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)

2018
Interim Report

** For identification purpose only*

CONTENTS

Abbreviations

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

"Board"	Board of Directors of the Company
"Bye-laws"	Bye-laws of the Company
"CG Code"	Corporate Governance Code as set out in Appendix 14 of the Listing Rules
"Company"	PT International Development Corporation Limited
"Current Period"	the six months ended 30 September 2018
"Directors"	directors of the Company
"Group"	the Company and its subsidiaries
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules"	Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"PRC"	People's Republic of China
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shareholders"	shareholders of the Company
"HK$" and "HK cents"	Hong Kong dollars and cents, the lawful currency of Hong Kong
"%"	per cent.

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Ching Man Chun, Louis
(Chairman and Managing Director)
Mr. Sue Ka Lok
Ms. Xu Wei
Mr. Gary Alexander Crestejo

Independent Non-executive Directors

Mr. Yam Kwong Chun
Mr. Yeung Kim Ting
Mr. Wong Yee Shuen, Wilson

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

CORPORATE GOVERNANCE COMMITTEE

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

COMPANY SECRETARY

Mr. Chan Ka Ku *(appointed on 31 August 2018)*
Ms. Cheung Wa Ying
(resigned on 31 August 2018)

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants

LEGAL ADVISORS

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

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Bank of China (Canada)
Bank of Communications Co., Ltd.,
Hong Kong Branch
HSBC Bank Canada
Industrial and Commercial Bank of China
(Asia) Limited
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 2304-2306A
23/F., West Tower Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

WEBSITE

www.ptcorp.com.hk

STOCK CODE

Hong Kong Stock Exchange 372

Report on Review of Condensed Consolidated Financial Statements

Deloitte. 德勤

To the Board of Directors of PT International Development Corporation Limited
(Incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of PT International Development Corporation Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 5 to 36, which comprise the condensed consolidated statement of financial position as of 30th September, 2018 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
26th November, 2018

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30th September, 2018

	Notes	(Unaudited) Six months ended 30th September, 2018 HK$'000	2017 HK$'000
Revenue (excluding interest revenue)	3	**1,230,933**	428,607
Interest revenue	3	**4,052**	2,333
Cost of sales		**(1,223,315)**	(424,975)
Other income, other gains and losses		**34,775**	4,994
Net gain (loss) on financial instruments	4	**433,321**	(923)
Administrative expenses		**(24,750)**	(13,346)
Finance costs		**(317)**	(118)
Net loss on net decrease in interest in an associate	10(c)	**–**	(146,440)
Share of results of an associate		**3,801**	115,278
Impairment loss on interest in an associate	10(a)	**(100,000)**	–
Profit (loss) before taxation	5	**358,500**	(34,590)
Taxation	6	**(431)**	–
Profit (loss) for the period		**358,069**	(34,590)
Other comprehensive (expenses) income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(2,249)**	3,036
Share of other comprehensive (expenses) income of associates		**(47,448)**	7,890
Reclassification adjustments:			
– reserves released on net decrease in interest in associates		**–**	(5,666)
– reserves released on disposal of subsidiaries		**(6,597)**	–
Item that will not be reclassified subsequently to profit or loss:			
Share of other comprehensive expenses of associates		**(11,517)**	(9,127)
Other comprehensive expenses for the period		**(67,811)**	(3,867)
Total comprehensive income (expenses) for the period		**290,258**	(38,457)
Profit (loss) for the period attributable to:			
Owners of the Company		**357,808**	(34,599)
Non-controlling interests		**261**	9
		358,069	(34,590)
Total comprehensive income (expenses) for the period attributable to:			
Owners of the Company		**289,997**	(38,466)
Non-controlling interests		**261**	9
		290,258	(38,457)
		HK cents	*HK cents*
Earnings (loss) per share	8		
Basic		**17.73**	(2.05)
Diluted		**N/A**	(2.05)

Condensed Consolidated Statement of Financial Position

At 30th September, 2018

	Notes	(Unaudited) At 30th September, 2018 HK$'000	(Audited) At 31st March, 2018 HK$'000
Non-current assets			
Property, plant and equipment	9	**10,198**	10,101
Investment properties	9	**71,920**	71,997
Interests in associates	10	**530,148**	709,232
Debt instrument at amortised cost	11	**200,000**	–
Financial asset at fair value through profit or loss	12	**589,219**	–
Convertible note	17	**–**	13,596
		1,401,485	804,926
Current assets			
Inventories		**1,176**	3,927
Debtors, deposits and prepayments	13	**62,715**	132,614
Loans receivable	14	**39,000**	200,000
Equity investments held for trading		**–**	4,992
Short-term bank deposits, bank balances and cash		**80,252**	281,996
		183,143	623,529
Current liabilities			
Creditors and accrued expenses	15	**16,609**	119,963
Taxation payable		**341**	–
Bank and other borrowings – due within one year		**143**	7,157
		17,093	127,120
Net current assets		**166,050**	496,409
Total assets less current liabilities		**1,567,535**	1,301,335
Non-current liabilities			
Bank and other borrowings – due over one year		**7,051**	7,120
Deferred tax liabilities		**7,159**	7,159
		14,210	14,279
Net assets		**1,553,325**	1,287,056
Capital and reserves			
Share capital	16	**20,183**	20,183
Share premium and reserves		**1,528,047**	1,261,970
Equity attributable to the owners of the Company		**1,548,230**	1,282,153
Non-controlling interests		**5,095**	4,903
Total equity		**1,553,325**	1,287,056

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30th September, 2018

	Attributable to the owners of the Company											
	Share capital HK$'000	Share premium HK$'000	Reserve on acquisition HK$'000	Capital redemption reserve HK$'000	Other reserve HK$'000	Property revaluation reserve HK$'000	Investment revaluation reserve HK$'000	Translation reserve HK$'000	Accumulated profits HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 31st March, 2018 (audited)	**20,183**	**959,550**	**(20,513)**	**908**	**12,479**	**6,992**	**(59,424)**	**63,438**	**298,540**	**1,282,153**	**4,903**	**1,287,056**
Effect on initial application of HKFRS 9 and HKFRS 15 (note 2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4**	**(24,677)**	**(24,673)**	**-**	**(24,673)**
At 1st April, 2018 (restated)	**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 period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**357,808**	**357,808**	**261**	**358,069**
Exchange differences arising on translation of foreign operations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,249)**	**-**	**(2,249)**	**-**	**(2,249)**
Share of other comprehensive expenses of an associate	**-**	**-**	**-**	**-**	**-**	**-**	**(11,517)**	**(47,448)**	**-**	**(58,965)**	**-**	**(58,965)**
Reserves released on disposal of subsidiaries (note 17)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(6,597)**	**-**	**(6,597)**	**-**	**(6,597)**
Total comprehensive (expenses) income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**(11,517)**	**(56,294)**	**357,808**	**289,997**	**261**	**290,258**
Decrease in an associate's equity attributable to the Group's interest arising on equity transactions of the associate	**-**	**-**	**-**	**-**	**221**	**-**	**-**	**-**	**532**	**753**	**-**	**753**
Disposal of subsidiaries (note 17)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(69)**	**(69)**
At 30th September, 2018 (unaudited)	**20,183**	**959,550**	**(20,513)**	**908**	**12,700**	**6,992**	**(70,941)**	**7,148**	**632,203**	**1,548,230**	**5,095**	**1,553,325**
At 1st April, 2017 (audited)	16,883	828,508	(24,681)	908	23,058	3,726	(57,498)	31,466	341,313	1,163,683	-	1,163,683
(Loss) profit for the period	-	-	-	-	-	-	-	-	(34,599)	(34,599)	9	(34,590)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	-	3,036	-	3,036	-	3,036
Share of other comprehensive (expenses) income of an associate	-	-	-	-	-	-	(9,127)	7,890	-	(1,237)	-	(1,237)
Reserves released on net decrease in interest in an associate	-	-	-	-	-	-	-	(5,666)	-	(5,666)	-	(5,666)
Total comprehensive (expenses) income for the period	-	-	-	-	-	-	(9,127)	5,260	(34,599)	(38,466)	9	(38,457)
Capital contribution from a non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	-	-	200	200
Reserves released on net decrease in interest in an associate	-	-	4,168	-	(3,916)	-	10,116	-	(10,368)	-	-	-
Decrease in an associate's equity attributable to the Group's interest arising on equity transactions of the associate	-	-	-	-	(6,663)	-	-	-	7,045	382	-	382
At 30th September, 2017 (unaudited)	16,883	828,508	(20,513)	908	12,479	3,726	(56,509)	36,726	303,391	1,125,599	209	1,125,808

Condensed Consolidated Statement of Cash Flows

For the six months ended 30th September, 2018

		(Unaudited) Six months ended 30th September,	
		2018	2017
	NOTES	***HK$'000***	*HK$'000*
Net cash used in operating activities			
Decrease (increase) in debtors, deposits and prepayments		**71,816**	(4,686)
Increase in loans receivable		**(39,000)**	(160,000)
Decrease in creditors and accrued expenses		**(103,332)**	(3,932)
Other operating activities		**(6,936)**	(17,473)
		(77,452)	(186,091)
Net cash (used in) from investing activities			
Purchase of financial asset at fair value through profit or loss	12	**(156,000)**	–
Additions to property, plant and equipment	9	**(2,427)**	(1,254)
Acquisition of investment properties	9	**(6)**	(82)
Net cash inflow on disposal of subsidiaries	17	**42,926**	23,840
Proceeds from disposals of property, plant and equipment		**445**	1,113
Proceeds from disposal of debt instrument		**–**	13,118
		(115,062)	36,735
Net cash used in financing activities			
Repayment of bank and other borrowings		**(7,074)**	(102)
Interest paid		**(317)**	(118)
Capital contribution from non-controlling shareholders of subsidiaries		**–**	200
		(7,391)	(20)
Net decrease in cash and cash equivalents		**(199,905)**	(149,376)
Cash and cash equivalents at beginning of the period		**281,996**	227,968
Effect of foreign exchange rate changes		**(1,839)**	81
Cash and cash equivalents at end of the period, represented by short-term bank deposits, bank balances and cash		**80,252**	78,673

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2018

1. BASIS OF PREPARATION

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

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

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th September, 2018 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31st March, 2018.

Application of new and amendments of HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs and an interpretation issued by the HKICPA that are mandatorily effective for the annual period beginning on or after 1st April, 2018 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 9 (2014)	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) - Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 40	Transfer of Investment Property

The new HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards which results in changes in accounting policies, amounts reported and/or disclosure as described below.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Impacts and changes in accounting policies on application of HKFRS 15 "Revenue from Contracts with Customers"

The Group has applied HKFRS 15 for the first time in the current interim period. HKFRS 15 superseded HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations.

The Group recognises revenue from contracts with customers mainly from the trading of commodities and the provision of management and other related services.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1st April, 2018. Any difference at the date of initial application is recognised in the opening accumulated profits and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1st April, 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 and HKAS 11 and the related interpretations.

Key changes in accounting policies resulting from application of HKFRS 15
HKFRS 15 introduces a 5-step approach when recognising revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, 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 and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

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.

2. PRINCIPAL ACCOUNTING POLICIES(continued)

Impacts and changes in accounting policies on application of HKFRS 15 "Revenue from Contracts with Customers" (continued)

Key changes in accounting policies resulting from application of HKFRS 15 (continued)

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 Company 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.

The Group is engaged in the trading of commodities. Upon application of HKFRS 15, the Group reassessed the principal versus agent considerations based on the requirements in HKFRS 15 and concluded that the Group continues to act as the principal for such transactions as the Group has the performance obligation to provide the specified goods itself and it controls the specified goods before they are transferred to the customers.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Impacts and changes in accounting policies on application of HKFRS 15 "Revenue from Contracts with Customers" (continued)

Summary of effects arising from initial application of HKFRS 15

The Group recognises revenue from the following major sources:

- Trading income
- Management and other related service income
- Interest income from provision of finance
- Interest income from investments
- Property rental income
- Others

Except for revenue in respect of trading of commodities and the provision of management and other related services that arise from contracts with customers and fall within the scope of HKFRS 15, other revenue streams fall outside the scope of HKFRS 15. Revenue from trading of commodities is recognised at a point in time, and revenue from the provision of management and other related services is recognised over time.

Under HKFRS 15, revenue from trading of commodities is recognised at a point in time under HKFRS 15 when the control of the goods are transferred to the customers upon delivery of the goods, which is the same as the revenue recognition used under HKAS 18. Revenue from the provision of management and other related services is recognised over time using the input method under HKFRS 15, which is the similar to the pattern of revenue recognition used under HKAS 18. Accordingly, except for the impact arising from the Group's associate as described below, the application of HKFRS 15 does not have a material impact on the opening accumulated profits of the Group as at 1st April, 2018.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Impacts and changes in accounting policies on application of HKFRS 15 "Revenue from Contracts with Customers" (continued)

Summary of effects arising from initial application of HKFRS 15 (continued)

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1st April, 2018. Line items that were not affected by the changes have not been included.

	Notes	Carrying amounts previously reported at 31st March, 2018	Reclassification	Remeasurement	Carrying amounts under HKFRS 15 at 1st April, 2018*
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-current asset					
Interests in associates	(a)	709,232	–	(19,802)	689,430
Current liabilities					
Creditors and accrued expenses	(b)	119,963	(109,153)	–	10,810
Contract liabilities	(b)	–	109,153	–	109,153
Capital and reserves					
Share premium and reserves	(a)	1,261,970	–	(19,802)	1,242,168

Notes:

(a) In relation to construction contracts previously accounted under HKAS 11, an associate of the Group changed to apply input method in estimating the performance obligations satisfied up to date of initial application of HKFRS 15. The net effect arising from the initial application of HKFRS 15 resulted in a decrease in the carrying amount of interests in associates of HK$19,802,000 with corresponding adjustments to share premium and reserves.

(b) As at 1st April, 2018, advances from customers of HK$109,153,000 received in advance in respect of contracts for delivery for commodities products previously included in creditors and accrued expenses were reclassified to contract liabilities.

* The amounts in this column are before the adjustments from the application of HKFRS 9 (2014).

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Impacts and changes in accounting policies on application of HKFRS 15 "Revenue from Contracts with Customers" (continued)

Summary of effects arising from initial application of HKFRS 15 (continued)

The following table summarises the impacts of applying HKFRS 15 on the Group's condensed consolidated statement of financial position as at 30th September, 2018 and its condensed consolidated statement of profit or loss and other comprehensive income for the current interim period for each of the line items affected. Line items that were not affected by the changes have not been included.

Impact on the condensed consolidated statement of financial position at 30th September, 2018

	As reported	Adjustment	Amounts without application of HKFRS 15
	HK$'000	*HK$'000*	*HK$'000*
Non-current asset			
Interests in associates	530,148	16,554	546,702
Capital and reserves			
Share premium and reserves	1,528,047	16,554	1,544,601

Impact on the condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30th September, 2018

	As reported	Adjustment	Amounts without application of HKFRS 15
	HK$'000	*HK$'000*	*HK$'000*
Share of results of associates	3,801	(3,248)	553
Profit for the period attributable to owners of the Company	357,808	(3,248)	354,560

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Impacts and changes in accounting policies on application of HKFRS 15 "Revenue from Contracts with Customers" (continued)

Summary of effects arising from initial application of HKFRS 15 (continued)

Impact on the condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30th September, 2018 (continued)

In relation to construction contracts previously accounted under HKAS 11, an associate of the Group changed to apply input method in estimating the performance obligations satisfied up to date of initial application of HKFRS 15. The net effect arising from the application of HKFRS 15 resulted in an accumulated decrease of HK$16,554,000 in the carrying amount of interests in associates at 30th September 2018, of which HK$16,558,000 has been charged to accumulated profits and HK$4,000 has been credited to translation reserve. Meanwhile, the application of HKFRS 15 resulted in an increase of HK$3,248,000 in share of results of associates for the current period.

Other than as disclosed above, the application of HKFRS 15 does not have other significant impacts on the financial position and/or financial performance of the Group.

Impacts and changes in accounting policies on application of HKFRS 9 "Financial Instruments" and the related amendments

HKFRS 9 introduces new requirements for (i) the classification and measurement of financial assets and financial liabilities; (ii) expected credit losses ("ECL") for financial assets; and (iii) general hedge accounting. In particular, HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets and had been early adopted by the Group with a date of initial application on 1st April, 2014.

Except for those relating to classification and measurement of financial assets covered in HKFRS 9 (2009) which has been early adopted by the Group, the Group has applied HKFRS 9 (2014) and the related consequential amendments to other HKFRSs in the current period. The Group has applied HKFRS 9 (2014) in accordance with the transition provisions set out in HKFRS 9. The impairment requirements under HKFRS 9 (2014) are applied retrospectively to instruments that have not been derecognised as at 1st April, 2018 (date of initial application). The difference between the carrying amounts as at 31st March, 2018 and the carrying amounts as at 1st April, 2018, if any, are recognised in the opening accumulated profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information in respect of the impairment of financial assets was prepared under HKAS 39 "Financial Instruments: Recognition and Measurement".

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Impacts and changes in accounting policies on application of HKFRS 9 "Financial Instruments" and the related amendments (continued)

Impairment under ECL model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including debt instrument, trade and other debtors, loans receivable and short-term bank deposits, balances and cash). 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 contracts, 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. Assessment 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.

The Group always recognises lifetime ECL for trade debtors. The ECL on these assets are assessed individually for each trade debtor. 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.

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.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Impacts and changes in accounting policies on application of HKFRS 9 "Financial Instruments" and the related amendments (continued)

Impairment under ECL model (continued)

Significant increase in credit risk (continued)

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.

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 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.

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. Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all 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 receivables where the corresponding adjustment is recognised through a loss allowance account.

As at 1st April, 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9 (2014), and determined that the accumulated amount of impairment loss on the Group's financial assets is not significantly different as compared to the accumulated amount recognised under HKAS 39.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Impacts and changes in accounting policies on application of HKFRS 9 "Financial Instruments" and the related amendments (continued)

Interests in associates

The initial application of HKFRS 9 (2014) resulted in a decrease in the carrying amount of interests in associates of HK$4,871,000 with corresponding adjustments to accumulated profits of HK$4,871,000 as at 1st April, 2018 primarily arising from additional loss allowances recognised under ECL model.

Impacts on opening condensed consolidated statement of financial position arising from the application of new standards

As a result of the changes in the Group's accounting policies above, the opening condensed consolidated statement of financial position had to be restated. The following table shows the adjustments recognised for each individual line item.

	31st March, 2018 (audited)	HKFRS 15	HKFRS 9 (2014)	1st April, 2018 (restated)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-current asset				
Interests in associates	709,232	(19,802)	(4,871)	684,559
Current liabilities				
Creditors and accrued expenses	119,963	(109,153)	–	10,810
Contract liabilities	–	109,153	–	109,153
Capital and reserves				
Share premium and reserves	1,261,970	(19,802)	(4,871)	1,237,297

3. REVENUE AND SEGMENT INFORMATION

An analysis of the Group's revenue for the period is as below:

	Six months ended 30th September,	
	2018	2017
	HK$'000	*HK$'000*
Revenue from contracts with customers:		
– Trading income	**1,227,656**	425,144
– Management and other related service income	**1,542**	1,727
	1,229,198	426,871
Other sources of revenue:		
– Interest income from provision of finance	**1,735**	1,554
– Interest income from investments	**2,317**	779
– Property rental income	**1,722**	1,642
– Others	**13**	94
	5,787	4,069
	1,234,985	430,940
Analysed for reporting purposes as:		
– Revenue (excluding interest revenue)	**1,230,933**	428,607
– Interest revenue	**4,052**	2,333
	1,234,985	430,940

3. REVENUE AND SEGMENT INFORMATION (continued)

Disaggregation of revenue from contracts with customers

	Six months ended 30th September, 2018 HK$'000
Types of goods or services	
Trading income	
– Metals	1,206,538
– Fisheries	18,790
– Agricultural products	2,328
	1,227,656
Management and other related service income	1,542
	1,229,198
Geographical location	
Hong Kong	917,183
The People's Republic of China (the "PRC"), excluding Hong Kong	289,355
Canada	1,542
Others	21,118
	1,229,198

Revenue from trading of commodities is recognised at a point in time and is included in the trading segment as presented in the segment information below. Revenue from the provision of management and other related services is recognised over time and is included in the others segment in the segment information below.

3. 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 convertible notes and other long-term debt instruments and equity investments
Other investment	–	investment in trading of securities
Others	–	leasing of investment properties, leasing of motor vehicles and management services

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 period under review:

Six months ended 30th September, 2018

	Trading *HK$'000*	Finance *HK$'000*	Long-term investment *HK$'000*	Other investment *HK$'000*	Others *HK$'000*	Segment total *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
SEGMENT REVENUE								
External sales	1,227,656	1,425	2,317	-	3,587	1,234,985	-	1,234,985
RESULTS								
Segment results	2,222	1,270	435,290	102	675	439,559	-	439,559
Central administration costs								(19,178)
Gain on disposal of subsidiaries								34,635
Finance costs								(317)
Share of results of an associate								3,801
Impairment loss on interest in an associate								(100,000)
Profit before taxation								358,500

3. REVENUE AND SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

Six months ended 30th September, 2017

	Trading	Finance	Long-term investment	Other investment	Others	Segment total	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
SEGMENT REVENUE								
External sales	425,144	1,433	528	251	3,584	430,940	–	430,940
Inter-segment sales	–	1,844	–	–	–	1,844	(1,844)	–
Total	425,144	3,277	528	251	3,584	432,784	(1,844)	430,940
RESULTS								
Segment results	169	3,380	1,470	(721)	609	4,907	–	4,907
Central administration costs								(11,573)
Gain on disposal of subsidiaries								3,356
Finance costs								(118)
Net loss on net decrease in interest in an associate								(146,440)
Share of result of an associate								115,278
Loss before taxation								(34,590)

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

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

3. REVENUE AND SEGMENT INFORMATION (continued)

Segment assets and liabilities

At 30th September, 2018

	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	**32,059**	**40,250**	**791,060**	**3**	**73,683**	**937,055**	**–**	**937,055**
Interests in associates	**–**	**–**	**–**	**–**	**–**	**–**	**530,148**	**530,148**
Unallocated corporate assets	**–**	**–**	**–**	**–**	**–**	**–**	**117,425**	**117,425**
Total assets	**32,059**	**40,250**	**791,060**	**3**	**73,683**	**937,055**	**647,573**	**1,584,628**

At 31st March, 2018

	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	99,780	200,734	13,596	4,999	72,742	391,851	–	391,851
Interests in associates	–	–	–	–	–	–	709,232	709,232
Unallocated corporate assets	–	–	–	–	–	–	327,372	327,372
Total assets	99,780	200,734	13,596	4,999	72,742	391,851	1,036,604	1,428,455

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

- all assets are allocated to operating segment other than interests in associates, short-term bank deposits, bank balances and cash, certain property, plant and equipment and certain debtors, deposits and prepayments.

- no segment liabilities information is provided as no such information is regularly provided to the CODM on making decision for resources allocation and performance assessment.

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

4. NET GAIN (LOSS) ON FINANCIAL INSTRUMENTS

	Six months ended 30th September,	
	2018	2017
	HK$'000	*HK$'000*
Increase in fair value of financial asset at fair value through profit or loss	**433,219**	–
Increase (decrease) in fair value of equity investments held for trading	**102**	(883)
Decrease in fair value of debt instruments	**–**	(40)
	433,321	(923)

5. PROFIT (LOSS) BEFORE TAXATION

	Six months ended 30th September,	
	2018	2017
	HK$'000	*HK$'000*
Profit (loss) for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	**929**	669
Minimum lease payments under operating leases in respect of rented premises	**4,595**	2,268
and after crediting:		
Gain on disposal of subsidiaries	**34,635**	3,356
Gain on disposals of property, plant and equipment	**103**	526

6. TAXATION

	Six months ended 30th September,	
	2018	2017
	HK$'000	*HK$'000*
PRC Enterprise Income Tax ("EIT")	**431**	–

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the period. No provision for Hong Kong Profits Tax has been made as the relevant subsidiaries had no assessable profits arising in Hong Kong for both periods.

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

7. DISTRIBUTIONS

No dividends were paid, declared or proposed during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the interim period.

8. EARNINGS (LOSS) PER SHARE

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

	Six months ended 30th September, 2018 HK$'000	2017 HK$'000
Profit (loss) for the period attributable to the owners of the Company for the purposes of basic earnings (loss) per share	**357,808**	(34,599)
Effect of dilutive potential ordinary shares:		
Adjustment to the share of results of an associate based on dilution of its earnings per share	**–**	(61)
Profit (loss) for the period attributable to the owners of the Company for the purposes of diluted earnings (loss) per share	**357,808**	(34,660)

	Number of shares	
Weighted average number of shares for the purposes of basic and diluted earnings (loss) per share	**2,018,282,827**	1,688,282,827

For the period ended 30th September, 2018, no diluted earnings per share are presented as the Company and the Group's associate have no potential ordinary shares in issue.

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

During the period ended 30th September, 2018, the Group spent HK$2,427,000 (six months ended 30th September, 2017: HK$1,254,000) and HK$6,000 (six months ended 30th September, 2017: HK$82,000) on the acquisition of property, plant and equipment and investment properties, respectively.

At 30th September, 2018, the directors of the Company consider that the carrying amounts of the Group's leasehold land and buildings classified as property, plant and equipment and investment properties carried at revalued amounts and fair values, respectively, do not differ significantly from those which would be determined using fair values at the end of the interim period.

10. INTERESTS IN ASSOCIATES

	At 30th September, 2018 HK$'000	At 31st March, 2018 HK$'000
Share of consolidated net assets of associates:		
– listed in Hong Kong	**1,013,971**	1,093,055
– listed overseas	**–**	–
Goodwill	**1,177**	1,177
	1,015,148	1,094,232
Accumulated impairment losses recognised	**(485,000)**	(385,000)
	530,148	709,232
Market value of listed securities:		
Hong Kong	**172,301**	189,270
Overseas	**–**	31,163
	172,301	220,433

(a) Assessment of impairment of an associate

As at 30th September, 2018, as the carrying value of the Group's interest in an associate listed in Hong Kong (i.e. PYI Corporation Limited ("PYI")) is higher than the market value of its listed securities, the directors of the Company have assessed the recoverable amount of the interest in the associate using value in use calculations for the assessment of impairment on the interest in associate.

In determining the estimated value in use of the interest in 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 its associate and from its ultimate disposal using a discount rate of 7% (31st March, 2018: 8%) per annum. As a result of the impairment assessment, a further impairment loss of HK$100 million (six months ended 30th September, 2017: nil) was recognised in profit or loss during the period ended 30th September, 2018. The accumulated impairment losses recognised in respect of the Group's interest in the associate as at 30th September, 2018 amounted to HK$485,000,000 (31st March, 2018: HK$385,000,000).

10. INTERESTS IN ASSOCIATES (continued)

(b) Disposal of associate

As at 31st March, 2018, the Group held 22.45% equity interests in a listed associate, Burcon NutraScience Corporation ("Burcon"). Burcon is listed in Canada and Germany and is engaged in the development of commercial plant protein. The carrying value of the Group's interest in Burcon as at 31st March, 2018 is nil as a result of share of losses in prior years.

On 28th September 2018, the Group disposed of its entire equity interests in two subsidiaries which are mainly engaged in investment holding in equity interests in Burcon and a convertible note issued by Burcon for an aggregate consideration of HK$34,732,000. Upon completion of the disposal, the Group no longer has equity interests in Burcon and Burcon ceased to be the Group's associate. Details of the disposal of subsidiaries are set out in note 17.

(c) Decrease in interest in an associate during the six months ended 30th September, 2017

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

11. DEBT INSTRUMENT AT AMORTISED COST

In April 2018, the Group entered into a subscription agreement with a third party pursuant to which the Group as subscriber agreed to subscribe and the third party as issuer (the "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 (the "Guarantor") of the Issuer who has executed a share charge in favour of the Group relating to all shares of the Issuer (the "Share Charge").

As the Guarantor is 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 have been settled by way of offsetting the loan due by the Issuer (as novated from the Guarantor to the Issuer pursuant to a deed of novation) to the Group. Accordingly, the loans receivable has been fully offset during the period ended 30th September, 2018.

11. 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 in accordance with HKFRS 9.

During the period ended 30th September, 2018, dividends arising on the preference shares amounting to HK$1,841,000 are recognised in profit or loss as interest income from investments (included in revenue).

The Group assesses the debt instrument for impairment equal to 12m ECL under the ECL as the directors of the Company determined that the credit risk of the debt instrument has not increased significantly since initial recognition. 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.

12. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

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 and 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% of the issued share capital of the Fund as at 30th September, 2018.

The Fund is accounted for as a financial asset at fair value through profit or loss in accordance with HKFRS 9. As at 30th September, 2018, the fair value of the Fund is HK$589,219,000. During the period ended 30th September, 2018, fair value gains of HK$433,219,000 was recognised in profit or loss. Details of the fair value measurement of the Fund are disclosed in note 19. 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.

13. DEBTORS, DEPOSITS AND PREPAYMENTS

	At 30th September, 2018 HK$'000	At 31st March, 2018 HK$'000
Trade debtors	**8,382**	1,357
Prepayments to suppliers	**21,411**	95,543
Prepaid expenses, deposits and other receivables	**32,922**	35,714
Other debtors, deposits and prepayments	**54,333**	131,257
	62,715	132,614

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

	At 30th September, 2018 HK$'000	At 31st March, 2018 HK$'000
Trade debtors		
0 - 30 days	**4,545**	1,357
31 - 60 days	**2,685**	–
61 - 90 days	**111**	–
Over 90 days	**1,041**	–
	8,382	1,357

Trade debts arising from commodities trading are either receipt in advance or are granted with credit terms up to 90 days. The credit terms granted by the Group to other trade debtors normally ranged from 30 days to 90 days. Rental income arising from leasing of investment properties business are receivable in advance. For interest receivable, there are no credit terms granted by the Group.

14. LOANS RECEIVABLE

The loan receivable carries fixed interests at a contractual interest rate (which is also equal to the effective interest rate) at 10% per annum (31st March, 2018: 2% per annum) and is repayable within one year (31st March, 2018: repayable within one year).

The loans receivable at 30th September, 2018 and 31st March, 2018 were respectively secured by share charges relating to shares in entities independent of the Group.

The loan receivable amounting to HK$200,000,000 as at 31st March, 2018 has been settled during the six months ended 30th September, 2018 pursuant to a deed of novation in fulfilment for the subscription price of the debt instrument as disclosed in note 11.

15. CREDITORS AND ACCRUED EXPENSES

	At 30th September, 2018 *HK$'000*	At 31st March, 2018 *HK$'000*
Trade creditors	**13,405**	651
Receipt in advance	**–**	109,153
Other payables and accrued expenses	**3,204**	10,159
Other creditors and accrued expenses	**3,204**	119,312
	16,609	119,963

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

	At 30th September, 2018 *HK$'000*	At 31st March, 2018 *HK$'000*
Trade creditors		
0 - 30 days	**13,404**	632
31 - 60 days	**1**	19
	13,405	651

16. SHARE CAPITAL

	Number of shares		Value	
	2018	2017	**2018**	2017
			HK$'000	*HK$'000*
Ordinary shares of HK$0.01 each				
Authorised:				
At 1st April and 30th September	**102,800,000,000**	102,800,000,000	**1,028,000**	1,028,000
Issued and fully paid:				
At 1st April and 30th September	**2,018,282,827**	1,688,282,827	**20,183**	16,883

17. DISPOSAL OF SUBSIDIARIES

During the period, the Group disposed of its entire equity interests in certain subsidiaries which are 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 (2017: HK$23,840,000).

In addition, on 28th September, 2018, the Group disposed of its entire equity interests in two subsidiaries which are mainly engaged in investment holding in equity interests in Burcon and convertible note issued by Burcon for an aggregate consideration of HK$34,732,000.

17. DISPOSAL OF SUBSIDIARIES (continued)

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

	Six months ended 30th September, 2018 HK$'000	Six months ended 30th September, 2017 HK$'000
Consideration received		
Cash received	**42,938**	23,840
Analysis of the aggregate assets and liabilities over which control was lost:		
Property, plant and equipment	**1,050**	325
Intangible assets	**–**	150
Interest in an associate	**–**	–
Convertible note	**13,833**	–
Debtors, deposits and prepayments	**74**	20,014
Short-term bank deposits, bank balances and cash	**12**	–
Creditors and accrued expenses	**–**	(5)
Net assets disposed of	**14,969**	20,484

	Six months ended 30th September, 2018 HK$'000	Six months ended 30th September, 2017 HK$'000
Aggregate gain on disposal of the subsidiaries:		
Consideration received	**42,938**	23,840
Reclassification cumulative translation reserve upon disposal of the subsidiaries	**6,597**	–
Non-controlling interests	**69**	–
Net assets disposed of	**(14,969)**	(20,484)
Gain on disposal (included in other income, other gains and losses)	**34,635**	3,356
Net cash inflow arising on the disposal:		
Cash consideration received	**42,938**	23,840
Short-term bank deposits, bank balances and cash disposed of	**(12)**	–
	42,926	23,840

18. RELATED PARTY TRANSACTIONS

(a) Related party transactions

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

Class of related party	Nature of transactions	Six months ended 30th September, 2018 HK$'000	2017 HK$'000
Burcon	Rentals and related building management fee charged by the Group	**228**	226
	Service fees charged by the Group	**–**	10
	Interest income received by the Group	**476**	528

(b) Compensation of key management personnel

	Six months ended 30th September, 2018 HK$'000	2017 HK$'000
Fees	**579**	263
Salaries and other emoluments	**1,125**	1,780
	1,704	2,043

19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

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

- Level 1: fair value measurements are derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2: fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: fair value measurements are derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Financial assets	Fair value at 30th September, 2018 HK$'000	Fair value at 31st March, 2018 HK$'000	Fair value hierarchy	Valuation techniques and key inputs
Equity investments – Listed equity securities	**–**	4,992	Level 1	Quoted closing prices in an active market.
Financial asset at fair value through profit or loss – Unlisted fund	**589,219**	–	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.
Convertible note	**–**	13,596	Level 3	Discounted cash flow method and the Binomial Option Pricing Model. The major significant unobservable inputs used include the discount rate and the expected volatility adopted (Note).

Note: A slight increase in the discount rate adopted would result in a decrease in the fair value measurement of the convertible note, 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 convertible note as at 31st March, 2018 by HK$83,000.

A slight increase in the expected volatility would result in an increase in the fair value measurement of the convertible note, and vice versa. A 5% increase/decrease in the expected volatility holding all other variables constant would increase/decrease the carrying amount of the convertible note as at 31st March, 2018 by HK$4,000.

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

19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Reconciliation of Level 3 fair value measurements of financial asset

	Convertible note *HK$'000*
At 1st April, 2017	12,555
Interest income recognised in profit or loss	528
Exchange gain recognised in profit or loss	951
At 30th September, 2017	14,034
At 1st April, 2018	13,596
Interest income recognised in profit or loss	476
Exchange loss recognised in profit or loss	(239)
Disposal of subsidiaries *(note 17)*	(13,833)
At 30th September, 2018	–

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

Fair value measurements and valuation processes

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

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

20. EVENT AFTER THE END OF THE REPORTING PERIOD

On 12th November, 2018, the Group entered into a contract of purchase and sale to dispose of a property located in Canada (classified under investment properties and property, plant and equipment amounting to HK$54,241,000 and HK$6,980,000 respectively as at 30th September, 2018) at an aggregate consideration of CAD10,600,000 (equivalent to approximately HK$63,600,000). Up to the date of this report, the transaction has not yet been completed.

Management Discussion and Analysis

BUSINESS REVIEW

Review of Financial Performance

During the Current Period, the Group continued to principally engage in the businesses of investment holding, comprising strategic investments in PYI Corporation Limited ("PYI") and Burcon NutraScience Corporation ("Burcon"), investments in other financial assets and securities, provision of finance, property investments, and trading business of commodities.

For the Current Period, the Group reported a profit of HK$357,808,000 attributable to the owners of the Company (30th September, 2017: loss of HK$34,599,000) and basic earnings per share of HK17.73 cents (30th September, 2017: basic loss per share of HK2.05 cents). The Current Period gain was mainly due to (a) the fair value gain of a financial instrument, in particular, the Company's investment in AFC Mercury Fund, (b) a gain recognised from the disposal of two subsidiaries and an associate of the Company, and (c) an impairment loss on interest in the Group's associate, PYI. For illustrative purposes, without such impairment of interest in PYI, the Group would have achieved a profit attributable to the owners of the Company of HK$457,808,000 for the Current Period.

Listed Strategic Investments

PYI

Based in Hong Kong, PYI focuses on ports and infrastructure development and investment, and the operation of ports and logistics facilities, in the Yangtze River region of China. It also engages in land and property development and investment in association with ports and infrastructure development, 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 profit attributable to the owners of HK$16,072,000 for the Current Period. The Group shared a profit of HK$3,801,000 (30th September, 2017: profit of HK$115,278,000) from PYI for the Current Period.

The Group's interest in PYI is approximately 23.65% at 30th September, 2018 and 2017.

Burcon

Burcon is a leader in developing technologies for the production of valuable plant-sourced ingredients for use in food, nutrition, wellness and supplement products. The company has developed a portfolio of composition, application, and process patents originating from a core protein extraction and purification technology. Its shares are listed on the Toronto Stock Exchange and the Frankfurt Stock Exchange. Burcon has developed CLARISOY™®, a soy protein which offers clarity and complete nutrition for low pH systems; Peazazz® pea protein which is uniquely soluble with clean flavor characteristics; and Puratein®, Supertein® and Nutratein®, three canola protein isolates with unique functional and nutritional attributes.

Burcon's flagship protein technology, CLARISOY™®, has been licensed to Archer Daniels Midland Company ("ADM") which is a leader in the global food ingredient industry listed in the United States, since March 2011.

BUSINESS REVIEW (CONTINUED)

Listed Strategic Investments (continued)

Burcon (continued)

On 28th September, 2018, Firewood Elite Limited, a company incorporated under the laws of the British Virgin Islands with limited liability wholly-owned by Mr. Chan Yiu Lun, Alan, who is a former executive Director of the Company prior to 28th March, 2017 and also the son of Dr. Chan Kwok Keung, Charles, who in turn was the former controlling shareholder prior to 24th January, 2017 and the former executive Director and Chairman of the Company prior to 28th March, 2017 and an Independent Third Party to the Company (the "Purchaser"). The Company entered into the transfer agreement, pursuant to which the Company agreed to dispose of and the Purchaser agreed to acquire 100% of the interest of Great Intelligence Limited and Large Scale Investment Limited (the "Disposal Companies"), the convertible unsecured promissory notes issued by Burcon to Large Scale Investments Limited for the principal amount of Canadian Dollars 2,000,000 dated 12th May, 2016 (the "Convertible Notes") and the loans or obligations owed by each of the Disposal Companies to the Group of HK$96,192,720 which are unsecured, interest free and have no fixed repayment terms as at 31st July, 2018 at the consideration of approximately HK$34.7 million in cash.

The Disposal Companies were owned as to 100% by Firewood Elite Limited. Following the completion, the Company is no longer interested in the Disposal Companies and Burcon. In addition, since the Convertible Notes (representing approximately 1.7% of the existing shares of Burcon if they were to be converted) were out of money, the Company considered it was not favourable to convert the Convertible Notes at that time.

The Directors are of the view that it was a good opportunity to dispose of the Disposal Companies, having considered the future and financial performance of the Disposal Companies; and that the Directors consider the terms of the Agreement to be fair and reasonable, and the Disposal is in the interests of the Company and the Shareholders as a whole. The details of the above disposal are set out in the Company's announcement dated 28th September, 2018.

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

BUSINESS REVIEW (CONTINUED)

Provision of Finance

For the Current Period, the Group's finance operation continued to contribute a profitable segment result of HK$1,270,000 which decreased by 62.43% compared to last period (30th September, 2017: HK$3,380,000). At 30th September, 2018, the loans portfolio held by the Group amounted to HK$39,000,000 (31st March, 2018: HK$200,000,000).

On 1st June, 2018, PT Credit Limited, a wholly-owned subsidiary of the Company, as lender (the "Lender") entered into the loan agreement (the "Loan Agreement") with an independent third party, Eastern Yangtze Development (HK) Limited (the "Borrower"), agreed to provide a loan in the principal amount of United States dollar ("US$") 6,000,000 at an interest rate of 10% per annum (the "Loan"), and simultaneously entered into a participation agreement with an independent third party (the "Participant"), pursuant to which the Participant participated in the Loan in the principal amount of US$1,000,000. The Loan was secured with a share charge on all the issued shares of the Borrower and a debenture over all the undertaking, property, assets, goodwill, rights and revenues of the Borrower. The Borrower is a limited liability company incorporated in Hong Kong with a wholly-owned subsidiary in the PRC which is in the course of setting up infrastructure for operating chemical storages in the Yangtze River Delta, and has an international management team with vast industry experience, including the former Head of China of a leading international petrochemical group operating in the PRC.

Commodities Trading

During the Current Period, the Group continued its trading business which focuses on the trading of commodities including copper cathodes, nickel briquettes and fishery products. The business generated a revenue of HK$1,227,656,000 and recorded a segment profit of HK$2,222,000.

In light of the continuous growth of the Chinese economy, the Group is of the view that market demand for metal products will continue to grow. During the Current Period, the Group maintained the metal trading businesses in Hong Kong and the PRC. This business segment is operated by an experienced management team located in Shanghai, with extensive and unique experience in the field of metal trading. The metal trading business generated a sizable revenue and market share for the current period of operation, and it also remains one of the main sources of income for the Group. The Group expects that revenue from this metal trading business will continue to grow, mainly attributable to the increasing market demand for metal and energy in the PRC, which will in turn boost the revenue of the Group from metal and energy trading.

BUSINESS REVIEW (CONTINUED)

Commodities Trading (continued)

Regarding the fishery business, the Group had set up a wholly-owned subsidiary in Sri Lanka managed by a management team with dynamic and abundant experience. The subsidiary has prepared sufficient cold storage space, and is in the process of setting up the processing line, packaging factory and distribution center for its active development of fishery projects. Sri Lanka has the premium geographical location, plentiful resources and excellent natural environment for fishery business. It also has exclusive fishing and economic rights for an ocean area of 500,000 square kilometers and a coastal line of 1,700 km in addition to inland water bodies which makes fishery to be one of the promising industries in the country.

Under the One Belt One Road strategy, the PRC government vigorously promotes the integration and development of fishery industry with the goal of enhancing quality and efficiency, increasing income with smaller production scale, green development and enriching fishermen by effectively shifting the focus of fishery industry from quantitative growth and scale expansion to qualitative development and green development. To align with the One Belt One Road strategy, we will continue to look for different opportunities on expanding our fishery business segment such as exploring suitable operating locations in the PRC.

In light of the above, the management expects that the commodities traded by the Group have good prospects and the trading business will continue to contribute profitable results in the future.

Long-term Investment

During the Current Period, the Group's long-term investment recorded a revenue of HK$2,317,000 (30th September, 2017: HK$528,000) and a segment profit of HK$453,290,000 (30th September, 2017: segment profit of HK$1,470,000). At 30th September, 2018, the Group's long-term investment amounted to HK$791,060,000 (31st March, 2018: HK$13,596,000). The segment revenue and the segment profit for the Current Period was mainly attributed to the interest income from such convertible note, the preference shares interest from Thousand Vantage and the unrealised gain from the AFC Mercury Fund.

In April 2018, PT OBOR Financial Holdings Limited, a wholly-owned subsidiary of the Company (the "Subscriber"), entered into a subscription agreement with Thousand Vantage Investment Limited ("Thousand Vantage"), pursuant to which the Subscriber agreed to subscribe for, and Thousand Vantage agreed to allot and issue, 100 preference shares at the total subscription price of HK$200,000,000. The preference shares confer the Subscriber the right to receive cumulative fixed preferential dividend at the rate of 2% per annum of the subscription price. The preferential shares are guaranteed by Mr. Zhu Bin ("Mr. Zhu") who executed a share charge in favour of the Subscriber relating to all the shares of Thousand Vantage.

As Mr. Zhu 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 was settled by way of offsetting the loan due by Thousand Vantage (as novated from Mr. Zhu to Thousand Vantage pursuant to a deed of novation) to the Group. Accordingly, the loan receivable has been fully repaid subsequent to 31st March, 2018.

BUSINESS REVIEW (CONTINUED)

Long-term Investment (continued)

On 21st June, 2018, the Group entered into a subscription agreement with AFC Korea Co., Ltd. pursuant to which the Group agreed to subscribe for shares of AFC Mercury Fund, 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 shares of the Fund held by the Group represent approximately 29.71% of the issued share capital of the Fund as at 30th September, 2018.

The Investment was made for investment purpose and the Board is of the view that the Investment was fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole. The Group has endeavoured in exploring opportunities for potential investments for business diversification, with a view to generating income and achieving better return for its Shareholders. The Directors consider that the Investment would provide the Group with an opportunity to diversify its investment portfolio and hence a diversified return.

On 28th September, 2018, the Company no longer be interested in Disposal Companies and Burcon, and the Company recorded a gain on the Disposal of approximately HK$27.5 million which the Directors are of the view that it can greatly enhance the cash flow of the Group and improve its financial strength and liquidity, and therefore would allow the Group to allocate more resources in exploring other potential business opportunities. In addition, the Group will still maintain its existing principal businesses after completion of the Disposal.

Other Investment

During the Current Period, the Group's other investment contributed nil segment revenue (30th September, 2017: HK$251,000) and a segment profit of HK$102,000 (30th September, 2017: segment loss of HK$721,000).

At 30th September, 2018, the Group's equity investments portfolio amounted to HK$589,219,000 (31st March, 2018: HK$4,992,000) and comprised of shares in a company listed overseas (31st March, 2018: listed in Hong Kong).

Others

During the Current Period, the Group's other business contributed a segment revenue of HK$3,587,000 (30th September, 2017: HK$3,584,000) and a segment profit of HK$675,000 (30th September, 2017: HK$609,000). At 30th September, 2018, the Group's other business mainly represented the leasing of investment properties and provision of management services. During the Current Period, the Group continues to receive a stable property rental income of HK$1,722,000 (30th September, 2017: HK$1,642,000) from leasing of office premises and hotel strata lots located in Canada and management service income of HK$1,542,000 (30th September, 2017: HK$1,727,000) from provision of property agency service in Canada.

Management Discussion and Analysis

FINANCIAL REVIEW

Liquidity and Financial Resources

At 30th September, 2018, the Group's total assets of HK$1,584,628,000 (31st March, 2018: HK$1,428,455,000) represented an increase of approximately 10.93% when compared with the same period of the last year. The increase was mainly due to an investment in a financial instrument.

During the Current Period, equity attributable to owners of the Company amounted to HK$1,548,230,000 (31st March, 2018: HK$1,282,153,000), representing an increase of HK$266,077,000 or 20.75% as compared to 31st March, 2018 which was mainly due to the fair value gain of a financial instrument.

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

During the Current Period, current assets and current liabilities of the Group were HK$183,143,000 (31st March, 2018: HK$623,529,000) and HK$17,093,000 (31st March, 2018: HK$127,120,000) respectively. Accordingly, the Group's current ratio was about 11 (31st March, 2018: 5).

Gearing Ratio

At 30th September, 2018, the Group had bank deposits, bank balances and cash of HK$80,252,000 and bank and other borrowings of HK$7,194,000. The Group's gearing ratio was zero at 30th September, 2018 and 31st March, 2018 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 borrowings.

Foreign Currency Management

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

Pledge of Assets

At 30th September, 2018, investment properties of HK$17,679,000 (31st March, 2018: HK$17,694,000) were pledged to secure a bank loan granted to the Group.

Contingent Liabilities

At 30th September, 2018, the Group had no significant contingent liabilities (31st March, 2018: Nil).

FINANCIAL REVIEW (CONTINUED)

Capital Commitments

At 30th September, 2018, the Group had no significant capital commitments (31st March, 2018: Nil).

Interim Dividend

The Board resolved not to declare an interim dividend for the Current Period (six months ended 30th September, 2017: Nil).

EMPLOYEES AND REMUNERATION POLICY

At 30th September, 2018, the Group had a total of 39 employees. The Group's remuneration policy is to ensure that the Group's remuneration structure is appropriate and aligns with the Group's goals and objectives. The employees' remuneration is based on the employees' skill, knowledge and involvement in the Company's affairs and is determined by reference to the Company's performance, as well as remuneration benchmark in the industry and the prevailing market conditions. The ultimate objective of the remuneration policy is to ensure that the Group is able to attract, retain and motivate a high-calibre team which is essential to the success of the Company. The Group also offers benefits to employees including discretionary bonus, training 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 Period and there were no outstanding share options as at 30th September, 2018 and as at the date of this report.

PROSPECTS

The economic environment has been intricate as the US has been imposing tariffs to varies nations. During the US-China trade dispute, the US has already promulgated US$250 billion worth of tariffs on Chinese goods. The trade war friction is expected to continue escalating; and the International Monetary Fund has reduced its China's economic growth forecast in 2019 and citing that the escalating trade war will have negative effects by the US tariff policies.

China has been imposing corresponding tariff policies onto the US and diversifying its trading relationships with other nations. Even though October was the first full month after the latest US tariffs went into effect, China export growth is strong and beats analysts' forecasts. However, the uncertainties of the trade restriction policies resulting from the trade war may cause complications for the Company's business planning and the impact on the global economy is unpredictable, which could adversely affect our financial position, business and operations.

Looking forward into the second half of the year, the Group will continue to develop existing businesses and enhance the asset quality. The Group believes that the trading of metal and fishery products and complementary businesses will benefit from the "One Belt and One Road" initiative. The Group will actively improve its overall competitiveness, strengthen its capital base, optimise its investment portfolio and implement comprehensive risk management strategies, thereby laying a solid foundation for the Group's long-term development. The Group will make great efforts to re-build its strategic priorities and align our business initiatives with the economic policies set by the PRC. The Group will continue to take effective measures to seize new business opportunities in order to deliver steady growth prospects and long-term value for shareholders. The management believes that the Group is well-poised for the challenges ahead and is determined to bring maximum value to its shareholders.

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

At 30th September, 2018, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporations, within the meaning of Part XV of the SFO, as recorded in the register of the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules were as follows:

Long positions in shares, underlying shares and debentures of the Company

Name of Director	Capacity	Number of shares held	Approximate percentage of the total issued share of the Company
Mr. Ching Man Chun, Louis ("Mr. Ching")	Interest of controlled corporation	488,000,000 *(Note)*	24.18%

Note:

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

Save as disclosed above, at 30th September, 2018, none of the directors and chief executives of the Company had any interests and short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register of the Company required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEME

The share option scheme of the Company was adopted on 19th August, 2011 (the "Share Option Scheme"). No share options were granted, exercised, cancelled or lapsed during the Current Period. At 30th September, 2018, there was no outstanding share option granted by the Company pursuant to the Share Option Scheme.

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

Supplementary Information

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

At 30th September, 2018, so far as is known to the Directors and the chief executives of the Company, the interests or short positions of substantial Shareholders in the shares and underlying shares of the Company as recorded in the register of the Company required to be kept under Section 336 of the SFO were as follows:

Name	Capacity	Number of shares held	Approximate percentage of the total issued share 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	669,676,465 *(Note 2)*	33.18%
Ace Way Global Limited ("Ace Way")	Interest of controlled corporation	669,676,465 *(Note 2)*	33.18%
Ace Pride Holdings Limited ("Ace Pride")	Beneficial owner	669,676,465 *(Note 2)*	33.18%

Notes:

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

2. These interests were held by Ace Pride, which was wholly owned by Ace Way which in turn was wholly owned by Mr. Suen. Mr. Suen is the sole director of Ace Pride and Ace Way. Accordingly, Mr. Suen was deemed to be interested in 669,676,465 shares of the Company under the SFO. The interests of Mr. Suen, Ace Way and Ace Pride in 669,676,465 shares of the Company referred to the same parcel of shares.

   On 4th October, 2018, Mr. Suen, a substantial shareholder (as defined in the Listing Rules) of the Company, has disposed of 330,000,000 shares of the Company, representing approximately 16.35% of the total number of issued shares of the Company on exchange market (the "Disposal"). After the Disposal, these interests were held by Ace Pride, which was wholly owned by Ace Way which in turn was wholly owned by Mr. Suen, Mr. Suen was deemed to be interested in 339,676,465 shares of the Company, representing approximately 16.83% of the total issued shares of the Company.

   Based on the aforesaid information from Mr. Suen, immediately after the Disposal, Mr. Suen ceased to be a controlling shareholder of the Company.

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under Section 336 of the SFO as having interests or short positions in the shares or underlying shares of the Company at 30th September, 2018.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Disposal of property

On 12th November, 2018, Burcon Group Limited, an indirect wholly-owned subsidiary of the Company, entered into the contract of purchase and sale agreement with an independent third party to dispose of the office property located in Canada at a consideration of Canadian Dollars 10,600,000 (equivalent to approximately HK$63,600,000). Details of which was disclosed in the Company's announcement dated 12th November 2018.

INTERIM DIVIDEND

The Board resolved not to declare an interim dividend for the Current Period (six months ended 30th September, 2017: Nil).

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

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

CORPORATE GOVERNANCE CODE

The Company has, throughout the Current Period, complied with the code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules except for the following deviations with reason as explained:

Code provision A.2.1

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

Deviation

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.

Supplementary Information

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

REVIEW OF INTERIM RESULTS

The interim results for the six months ended 30th September, 2018 have not been audited, but have been reviewed by the auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA, and the Audit Committee of the Company.

UPDATES ON DIRECTORS' INFORMATION

As at 30th September, 2018, the composition of the Board of the Company was as follows:

Executive Directors
Mr. Ching Man Chun, Louis (*Chairman and Managing Director*)
Mr. Sue Ka Lok
Ms. Xu Wei
Mr. Gary Alexander Crestejo

Independent Non-executive Directors
Mr. Yam Kwong Chun
Mr. Yeung Kim Ting
Mr. Wong Yee Shuen, Wilson

The following is updated information of directors of the Company required to be disclosed pursuant to Rule 13.51B of the Listing Rules:

Mr. Ching Man Chun, Louis ("Mr. Ching") has been appointed as a non-executive director and deputy president of STX Corporation, with effect from 27th August, 2018 of which the securities are listed on the Korea Stock Exchange (stock code: 011810.KS).

On behalf of the Board

Ching Man Chun, Louis
Chairman and Managing Director

Hong Kong, 26th November, 2018