets	769,030
Stock of properties	1,556,864
Other current assets	1,760,738
Other current liabilities	(1,083,004)
Other non-current liabilities	(1,275,913)
Net assets of the associate	5,309,576

17. INTEREST IN AN ASSOCIATE (continued)

Summarised consolidated financial information of the associate (continued)

	2019
	HK$'000
Reconciliation to the carrying amount of interest in the associate:	
Net assets of the associate	5,309,576
Less: non-controlling interests	(863,482)
Net assets attributable to the owners of the associate	4,446,094
Net assets attributable to the Group's interest in the associate	1,030,968
Goodwill	1,177
Accumulated impairment loss recognised	(485,000)
Carrying amount of the Group's interest in the associate	547,145
Fair value of the listed associate, valued based on the quoted prices in an active market for the identical asset directly, and categorised as Level 1 of the fair value hierarchy	178,828

As the Group's interest in the associate has been classified as held for sale as at 31st March, 2020, the Group is not required to disclose summarised consolidated financial information for the associate after classification as asset held for sale.

18. DEBT INSTRUMENT AT AMORTISED COST

In April 2018, the Group entered into a subscription agreement with a third party, Thousand Vantage Investment Limited ("Thousand Vantage") pursuant to which the Group as a subscriber agreed to subscribe and Thousand Vantage, as issuer, agreed to allot and issue 100 preference shares at a total subscription price of HK$200,000,000. The preference shares confer the Group the right to receive cumulative fixed preferential dividend at the rate of 2% per annum of the subscription price up to the redemption date of 16th April, 2020. The preference shares are guaranteed by the sole shareholder of the Thousand Vantage (the "Guarantor") who has executed a share charge in favour of the Group relating to all shares of Thousand Vantage (the "Share Charge").

As the Guarantor was indebted to the Group in the amount of HK$200,000,000 (included as loans receivable as at 31st March, 2018), the subscription price for the preference shares had been settled by way of offsetting the loan due by Thousand Vantage (as novated from the Guarantor to Thousand Vantage pursuant to a deed of novation) to the Group. Accordingly, the loans receivable had been fully offset during the year ended 31st March, 2019.

18. DEBT INSTRUMENT AT AMORTISED COST (continued)

The preference shares are held within a business model whose objective is to hold the preference shares in order to collect contractual cash flows, and the contractual terms of the preference shares give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Accordingly, the preference shares subscribed are accounted for as a debt instrument measured at amortised cost.

During the year ended 31st March, 2020, dividends arising on the preference shares amounting to HK$4,011,000 (2019: HK$3,836,000) are recognised in profit or loss as interest income from investments (included in revenue).

Details of the impairment assessment of the debt instrument are disclosed in note 34.

Subsequent to the end of the reporting period, the Group is negotiating with the Guarantor and Thousand Vantage in relation to the acquisition of equity interests in Thousand Vantage, whereby the consideration of which will possibly to offset by the redemption price of HK$200,000,000. Details are disclosed in note 45.

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020 *HK$'000*	2019 *HK$'000*
Unlisted fund *(Note (a))*	**140,769**	536,125
Unlisted equity investment *(Note (b))*	**11,673**	15,600
	152,442	551,725

Notes:

(a) Unlisted fund

On 21st June, 2018, the Group entered into a subscription agreement with certain independent third parties pursuant to which the Group agreed to subscribe for shares of a private equity fund established in Korea (the "Fund"), as a limited partner, for an aggregate consideration of US$20,000,000 (equivalent to approximately HK$156,000,000) in cash. The Fund principally invests in shares of companies listed on the Korea Exchange. The Fund is managed by a fund manager, while limited partners of the Fund do not have rights to engage in the management of the Fund. The Group, as a limited partner in the Fund, does not have the power to participate in the financial and operating policy decisions of the Fund. As such, the Group does not have significant influence over the Fund and the Fund is not accounted for as an associate. The shares of the Fund held by the Group represent approximately 29.71% (2019: 29.71%) of the issued share capital of the Fund as at 31st March, 2020.

The Fund is accounted for as a financial asset at fair value through profit or loss. As at 31st March, 2020, the fair value of the Fund is HK$140,769,000 (2019: HK$536,125,000). During the year ended 31st March, 2020, fair value losses of HK$373,271,000 (2019: fair value gains of HK$380,125,000) were recognised in profit or loss. Details of the fair value measurements of the Fund are disclosed in note 34. In the opinion of the directors of the Company, the Fund is held for long-term strategic investment purposes and as such, the investment is classified as non-current.

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Notes: (continued)

(b) Unlisted equity investment

In December 2018, the Group entered into a subscription agreement pursuant to which the Group agreed to subscribe for shares of an exempted limited partnership incorporated in Cayman Islands (the "Investment"), as a limited partner, for an aggregate consideration of US$2,000,000 (equivalent to approximately HK$15,600,000) in cash. The Investment principally invests in private entities engaged in Korean Pop Music academy and agency business in Korea. The Group, as a limited partner in the Investment, does not have the power to participate in the financial and operating policy decisions of the Investment. As such, the Group does not have significant influence over the Investment and the Investment is not accounted for as an associate. The subscription was completed in January 2019. The shares of the Investment held by the Group represent 20% (2019: 20%) of the issued share capital of the Investment as at 31st March, 2020.

The Investment is accounted for as a financial asset at fair value through profit or loss. As at 31st March, 2020, the fair value of the Investment is HK$11,673,000 (2019: HK$15,600,000). During the year ended 31st March, 2020, fair value loss of HK$3,927,000 (2019: nil) was recognised in profit or loss. Details of the fair value measurements of the Investment are disclosed in note 34. In the opinion of the directors of the Company, the Investment is held for long-term strategic investment purposes and as such, the Investment is classified as non-current.

20. INVENTORIES

	2020 ***HK$'000***	2019 *HK$'000*
Goods held for sale	**31,256**	1,094

21. DEBTORS, DEPOSITS AND PREPAYMENTS

	2020 ***HK$'000***	2019 *HK$'000*
Trade debtors		
– contracts with customers	**–**	1,932
– interest	**329**	4,170
	329	6,102
Prepayments to suppliers	**–**	1,025
Prepaid expenses, deposits and other receivables	**7,697**	25,139
Other debtors, deposits and prepayments	**7,697**	26,164
	8,026	32,266

21. DEBTORS, DEPOSITS AND PREPAYMENTS (continued)

Rental deposits paid were adjusted upon the initial application of HKFRS 16. Details of the adjustments are set out in note 2.

As at 1st April, 2018, trade debtors arising from contracts with customers amounted to HK$623,000.

Trade debts arising from commodities trading are either receipt in advance in full or are granted with an average credit term of 90 days. 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.

The following is an aged analysis of trade debtors presented based on the invoice/delivery notes date at the end of the reporting period:

	2020	2019
	HK$'000	*HK$'000*
Trade debtors		
0–30 days	**329**	4,901
31–60 days	**–**	224
61–90 days	**–**	106
Over 90 days	**–**	871
	329	6,102

Details of impairment assessment of trade debtors are set out in note 34.

22. LOAN RECEIVABLE

	2020	2019
	HK$'000	*HK$'000*
Secured	**–**	39,000

As at 31st March, 2019, the loan receivable was due from Yangtze Prosperity Development (HK) Limited (formerly known as Eastern Yangtze Development (HK) Limited) ("YPD(HK)"), an entity independent to the Group. The loan receivable was denominated in US$, carried fixed interest at a contractual interest rate (which was also equal to the effective interest rate) at 10% per annum, and was secured by a share charge relating to shares in YPD(HK). It was due for repayable within one year from 31st March, 2019. During the year ended 31st March, 2020, YPD(HK) repaid loan principal and interest of HK$15,600,000 and HK$3,900,000 respectively to the Group in cash. In settlement for the remaining outstanding loan receivable and interest receivable of HK$23,400,000 and HK$1,210,000 respectively due to the Group, YPD(HK) issued and allotted 9,000,000 new shares to the Group through a loan capitalisation. Upon completion of the transaction, the Group obtained control over YPD(HK) and its subsidiary and YPD(HK) and its subsidiary become subsidiaries of the Group. Details of the acquisition are set out in note 37.

23. DERIVATIVE FINANCIAL INSTRUMENTS

The Group entered into commodities forward contracts during the year ended 31st March, 2020.

	2020 Assets HK$'000	2020 Liabilities HK$'000
Aluminium forward contracts	4,083	2,364
Nickel forward contracts	2,430	273
	6,513	2,637

The fair value loss recognised during the year ended 31st March, 2020 amounted to HK$1,010,000 (2019: nil). The summary of outstanding derivative contracts as at 31st March, 2020 is as follows:

Contract type	Commodities forward contracts	Quantity *(tons)*	Average exercise price *(US$)*	Maturity date
Buy	Aluminium	3,500	1,574.24	April 2020 to September 2020
Buy	Nickel	120	11,140.00	April 2020
Sell	Aluminium	3,700	1,643.22	April 2020 to September 2020
Sell	Nickel	360	12,110.87	April 2020

24. EQUITY INVESTMENT HELD FOR TRADING

	2020 HK$'000	2019 HK$'000
Financial asset carried at FVTPL:		
Listed equity securities in Hong Kong	6,109	6,572

The fair value measurement of listed equity securities is categorised as Level 1 as the fair value of the investment was determined by quoted bid prices in an active market.

25. RESTRICTED DEPOSITS WITH BROKERS/SHORT-TERM BANK DEPOSITS, BANK BALANCES AND CASH

Restricted deposits with brokers

The restricted deposits with brokers represent margin deposits placed with clearing brokers and are non-interest bearing.

Short-term bank deposits and bank balances

The short-term bank deposits and bank balances carried interests ranging from 0.01% to 2.25% (2019: 0.01% to 11.00%) per annum.

26. ASSETS CLASSIFIED AS HELD FOR SALE/DISPOSAL GROUP HELD FOR SALE

For the year ended 31st March, 2020

As at 31st March, 2020, the Group is in the process of disposing of its entire equity interests in its associate, PYI. Negotiations with an interested party have already taken place, and the directors of the Company are committed to sell the equity interests in the associate within twelve months from the end of the reporting period. The interest in the associate has been reclassified as asset held for sale and is presented separately in the consolidated statement of financial position. The net proceeds of disposal are expected to exceed the carrying amount of the interest in the associate. Accordingly, no impairment losses have been recognised.

Details in relation to the disposal of the associate subsequent to the end of the reporting period are disclosed in note 45.

For the year ended 31st March, 2019

As at 31st March, 2019, the Group was in the process of disposing of its entire equity interests in certain subsidiaries (together referred to as the "Illuminate Investment Group") that were principally engaged in the holding of an office premise in Canada for own use and to earn rentals and the provision of management and other related services. Negotiations with an interested party had already taken place, and the directors of the Company were committed to sell the equity interest in the subsidiaries within twelve months from 31st March, 2019. The assets and liabilities attributable to the subsidiaries had been reclassified as a disposal group held for sale and were presented separately in the consolidated statement of financial position (see below). The results of the subsidiaries were included in "others" for segment reporting purposes (see note 5).

26. ASSETS CLASSIFIED AS HELD FOR SALE/DISPOSAL GROUP HELD FOR SALE (continued)

For the year ended 31st March, 2019 (continued)

The major classes of assets and liabilities of the subsidiaries classified as held for sale are as follows:

	HK$'000
Property, plant and equipment	4,923
Investment properties	34,408
Debtors, deposits and prepayments	1,689
Short-term bank deposits, bank balances and cash	1,066
Total assets classified as held for sale	42,086
Creditors and accrued expenses	(2,340)
Deferred tax liabilities	(4,478)
Total liabilities classified as held for sale	(6,818)

During the year ended 31st March, 2020, the disposal of the subsidiaries has been completed. Details of the disposal are set out in note 36.

27. CREDITORS AND ACCRUED EXPENSES

	2020 ***HK$'000***	2019 *HK$'000*
Trade creditors	**–**	523
Other payables and accrued expenses	**7,429**	3,086
	7,429	3,609

27. CREDITORS AND ACCRUED EXPENSES (continued)

The following is an aged analysis of trade creditors presented based on the invoice/delivery notes date at the end of the reporting period:

	2020	2019
	HK$'000	*HK$'000*
Trade creditors		
0–30 days	–	257
31–60 days	–	221
Over 90 days	–	45
	–	523

The credit periods on purchases of goods ranged from 10 to 90 days. The Group has financial risk management policies in place to ensure that payables are within the credit timeframe.

28. CONTRACT LIABILITIES

	2020	2019
	HK$'000	*HK$'000*
Receipt in advance for sales of goods	**2,522**	–

Amount represents consideration received from customers in advance of delivery of goods in respect of the trading segment.

29. LEASE LIABILITIES

	2020
	HK$'000
Lease liabilities payable:	
Within one year	**4,416**
Within a period of more than one year but not more than two years	**282**
	4,698
Less: Amount due for settlement within 12 months shown under current liabilities	**(4,416)**
Amount due for settlement after 12 months shown under non-current liabilities	**282**

30. DEFERRED TAX LIABILITIES

The following table summarises the major deferred tax liabilities (assets) recognised and movements thereon during the current and prior years:

	Accelerated tax depreciation *HK$'000*	Revaluation of properties *HK$'000*	Tax losses *HK$'000*	Total *HK$'000*
At 1st April, 2018	1,027	7,159	(1,027)	7,159
(Credit) charge to profit or loss	(36)	(2,187)	36	(2,187)
Credit to other comprehensive income	–	(242)	–	(242)
Translation adjustment	–	(252)	–	(252)
Reclassification to liabilities classified as disposal group held for sale *(note 26)*	–	(4,478)	–	(4,478)
Disposal of subsidiaries	(991)	–	991	–
At 31st March, 2019 and 2020	–	–	–	–

At 31st March, 2020, the Group has unused tax losses of HK$274,606,000 (2019: HK$787,518,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Tax losses may be carried forward indefinitely.

31. SHARE CAPITAL

	Number of shares	Value *HK$'000*
Ordinary shares of HK$0.01 each:		
Authorised:		
At 1st April, 2018, 31st March, 2019 and 2020	102,800,000,000	1,028,000
Issued and fully paid:		
At 1st April, 2018, 31st March, 2019 and 2020	2,018,282,827	20,183

32. SHARE OPTIONS

The Company's existing share option scheme (the "Share Option Scheme") was adopted at the annual general meeting of the Company on 19th August, 2011 (the "Adoption Date").

The purpose of the Share Option Scheme is to provide incentive or reward to eligible persons for their contribution to, and continuing efforts to promote the interests of, the Company and its subsidiaries and/or any invested entity(ies) and its subsidiaries.

The Board of Directors of the Company may in its absolute discretion, subject to the terms of the Share Option Scheme, grant options to, inter alia, employees or executives, including executive directors of the Company, the controlling shareholder of the Company and any invested entity and their respective subsidiaries, non-executive directors of the Company and any invested entity and their respective subsidiaries, supplier, advisor, agent, consultant or contractor for the provision of goods or services to any member of the Group or any invested entity and its subsidiaries and any vendor, customer or celebrity of any member of the Group or any invested entity and its subsidiaries or any person or entity that provides research, development or other technological support to the Group and any invested entity and its subsidiaries.

At the time of adoption by the Company of the Share Option Scheme on 19th August, 2011, the aggregate number of shares which may be issued upon the exercise of all options to be granted by the Company under the Share Option Scheme and any other share option scheme(s) adopted by the Company must not exceed 10% of the total number of issued shares of the Company as at the date of shareholders' approval of the Share Option Scheme. The Company may refresh such limit by an ordinary resolution of its shareholders at a general meeting provided that the limit so refreshed does not exceed 10% of the then total number of issued shares of the Company as at the date(s) of the shareholders' approvals. Share options previously granted under any share option scheme(s) (including options outstanding, cancelled, or lapsed in accordance with the relevant scheme rules or exercised options) shall not be counted for the purpose of calculating the limit as refreshed. As at the date of which these consolidated financial statements authorised for issuance, the total number of shares available for issue under the Share Option Scheme is 201,828,283 (2019: 201,828,283) shares, which represented approximately 10% (2019: 10%) of the number of shares in issue of the Company as at the date of which these consolidated financial statements authorised for issuance. Notwithstanding the foregoing, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company must not, in aggregate, exceed 30% of the total number of issued shares of the Company from time to time.

Unless approved by the shareholders of the Company in general meeting, the total number of shares of the Company issued and to be issued upon exercise of the options granted and to be granted (whether exercised, cancelled or outstanding) under the Share Option Scheme and any other share option scheme(s) of the Company to any eligible person in any 12-month period up to and including the date of further grant shall not exceed 1% of the total number of the Company's shares in issue from time to time. Options granted to a substantial shareholder and/or an independent non-executive director of the Company or any of their respective associates (as defined in the Listing Rules) in any 12-month period in excess of 0.1% of the total number of shares of the Company in issue and having an aggregate value exceeding HK$5 million must be approved by the shareholders of the Company in general meeting in advance.

32. SHARE OPTIONS (continued)

The period within which the options may be exercised under the Share Option Scheme will be determined by the directors of the Company at the time of grant. This period must expire in any event not later than the day falling 10 years after the date on which the offer relating to such option is duly approved by the Board of Directors. The Share Option Scheme does not provide for any minimum period for which an option must be held before it can be exercised. Options may be granted at an initial payment of HK$1.00 for each acceptance of grant of option(s). The directors of the Company shall specify a date, being a date not later than 30 days after (i) the date on which the offer of the options is issued, or (ii) the date on which the conditions for the offer are satisfied, by which the eligible person must accept the offer or be deemed to have declined it.

The exercise price of the options will be determined by the directors of the Company (subject to adjustments as provided in the rules of the Share Option Scheme) which shall not be lower than the nominal value of the shares of the Company and shall be at least the higher of (i) the closing price of the shares of the Company as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of the offer, which must be a business day; and (ii) the average of the closing prices of the shares of the Company as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the offer.

Subject to early termination in accordance with the provisions of the Share Option Scheme, the Share Option Scheme is valid and effective for a period of ten years commencing after the Adoption Date, after which period no further options shall be granted.

As at 31st March, 2020 and 2019, there were no outstanding share options granted by the Company pursuant to the Share Option Scheme. No share options were granted, exercised, cancelled or lapsed during the current and prior years.

33. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to owners of the Company through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of debts, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, accumulated profits and other reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debt or the redemption of existing debt.

34. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2020 **HK$'000**	2019 HK$'000
Financial assets		
Mandatorily measured at FVTPL		
Held for trading	**6,109**	6,572
Others	**152,442**	551,725
Derivative financial instruments	**6,513**	–
Financial assets at amortised cost	**287,015**	334,735
Financial liabilities		
Derivative financial instruments	**2,637**	–
Amortised cost	**5,291**	1,440

(b) Financial risk management objectives and policies

The Group's financial instruments include debt instrument at amortised cost, financial assets at fair value through profit or loss, derivative financial instruments, equity investment held for trading, trade and other debtors, loan receivable, restricted deposits with brokers, short-term bank deposits, bank balances and cash and trade and other creditors. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner. There has been no significant change to the Group's exposure to these risks or the manner in which it manages and measures the risks.

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risks

(i) Currency risk

At the end of the reporting period, the carrying amounts of the Group's significant net monetary assets denominated in currencies other than the respective functional currency of the relevant group entities are as follows:

	2020	2019
	HK$'000	*HK$'000*
Korean Won ("KRW")	**19,970**	–
Euro ("EUR")	**–**	7
US$	**3,612**	43,513

Sensitivity analysis

As HK$ is pegged to US$, the directors of the Company consider that the exchange rate fluctuation is limited. Accordingly, no foreign currency sensitivity analysis in respect of US$ is presented.

The following details the Group's sensitivity to a 5% increase/decrease in foreign currencies against the respective functional currency of the relevant group entities. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

On this basis, there would be a decrease/increase in loss for the year ended 31st March, 2020 by HK$999,000 where KRW strengthens/weakens against HK$ by 5%. Management has closely monitored foreign exchange exposure to mitigate the foreign currency risk.

There was no significant currency risk exposure as at 31st March, 2019.

(ii) Interest rate risk

As at 31st March, 2020, the Group is exposed to fair value interest rate risk in relation to fixed-rate debt instrument at amortised cost and short-term bank deposits (2019: fixed-rate debt instrument at amortised cost, loan receivable and short-term bank deposits).

As at 31st March, 2020, the Group is exposed to cash flow interest rate risk in relation to bank balances which are mainly arranged at floating rate.

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risks (continued)

(ii) Interest rate risk (continued)

Management has employed a treasury team to closely monitor interest rate movement and manage the potential risk. The Group currently does not have an interest rate hedging policy. However, management monitors interest rate change exposure and will consider hedging significant interest rate change exposure should the need arise.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. There is no significant exposure to interest rate risk on financial liabilities as at 31st March, 2020 and 2019.

Interest income from financial assets measured at amortised cost amounted to HK$9,200,000 (2019: HK$8,678,000).

Interest expense on financial liabilities measured at amortised cost amounted to HK$406,000 for the year ended 31st March, 2019 (2020: nil).

There is no significant interest rate risk exposure as at 31st March, 2020 and 2019.

(iii) Other price risk

The Group is exposed to other price risk through its investments in unlisted investments and equity investment held for trading. Management manages this exposure by maintaining a portfolio of investments with different risks. The Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to price risks at the end of the reporting period.

If prices of the underlying listed investment of the unlisted fund had been 5% higher/lower, loss for the year (2019: profit for the year) would decrease/increase by HK$1,649,000 (2019: increase/decrease by HK$6,664,000) as a result of changes in fair values of the underlying listed investment of the unlisted fund.

If prices of the equity investment held for trading had been 5% higher/lower, loss for the year (2019: profit for the year) would decrease/increase by HK$305,000 (2019: increase/decrease by HK$329,000) as a result of changes in fair values of equity investment held for trading measured at FVTPL.

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade debtors arising from contracts with customers, debt instrument at amortised cost and corresponding interest receivable, other debtors and deposits, loan receivable and corresponding interest receivable, restricted deposits with brokers and short-term bank deposits and bank balances. Other than the entire balance of debt instrument at amortised cost of HK$200,000,000 which was backed by share charges as security as disclosed in note 18, the Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its other financial assets.

Internal credit rating	Description	Trade debtors	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settles after due date	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There has been a significant increase in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Trade debtors arising from contracts with customers

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group assesses the credit quality of each potential customer and defines a credit rating and limit for each customer which are reviewed regularly by management. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on trade balances based on historical default experience and forward-looking information. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group applied the simplified approach in HKFRS 9 to measure the loss allowance for trade debtors arising from contracts with customers with gross carrying amount of HK$1,932,000 at 31st March, 2019 at lifetime ECL. Based on the management's assessment of ECL, all trade debtors were assessed individually and classified as low risk and no significant credit loss allowance had been recognised on trade debtors during the year ended 31st March, 2019.

There were no trade debtors arising from contracts with customers as at 31st March, 2020.

Debt instrument at amortised cost and corresponding interest receivable

As disclosed in note 18, the debt instrument matures in April 2020. As the debt instrument and the corresponding interest receivable (included in trade debtors) with gross carrying amounts of HK$200,000,000 (2019: HK$200,000,000) and HK$329,000 (2019: HK$975,000) respectively as at 31st March, 2020 are not past due at the end of the reporting period, the directors of the Company consider that the credit risk of the balances has not increased significantly since initial recognition. As such, the Group assesses the balances for impairment equal to 12m ECL under the ECL model. The balances are classified as low risk and no 12m ECL is recognised as the Group's exposure to credit losses is minimal considering the underlying value of the share charge held by the Group as disclosed in note 18 as well as the underlying value of the net assets held by Thousand Vantage.

Other debtors and deposits

The Group accounts for its credit risk on other debtors and deposits by performing credit evaluation and performs impairment assessment under ECL model on other debtors. As the other debtors and deposits with gross carrying amount of HK$5,120,000 (2019: HK$24,082,000) at 31st March, 2020 have no fixed repayment terms, the directors of the Company consider that the credit risk of the balances has not increased significantly since initial recognition. As such, the Group assesses the balances for impairment equal to 12m ECL under the ECL model. The balances are classified as low risk and no 12m ECL is recognised considering the financial background of the counterparties.

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Loan receivable and corresponding interest receivable

Before approving any loans to new borrowers, the Group assesses the potential borrower's credit quality and define credit limits individually. Limits attributed to borrowers are reviewed at the end of each reporting period. Management regularly monitors the financial strength of the counterparties to ensure that loans are only made with counterparties with good credit standings. In addition, the Group performs impairment assessment under ECL model on each balance individually. In this regard, the directors of the Company consider that the credit risk from these financial assets is significantly reduced.

As the loan receivable and the corresponding interest receivable (included in trade debtors) with gross carrying amounts of HK$39,000,000 and HK$3,195,000 respectively as at 31st March, 2019 were not past due at the end of the reporting period, the directors of the Company considered that the credit risk of the balances had not increased significantly since initial recognition. As such, the Group assessed the balances for impairment equal to 12m ECL under the ECL model. The balances were classified as low risk and no 12m ECL was recognised as the Group's exposure to credit losses was minimal considering the underlying value of the share charges held by the Group as disclosed in note 22.

Restricted deposits with brokers/short-term bank deposits and bank balances

Restricted deposits with brokers and short-term bank deposits and bank balances with gross carrying amounts of HK$1,950,000 (2019: nil) and HK$77,938,000 (2019: HK$65,553,000) respectively, are measured at 12m ECL as there is no significant increase in credit risk since initial recognition. The balances are deposited in brokers and banks with external credit rating ranged from Baa1 to Aa1 and no 12m ECL is recognised as the credit risk on these balances is limited because the counterparties are banks with good reputation and credit profile.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rates, the undiscounted amount is derived from interest rate at the end of the reporting period.

	Weighted average interest rate	Less than 3 months	3 months to 1 year	1 year to 5 years	Total undiscounted cash flows	Carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2020						
Non-derivative financial liabilities						
Trade and other creditors	–	5,291	–	–	5,291	5,291
Lease liabilities	5.20	2,152	2,340	291	4,783	4,698
		7,443	2,340	291	10,074	9,989
2019						
Non-derivative financial liabilities						
Trade and other creditors	–	1,440	–	–	1,440	1,440

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash (inflows) and outflows on derivative instruments that settle on a net basis. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual settlement dates as the management of the Group consider that the settlement dates are essential for an understanding of the timing of the cash flows of derivatives.

	Weighted average interest rate	Less than 3 months	3 months to 1 year	1 year to 5 years	Total undiscounted cash flows	Carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2020						
Derivative financial liabilities – net settlement						
Commodities forward contracts	–	1,546	1,091	–	2,637	2,637

34. FINANCIAL INSTRUMENTS (continued)

(c) 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.

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input(s)
	2020 **HK$'000**	2019 *HK$'000*			
Equity investments – Listed equity securities	**6,109**	6,572	Level 1	Quoted closing prices in an active market	N/A
Derivative financial instruments – Commodities forward contracts	**Assets – HK$6,513,000** **Liabilities – HK$2,637,000**	–	Level 2	Based on future cash flows estimated based on future commodities prices and contracted commodities prices.	N/A
Financial assets at fair value through profit or loss – Unlisted fund	**140,769**	536,125	Level 2	Based on the net asset values of the fund determined with reference to observable quoted prices in an active market of the underlying investment portfolio, mainly listed shares.	N/A
– Unlisted equity investment	**11,673**	15,600	Level 3 (2019: Level 2)	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of this investee, based on an appropriate discount rate. (2019: Fair value of initial subscription cost adjusted by market movements for the corresponding period from the date of subscription up to the end of the reporting period.)	Discount rate: 25% *(Note)* (2019: N/A)

Note: A slight increase in the discount rate adopted would result in a decrease in the fair value measurement of the unlisted equity investment, and vice versa. A 5% increase/decrease in the discount rate adopted holding all other variables constant would decrease/increase the carrying amount of the unlisted equity investment as at 31st March, 2020 by HK$627,000/HK$696,000.

There were no transfers between Levels 1 and 2 (2019: Levels 1, 2, and 3) during the current year.

34. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

As at 31st March, 2019, the Group's unlisted equity investment amounted to HK$15,600,000 whose fair value was measured at Level 2 fair value measurement as the fair value is based on the fair value of initial subscription cost adjusted by market movements for the corresponding period from the date of subscription up to the end of the reporting period. As at 31st March, 2020, the fair value was measured using discounted cash flow method with significant unobservable inputs. As such, there was a transfer from Level 2 fair value measurement as at 31st March, 2019 to Level 3 fair value measurement as at 31st March, 2020.

Reconciliation of Level 3 fair value measurements of financial assets

	Unlisted equity investment *HK$'000*
As at 1st April, 2019	–
Transfer into Level 3	15,600
Fair value loss recognised in profit or loss	(3,927)
As at 31st March, 2020	11,673

For financial instruments that are recorded at amortised cost, fair values have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis. The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values at the end of the reporting period. There were no significant changes in the business or economic circumstances that would affect the fair values of the Group's financial instruments.

35. RETIREMENT BENEFIT SCHEMES

The Group joined a Mandatory Provident Fund Scheme ("MPF Scheme"). The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the MPF Scheme. No forfeited contributions are available to reduce the contributions payable in future years.

36. DISPOSAL OF SUBSIDIARIES

For the year ended 31st March, 2020

On 24th June, 2019, the Group completed the disposal of its entire interests in subsidiaries in the Illuminate Investment Group whose assets and liabilities were classified as a disposal group held for sale as at 31st March, 2019 as disclosed in note 26 for an aggregate consideration of Canadian dollars 6,000,000 (equivalent to approximately HK$35,139,000).

During the year ended 31st March, 2020, the Group disposed of its entire interests in certain subsidiaries which are mainly engaged in investment holding and trading of fisheries business for an aggregate consideration of HK$4,081,000.

36. DISPOSAL OF SUBSIDIARIES (continued)

For the year ended 31st March, 2020 (continued)

The respective amounts of assets and liabilities of the subsidiaries disposed of on the relevant dates of disposals were as follows:

	Illuminate Investment Group HK$'000	Others HK$'000	Total HK$'000
Consideration received:			
Cash received	35,139	4,081	39,220
Analysis of the assets and liabilities over which control was lost:			
Property, plant and equipment	4,867	536	5,403
Investment properties	34,408	–	34,408
Inventories	–	1,485	1,485
Debtors, deposits and prepayments	697	1,575	2,272
Short-term bank deposits, bank balances and cash	1,121	763	1,884
Creditors and accrued expenses	(1,336)	(1,066)	(2,402)
Deferred tax liabilities	(4,478)	–	(4,478)
Net assets disposed of	35,279	3,293	38,572
Gain (loss) on disposal of subsidiaries:			
Consideration received	35,139	4,081	39,220
Reclassification of cumulative translation reserve upon disposal of subsidiaries	253	(1,231)	(978)
Net assets disposed of	(35,279)	(3,293)	(38,572)
Gain (loss) on disposal (included in other income, other gains and losses)	113	(443)	(330)
Net cash inflow arising on disposals:			
Cash consideration received	35,139	4,081	39,220
Short-term bank deposits, bank balances and cash disposed of	(1,121)	(763)	(1,884)
Proceeds from disposal of subsidiaries	34,018	3,318	37,336

Upon disposal of the Illuminate Investment Group, cumulative property revaluation surplus of HK$5,440,000 recognised in other comprehensive income and included under the heading of property revaluation reserve was transferred to accumulated profits.

36. DISPOSAL OF SUBSIDIARIES (continued)

For the year ended 31st March, 2019

On 22nd June, 2018, the Group disposed of its entire interests in certain subsidiaries which were mainly engaged in the holding of yacht, vehicle licenses and motor vehicles to certain independent third parties for an aggregate consideration of HK$8,206,000.

On 28th September, 2018, the Group disposed of its entire interests in two subsidiaries Great Intelligence Limited ("Great Intelligence") and Large Scale Investments Limited ("Large Scale") which were mainly engaged in investment holding in equity interests in the then associate, Burcon Nutra Science Corporation ("Burcon") and convertible note issued by Burcon for an aggregate consideration of HK$34,732,000.

On 13th February, 2019, the Group disposed of its entire interests in certain subsidiaries (together referred to as the "New Signal Group") which were mainly engaged in the holding of hotel strata lots (classified under investment properties) for rental purposes for an aggregate consideration of HK$13,413,000.

36. DISPOSAL OF SUBSIDIARIES (continued)

For the year ended 31st March, 2019 (continued)

The respective amounts of assets and liabilities of the subsidiaries disposed of on the relevant dates of disposals were as follows:

	Great Intelligence and Large Scale HK$'000	New Signal Group HK$'000	Others HK$'000	Total HK$'000
Consideration received:				
Cash received	34,732	13,413	8,206	56,351
Analysis of the assets and liabilities over which control was lost:				
Property, plant and equipment	–	–	1,050	1,050
Investment properties	–	16,789	–	16,789
Interest in an associate	–	–	–	–
Convertible note	13,833	–	–	13,833
Debtors, deposits and prepayments	3	3,821	70	3,894
Short-term bank deposits, bank balances and cash	1	110	12	123
Bank borrowings	–	(6,774)	–	(6,774)
Creditors and accrued expenses	–	(861)	–	(861)
Net assets disposed of	13,837	13,085	1,132	28,054
Gain on disposal of the subsidiaries:				
Consideration received	34,732	13,413	8,206	56,351
Reclassification of cumulative translation reserve upon disposal of subsidiaries	6,597	(535)	–	6,062
Non-controlling interests	–	–	246	246
Net assets disposed of	(13,837)	(13,085)	(1,132)	(28,054)
Gain (loss) on disposal (included in other income, other gains and losses)	27,492	(207)	7,320	34,605
Net cash inflow arising on disposals:				
Cash consideration received	34,732	13,413	8,206	56,351
Short-term bank deposits, bank balances and cash disposed of	(1)	(110)	(12)	(123)
Proceeds from disposal of subsidiaries	34,731	13,303	8,194	56,228

37. ACQUISITION OF SUBSIDIARIES NOT CONSTITUTING A BUSINESS

On 5th September, 2019, pursuant to a loan capitalisation deed entered into between the Group and YPD(HK), YPD(HK) issued and allotted 9,000,000 new shares to the Group in settlement for the outstanding loan receivable of HK$23,400,000 and outstanding interest receivable of HK$1,210,000 due by YPD(HK) to the Group.

YPD(HK) is incorporated in Hong Kong and is an investment holding company which in turn owns the entire equity interest in 江蘇宏貿倉儲有限公司 (formerly known as 江蘇濱渡化工倉儲有限公司) ("Jiangsu Hong Mao"), a wholly foreign-owned enterprise established in the PRC. Jiangsu Hong Mao holds a sea area use right in respect of a parcel of reclaimed land constructed on the relevant sea plot in Yangkou Port, Nantong, the PRC and is in the course of constructing infrastructure for operating chemical storage and related facilities thereon. Jiangsu Hong Mao has not commenced operation as at 31st March, 2020.

Upon completion of the transaction, the Group holds 90% equity interests in YPD(HK) and YPD(HK) and Jiangsu Hong Mao become non-wholly owned subsidiaries of the Group.

The transaction is accounted for as acquisition of assets and liabilities through acquisition of subsidiaries as the acquisition does not meet the definition of business combination.

	HK$'000
Consideration transferred	24,610
Non-controlling interests recognised	2,734
Net assets acquired	27,344

Consideration transferred for the acquisition of 90% equity interests in YPD(HK) represents the aggregate of the outstanding loan receivable of HK$23,400,000 and outstanding interest receivable of HK$1,210,000 due by YPD(HK) to the Group at the acquisition date.

The non-controlling interests (10%) in YPD(HK) and Jiangsu Hong Mao recognised at the date of acquisition was measured by reference to the proportionate share of the recognised amounts of the net assets acquired.

37. ACQUISITION OF SUBSIDIARIES NOT CONSTITUTING A BUSINESS (continued)

Assets acquired and liabilities recognised at the date of the acquisition are as follows:

	HK$'000
Property, plant and equipment	23,773
Right-of-use assets	11,239
Debtors, deposits and prepayments	1,533
Short-term bank deposits, bank balances and cash	658
Creditors and accrued expenses	(9,859)
	27,344
Cash inflow arising in the acquisition:	
Short-term bank deposits, bank balances and cash acquired	658

38. OPERATING LEASES

(a) The Group as a lessee

As at 31st March, 2019, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises, which fall due as follows:

	2019 *HK$'000*
Within one year	9,489
In the second to fifth year inclusive	4,218
	13,707

Leases were negotiated, and monthly rentals are fixed, for an average term of two years as at 31st March, 2019.

38. OPERATING LEASES (continued)

(b) The Group as a lessor

As at 31st March, 2019, the Group had contracted with a tenant for future minimum lease payments which fall due as follows:

	2019 *HK$'000*
Within one year	976
In the second to fifth year inclusive	419
	1,395

As at 31st March, 2019, the investment property held had a committed tenant for the next two years.

39. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the following capital commitments:

	2020 ***HK$'000***	2019 *HK$'000*
Capital expenditure in respect of acquisition of construction in progress contracted for but not provided in the consolidated financial statements	**55,510**	–

40. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities *HK$'000*	**Bank borrowings** *HK$'000*	**Total** *HK$'000*
At 1st April, 2018	–	14,277	14,277
Financing cash flows	–	(7,612)	(7,612)
Non-cash changes			
Exchange realignment	–	(399)	(399)
Interest expenses	–	406	406
Disposal of subsidiaries	–	(6,774)	(6,774)
Change in accrued interest	–	102	102
At 31st March, 2019	–	–	–
Adjustment upon application of HKFRS 16	12,586	–	12,586
At 1st April, 2019 (restated)	12,586	–	12,586
Financing cash flows	(8,923)	–	(8,923)
Non-cash changes			
Exchange realignment	(181)	–	(181)
Interest expenses	428	–	428
New lease entered	788	–	788
At 31st March, 2020	4,698	–	4,698

41. RELATED PARTY DISCLOSURES

(a) Related party transactions

During the year ended 31st March, 2019, the Group had transactions with related parties, details of which are as follows:

Related parties	**Nature of transactions**	**2020** ***HK$'000***	2019 *HK$'000*
Burcon	Rentals and related building management fee charged by the Group	–	228
	Interest income received or receivable by the Group	–	476

41. RELATED PARTY DISCLOSURES (continued)

(b) Compensation of key management personnel

Only the directors and chief executive are considered to be the key management personnel of the Group. The remuneration of directors and the chief executive is disclosed in note 6. The remuneration of directors is determined by the Board of Directors of the Company and its remuneration committee having regard to the performance of individuals and market trends.

42. FINANCIAL INFORMATION OF THE COMPANY

	2020 *HK$'000*	2019 *HK$'000*
Non-current asset		
Investments in subsidiaries	**687,627**	1,044,066
Current assets		
Other receivables	**355**	332
Amounts due from subsidiaries	**112,878**	151,896
Short-term bank deposits, bank balances and cash	**832**	695
	114,065	152,923
Current liabilities		
Other payables	**1,424**	1,756
Amounts due to subsidiaries	**79,406**	79,406
	80,830	81,162
Net current assets	**33,235**	71,761
	720,862	1,115,827
Capital and reserves		
Share capital	**20,183**	20,183
Share premium and reserves *(Note)*	**700,679**	1,095,644
Total equity	**720,862**	1,115,827

42. FINANCIAL INFORMATION OF THE COMPANY (continued)

Note: Details of movements in the Company's share premium and reserves are as follows:

	Share premium *HK$'000*	Capital redemption reserve *HK$'000*	Accumulated profits (loss) *HK$'000*	Total *HK$'000*
At 1st April, 2018	959,550	908	95,497	1,055,955
Profit and total comprehensive income for the year	–	–	39,689	39,689
At 31st March, 2019	959,550	908	135,186	1,095,644
Loss and total comprehensive expense for the year	–	–	(394,965)	(394,965)
At 31st March, 2020	959,550	908	(259,779)	700,679

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31st March, 2020 and 2019 are as follows:

Name of subsidiary	Place of incorporation/ establishment/ registration	Place of operations	Issued and fully paid share capital	Percentage of issued share capital held by the Company		Percentage of issued share capital attributable to the Group		Principal activities
				2020 **%**	2019 %	**2020** **%**	2019 %	
Directly owned								
All Combine Investments Limited *(Note (i))*	British Virgin Islands	Hong Kong	US$1 ordinary share	**–**	100	**–**	100	Investment holding
Treasure Investment Holdings Limited	British Virgin Islands	Hong Kong	US$1 ordinary share	**100**	100	**100**	100	Investment holding
PT Holdings (BVI) Limited	British Virgin Islands	Hong Kong	US$1 ordinary share	**100**	100	**100**	100	Investment holding
PT OBOR Trading Group Limited	British Virgin Islands	Hong Kong	US$1 ordinary share	**100**	100	**100**	100	Investment holding
PT OBOR Financial Holdings Limited	British Virgin Islands	Hong Kong	US$1 ordinary share	**100**	100	**100**	100	Investment holding
PT Global Investment Holdings Limited	British Virgin Islands	Hong Kong	US$1 ordinary share	**100**	100	**100**	100	Investment holding

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation/ establishment/ registration	Place of operations	Issued and fully paid share capital	Percentage of issued share capital held by the Company 2020 %	held by the Company 2019 %	attributable to the Group 2020 %	attributable to the Group 2019 %	Principal activities
Indirectly owned								
Great Intelligence Holdings Limited *(Note (i))*	Hong Kong	Hong Kong	HK$2 ordinary shares	**–**	100	**–**	100	Securities trading and treasury investment
PT Credit Limited	Hong Kong	Hong Kong	HK$2 ordinary shares	**100**	100	**100**	100	Provision of finance
ITC Management Limited *(Note (i))*	Hong Kong	Hong Kong	HK$2 ordinary shares	**–**	100	**–**	100	Provision of management, administration and financial services and treasury investment
PT Investment Corporation Limited	Hong Kong	Hong Kong	HK$1 ordinary share	**100**	100	**100**	100	Investment holding, securities trading and metal trading
保笙(上海)貿易有限公司 *(Note (ii))*	The PRC	The PRC	Renminbi 20,000,000 ordinary shares	**80**	80	**80**	80	Metal trading
Ko Bon Metal Power Limited	Hong Kong	Hong Kong	HK$78,000,000 ordinary shares	**100**	100	**100**	100	Metal trading
PT Fishery Trading Limited *(Note (i))*	Hong Kong	Hong Kong	HK$1 ordinary share	**–**	100	**–**	100	Fishery and vegetables trading
Hong Zhan International (Private) Limited *(Note (i))*	Sri Lanka	Sri Lanka	Sri Lankan Rupee 70,590,910 ordinary shares	**–**	100	**–**	100	Fishery trading
Yangtze Prosperity Development (HK) Limited (formerly known as Eastern Yangtze Development (HK) Limited)	Hong Kong	Hong Kong	HK$114,652,891 ordinary shares	**90**	–	**90**	–	Investment holding
江蘇宏貿倉儲有限公司 (formerly known as 江蘇濱渡化工倉儲有限公司)	The PRC	The PRC	Renminbi 37,273,550 ordinary shares	**90**	–	**90**	–	Provision of chemical storage services

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Notes:

(i) The entity was disposed of during the year ended 31st March, 2020.

(ii) The entity is established as a limited liability joint venture in the PRC.

None of the subsidiaries had issued any debt securities at the end of the year.

All of the above subsidiaries are limited companies.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results of the Group for the year or formed a substantial portion of the assets of the Group at the end of the year. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

The directors of the Company consider that non-controlling interests arising from the Group's non-wholly owned subsidiaries are not material.

44. MAJOR NON-CASH TRANSACTIONS

For the year ended 31st March, 2020

As disclosed in notes 22 and 37, loan receivable due from YPD(HK) of HK$23,400,000, together with interest receivable of HK$1,210,000, was settled through the acquisition of 90% equity interests in YPD(HK) through a loan capitalisation.

During the year, the Group entered into a new lease agreement for the use of leased properties for 3 years. On the lease commencement, the Group recognised HK$791,000 of right-of-use assets and HK$788,000 lease liabilities.

For the year ended 31st March, 2019

As disclosed in note 18, the acquisition of debt instrument of HK$200,000,000 during the year ended 31st March, 2019 was settled by way of offsetting the loan receivable of the same amount due by Thousand Vantage to the Group.

45. EVENTS AFTER THE REPORTING PERIOD

Disposal of interest in an associate

Subsequent to the end of the reporting period, on 7th April, 2020, the Group entered into a conditional agreement with an independent third party for the disposal of its 19.57% equity interests in PYI (the "Disposal") at a consideration of HK$181,440,000, subject to adjustments. As a conditional precedent to the Disposal, the Group has agreed to place the remaining 4.08% equity interests in PYI to independent third parties by way of placing before completion of the Disposal (the "Placing"), after which the Group and the Company will no longer hold any shares of PYI after the Placing and the Disposal. Up to the date of these consolidated financial statements, the Placing has been completed. The condition precedent to the Disposal has been fulfilled and the Disposal will be completed in due course. The Placing and the Disposal are expected to result in a gain on disposal of the Group's interest in associate and the Group is in the process of finalising the financial impact on the disposal of the associate.

Debt instrument at amortised cost

As disclosed in note 18, the debt instrument at amortised cost of HK$200,000,000 matured on 16th April, 2020. The Group is negotiating with the Guarantor and Thousand Vantage in relation to the acquisition of equity interests in Thousand Vantage, whereby the consideration of which will possibly be offer by the redemption price of HK$200,000,000 (the "Potential Transaction"). Up to the date of these consolidated financial statements, the Group has not entered into any agreement in relation to the Potential Transaction and/or the extension or redemption of the debt instrument at amortised cost.

Outbreak of a respiratory illness caused by COVID-19

Under the PRC's lockdown due to the widespread of COVID-19, the commodities trading business in the PRC market has experienced a slowdown in the trading of copper and nickel. Sales and profitability reduced substantially during this period of time mainly driven by the lack of demand and risk migration in place. The Group has closely monitored the commodities price and the market demand and supply situation during this period of time. In terms of risk migration, the Group has reviewed the situation in the following areas: possible delays in payment, increase in cost from possible demurrage and extra storage cost caused by delays in custom clearance and quarantine, difficult logistics for the Chinese market, volatile market price and work-from-home arrangements. However, the Group expects market recovery to be underway and will continue to improve during the remainder of the financial year.

Based on the currently available information, the directors of the Company concluded that the chances of the Group's operations being severely affected in the short term is mild. However, given the inherent unpredictable nature and rapid development relating to COVID-19, the Group's business might be affected should the situations deteriorate and the directors of the Company will continue to closely monitor in this regard.

Five-Year Financial Summary

	Year ended 31st March,				
	2016	2017	2018	2019	**2020**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
RESULTS					
Revenue	15,027	15,404	1,984,368	1,785,780	**1,252,461**
Profit (loss) before taxation	436,334	(1,293,560)	(32,706)	275,447	**(903,771)**
Taxation	(416)	(418)	(4,300)	1,751	**185**
Profit (loss) for the year	435,918	(1,293,978)	(37,006)	277,198	**(903,586)**
Attributable to:					
Owners of the Company	435,918	(1,293,978)	(36,828)	277,056	**(902,258)**
Non-controlling interests	–	–	(178)	142	**(1,328)**
	435,918	(1,293,978)	(37,006)	277,198	**(903,586)**

	As at 31st March,				
	2016	2017	2018	2019	**2020**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
ASSETS AND LIABILITIES					
Total assets	3,605,991	1,180,622	1,428,455	1,488,165	**547,209**
Total liabilities	(72,128)	(16,939)	(141,399)	(10,758)	**(17,286)**
	3,533,863	1,163,683	1,287,056	1,477,407	**529,923**
EQUITY					
Equity attributable to:					
Owners of the Company	3,533,863	1,163,683	1,282,153	1,472,608	**523,718**
Non-controlling interests	–	–	4,903	4,799	**6,205**
	3,533,863	1,163,683	1,287,056	1,477,407	**529,923**