2019 Annual Report

PT INTERNATIONAL DEVELOPMENT CORPORATION LIMITED

保 德 國 際 發 展 企 業 有 限 公 司 *

(Incorporated in Bermuda with limited liability)

(Stock Code : 372)

* *For identification purpose only*

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Definitions and Glossary

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

"associates"	the meaning ascribed to it in the Listing Rules
"Board"	Board of Directors of the Company
"Bye-laws"	Bye-laws of the Company
"connected person(s)"	the meaning ascribed to it in the Listing Rules
"Company"	PT International Development Corporation Limited
"current year"	the year ended 31st March, 2019
"Director(s)"	director(s) of the Company
"Group"	the Company and its subsidiaries
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"PRC" and "China"	the People's Republic of China
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shareholders"	shareholders of the Company
"HK$" and "HK cents"	Hong Kong dollars and cents, the lawful currency of Hong Kong
"%"	per cent.

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Ching Man Chun, Louis
(Chairman and Managing Director)
Mr. Sue Ka Lok
Ms. Xu Wei
Mr. Gary Alexander Crestejo
Mr. Yeung Kim Ting *(re-designated from Independent Non-executive Director to executive Director since 8th July, 2019)*

Independent Non-executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

CORPORATE GOVERNANCE COMMITTEE

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

COMPANY SECRETARY

Mr. Chan Ka Ku
(appointed on 31st August, 2018)
Ms. Cheung Wa Ying
(resigned on 31st 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
4th Floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

WEBSITE

www.ptcorp.com.hk

STOCK CODE

Hong Kong Stock Exchange 372

Chairman's Statement

On behalf of the Board, I am pleased to present the annual report of PT International Development Corporation Limited and its subsidiaries (collectively the "**Group**") for the current year.

Global economic growth is being affected by the escalation of Sino-US trade disputes, which has resulted in weakened international trade flows and increased volatility in the world's financial markets. Despite this, the Group, through careful reallocation of assets was able to rise up to these challenges as evidenced by the implementation of the Group's new strategic initiatives.

In the current year, we have already disposed of most of our Canadian investments including our interest in Burcon and two properties in Vancouver and reallocated these funds for investment which has already generated profitable returns.

The Group remains confident and committed to the PRC government's "One Belt One Road" ("**OBOR**") initiative, which we believe will continue to help the long-term economic development of China and the participants of the initiative. We expect the OBOR will not only accelerate the development of the domestic economic system of China, but also enhance linkages among Asia, Europe, the Middle East, and Africa, strengthening economic partnership and cooperation in various regions. The Group will continue to strategize with plans to grow its businesses embracing the OBOR initiative.

Looking at the year ahead, the Sino-US trade disputes and geopolitical tensions are signaling slower global economic growth and financial markets are likely to remain volatile. In view of these likely events, the Group's management see opportunities emerging from potential changes in global trading patterns. The Group is likely to take the opportunity to re-evaluate its current portfolio and make the necessary adjustments to enhance profitability and maximize shareholder value.

Finally, on behalf of the Board, I would like to take this opportunity to thank the Shareholders for their continuous support to the Company and extend my appreciation to all management and staff members for their contribution and dedication throughout the year.

Ching Man Chun, Louis
Chairman and Managing Director

Hong Kong, 26th June, 2019

Management Discussion and Analysis

BUSINESS REVIEW

Review of Financial Performance

For the year ended 31st March, 2019, the Group continued to principally engage in the businesses of investment holding, comprising strategic investments in PYI, investments in other financial assets and securities, provision of finance, and property investments, and trading business of commodities.

For the year ended 31st March, 2019, the Group's revenue decreased to HK$1,785,780,000 (2018: HK$1,984,368,000).

For the current year, the Group reported a profit of HK$277,056,000 attributable to the owners of the Company (2018: loss of HK$36,828,000) and basic earnings per share of HK13.73 cents (2018: basic loss per share of HK2.16 cents). The current year gain was mainly due to (a) the fair value gain of a financial instrument, in particular, the Group's investment in AFC Mercury Fund with a gain of HK$380,125,000, (b) a gain recognised from the disposal of two subsidiaries with a gain of HK$27,492,000; partially offset by an impairment loss on interest in the Group's associate, PYI .

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$49,208,000 for the current year. The Group shared a profit of HK$11,637,000 (2018: HK$109,115,000) from PYI for the current year.

The Group's interest in PYI is approximately 23.65% at 31st March, 2019 and 2018.

Provision of Finance

For the year ended 31st March, 2019, the Group's finance operation continued to contribute a profitable segment result of HK$1,571,000 (2018: HK$3,180,000) which decreased by 51% compared to last year. As at 31st March, 2019, the loans portfolio held by the Group amounted to HK$39,000,000 (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 a 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 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.

Management Discussion and Analysis

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 year, 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$1,772,410,000 (2018: HK$1,970,638,000) and recorded a segment loss of HK$2,296,000 (2018: profit of HK$633,000).

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 year, the Group maintained the metal trading businesses in Hong Kong and the PRC.

Shanghai Metal Products Business

During the current year, the revenue arising from Bao Sheng (Shanghai) Trading Company*, an indirectly non-wholly-owned subsidiary of the Company was approximately HK$620,649,000 (2018: HK$10,982,000).

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 year 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.

Hong Kong Metal Products Business

During the current year, the revenue arising from Ko Bon Metal Power Limited, an indirectly wholly-owned subsidiary of the Company, was approximately HK$1,109,383,000 (2018: HK$1,261,349,000).

Sri Lanka Fishery Business

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 OBOR 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 OBOR strategy, we will continue to look for different opportunities on expanding our fishery business segment such as exploring suitable operating locations in the PRC.

* *For identification purpose only*

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 year, the Group's long-term investment recorded a revenue of HK$4,312,000 (2018: HK$1,086,000) and a segment profit of HK$384,437,000 (2018: HK$1,022,000). At 31st March, 2019, the Group's long-term investment amounted to HK$752,700,000 (2018: HK$13,596,000). The segment revenue and the segment profit for the current year was mainly attributed to the interest income from convertible note, the preference shares dividend from Thousand Vantage Investment Limited ("**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, 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.

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, principally STX Corporation Limited. STX Corporation Limited is primarily engaged in the business of energy trading, commodity trading, machinery and engine trading, and shipping and logistics. The shares of the Fund held by the Group represent approximately 29.71% of the issued share capital of the Fund as at 31st March, 2019.

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 Group was no longer interested in Great Intelligence Limited and Large Scale Investments Limited, which are mainly engaged in investment holding in equity interest in Burcon Nutra Science Corporation ("**Burcon**") and convertible note issued in Burcon, and the Company recorded a gain on the disposal of approximately HK$27,492,000 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.

Management Discussion and Analysis

In December 2018, the Group entered into a subscription agreement with CEC Asia Media Group L.P. pursuant to which the subscriber agrees to subscribe into the fund as a limited partner for an aggregate consideration of US$2,000,000 in cash. The fund was organised primarily to invest in Global K Centre Limited and Lionheart Entertainment Asia Limited and other strategical investment in relation to media, artist and beauty training academy in South Korea.

Other Investment

During the current year, the Group's other investment contributed nil segment revenue (2018: HK$251,000) and a segment loss of HK$82,000 (2018: HK$380,000).

As at 31st March, 2019, the Group's equity investments portfolio amounted to HK$6,576,000 (2018: HK$4,999,000) and comprised of shares in a company listed in Hong Kong (2018: listed in Hong Kong).

Others

During the current year, the Group's other business contributed a segment revenue of HK$5,688,000 (2018: HK$8,483,000) and a segment loss of HK$21,375,000 (2018: profit of HK$30,969,000). At 31st March, 2019, the Group's other business mainly represented the leasing of investment properties and provision of management services. During the current year, the Group continues to receive a stable property rental income of HK$2,983,000 (2018: HK$4,800,000) from leasing of office premises and hotel strata lots located in Canada and management service income of HK$2,692,000 (2018: HK$3,316,000) from provision of property agency service in Canada. The segment loss for the current year was mainly due to a decrease in fair values of investment properties of HK$18,142,000 (2018: increase of HK$29,199,000).

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31st March, 2019, the Group has total assets of HK$1,488,165,000 (2018: HK$1,428,455,000) represented an increase of approximately 4% when compared with the last year. The increase was mainly due to an investment in a financial instrument.

As at 31st March, 2019, equity attributable to owners of the Company amounted to HK$1,472,608,000 (2018: HK$1,282,153,000), representing an increase of HK$190,455,000 or 15% 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.

As at 31st March, 2019, current assets and current liabilities of the Group were HK$186,571,000 (2018: HK$623,529,000) and HK$10,758,000 (2018: HK$127,120,000) respectively. Accordingly, the Group's current ratio was about 17 (2018: 5).

Use of Proceeds from Shares Placement

On 16th March, 2018, a total of 330,000,000 new shares of the Company have been placed by a placing agent to not less than six independent placees at the price of HK$0.42 per share (the "**Placing**"). The gross and net proceeds after deducting the placing commission and other related expenses from the Placing are HK$138,600,000 and approximately HK$134,342,000 respectively. As at 31st March, 2019, the net proceeds were fully utilised as to (i) approximately HK$100,000,000 for financing the expansion of the commodity trading business of the Group; and (ii) the rest as working capital for the other businesses of the Group and for general corporate purpose.

Gearing Ratio

As at 31st March, 2019, the Group had bank deposits, bank balances and cash of HK$65,553,000 (2018: HK$281,996,000) and nil bank and other borrowings (2018: HK$14,277,000). The Group's gearing ratio was zero at 31st March, 2019 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 bank borrowings.

Foreign Currency Management

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

Pledge of Assets

As at 31st March, 2019, nil investment properties (2018: HK$17,694,000) were pledged by the Group to secure a bank loan granted to the Group.

Contingent Liabilities

As at 31st March, 2019, the Group had no significant contingent liabilities (2018: nil).

Capital Commitments

As at 31st March, 2019, the Group had no significant capital commitments (2018: nil).

Final Dividend

The Board has resolved not to recommend the payment of a final dividend for the year ended 31st March, 2019 (2018: nil).

Management Discussion and Analysis

EMPLOYEES AND REMUNERATION POLICY

As at 31st March, 2019, the Group had a total of 61 employees in Hong Kong, the PRC and Sri Lanka (2018: 30 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 year and there were no outstanding share options as at 31st March, 2019 and as at the date of this report.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, the Group entered into a sale and purchase agreement pursuant to which the Group agreed to sell its entire equity interests in certain subsidiaries for a cash consideration of approximately Canadian Dollars 6,000,000 (representing approximately HK$35,268,000).

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the current year. There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed securities.

Biographies of Directors and Company Secretary

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

EXECUTIVE DIRECTORS

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

Mr. Ching, aged 40, joined the Company as an Executive Director on 1st June, 2017 and is also a director of various subsidiaries of the Company. Mr. Ching was appointed as the Managing Director and the Chairman of the Board of Directors of the Company with effect from 30th September, 2017. Mr. Ching holds a Bachelor of Arts degree in Economics from Boston University in the United States of America. He has extensive experience in commodity trading and business development in the PRC and other countries in Asia and Africa. Mr. Ching is a committee member of the Chinese People's Political Consultative Conference of Liuzhou City in the PRC. Mr. Ching is a non-executive director and deputy president of STX Corporation, the securities of which are listed on the Korea Stock Exchange (stock code: 011810.KS).

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

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

Mr. Sue, aged 54, joined the Company as an Executive Director in March 2017 and is the Chairman of the Corporate Governance Committee and also a director of various subsidiaries of the Company. Mr. Sue holds a Bachelor of Economics degree from The University of Sydney in Australia and a Master of Science in Finance degree from the City University of Hong Kong. Mr. Sue is a fellow of the Hong Kong Institute of Certified Public Accountants, a certified practising accountant of the CPA Australia, a fellow of the Hong Kong Securities and Investment Institute and a fellow and Chartered Governance Professional of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. He has extensive experience in corporate management, finance, accounting and company secretarial practice.

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

Biographies of Directors and Company Secretary

Ms. Xu Wei ("Ms. Xu")

Ms. Xu, aged 49, joined the Group as financial controller in June 2017 and the Company as an Executive Director on 17th August, 2017 and is also a director of various subsidiaries of the Company. Ms. Xu holds a Bachelor of Economics degree majoring in Accounting from Xiamen University in the PRC. Ms. Xu is a fellow of the Institute of Public Accountants in Australia and has extensive experience in finance and accounting.

Mr. Gary Alexander Crestejo ("Mr. Crestejo")

Mr. Crestejo, aged 44, joined the Company as an Executive Director on 17th August, 2017 and is also a director of certain subsidiaries of the Company. Mr. Crestejo holds a Bachelor of Commerce degree in Hospitality and Tourism Management from Ryerson Polytechnic University (now known as Ryerson University) in Canada. Mr. Crestejo has extensive management experience in food and beverages, hospitality and tourism business in Greater China and South East Asia.

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

Mr. Yam, aged 54, joined the Company as an Independent Non-executive Director in March 2017 and is the Chairman of the Nomination Committee and a member of the Audit Committee, the Remuneration Committee and the Corporate Governance Committee. Mr. Yam holds a Bachelor of Commerce degree and a Master of Business Administration degree, both from University of Melbourne in Australia. He is a fellow of the Hong Kong Institute of Certified Public Accountants and a certified practising accountant of the CPA Australia. Mr. Yam had worked for Deloitte Touche Tohmatsu, an international accounting firm and as finance executive for a number of group of companies operating in Hong Kong, the PRC, the United States of America and other overseas countries. He is currently the finance director of a multinational company engaged in the business of ODM/OEM design, manufacturing and retail distribution of telecommunication. Mr. Yam has extensive experience in auditing, accounting and financial management. Mr. Yam is also independent non-executive director of Sustainable Forest Holdings Limited (stock code: 723), a company listed on the Hong Kong Stock Exchange.

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

Mr. Yeung, aged 53, joined the Company as an Independent Non-executive Director on 17th August, 2017 and is the Chairman of the Audit Committee, and a member of the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee. Mr. Yeung holds a Bachelor of Arts degree majoring in Accounting from the University of Ulster in Northern Ireland of the United Kingdom. Mr. Yeung is a fellow of the Association of Chartered Certified Accountants and a fellow of the Hong Kong Institute of Certified Public Accountants. Mr. Yeung has extensive experience in auditing, accounting and finance.

Biographies of Directors and Company Secretary

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

Mr. Wong, aged 52, joined the Company as an Independent Non-executive Director on 6th November, 2017 and is the Chairman of the Remuneration Committee and a member of the Audit Committee, Nomination Committee and Corporate Governance Committee of the Company. Mr. Wong is a fellow member of the Hong Kong Institute of Certified Public Accountants and member of Australia CPA and Australian Institute of Banking and Finance. He holds a master of commerce degree, specializing in banking and finance from University of New South Wales. With more than 20 years of experience in PricewaterhouseCoopers and Ernst and Young, Mr. Wong specializes in the area of auditing banks and listed companies. Mr. Wong is currently the chief financial officer of China Animation Characters Company Limited (stock code: 1566) as well as an independent non-executive director of Softpower International Limited (stock code: 380). All of the above companies are listed on the Hong Kong Stock Exchange.

Note:

Mr. Yeung Kim Ting will be re-designated from Independent Non-executive Director to Executive Director and Mr. Lam Yik Tung will be appointed as Independent Non-executive Director of the Company on 8th July, 2019.

COMPANY SECRETARY

Mr. Chan Ka Ku ("Mr. Chan")

Mr. Chan has been appointed as the Company Secretary of the Company with effect from 31st August, 2018. Mr. Chan holds a degree of Master of Laws in Chinese Business Law and a degree of Master of Corporate Governance. He is currently an associate member of both The Institute of Chartered Secretaries and Administrators, and The Hong Kong Institute of Chartered Secretaries. He has extensive working experience in the company secretarial profession.

Directors' Report

The Directors have the pleasure in presenting their report and the audited consolidated financial statements of the Group for the current year.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an investment holding company. The principal activities of the Company's principal subsidiaries and the Group's principal associates are set out in notes 42 and 17, respectively, to the consolidated financial statements.

Further discussion and analysis of the Group's activities as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including a discussion of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group that have occurred since the end of the financial year and an indication of likely future developments in the Group's business, can be found in the "Chairman's Statement" and "Management Discussion and Analysis" sections set out on pages 4 to 5 to 10 of this annual report. This discussion forms part of this directors' report.

RESULTS

Details of the Group's results for the current year are set out in the consolidated statement of profit or loss and other comprehensive income on pages 60 to 61 of this annual report.

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the current year (2018: Nil).

FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the last five financial years is set out on page 156 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the current year are set out in note 15 to the consolidated financial statements.

INVESTMENT PROPERTIES

Details of movements in the investment properties of the Group during the current year are set out in note 16 to the consolidated financial statements.

Directors' Report

SHARE CAPITAL

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

RESERVES

Details of the movements in the reserves of the Group and the Company during the current year are set out in the consolidated statement of changes in equity on pages 64 to 65 of this annual report and note 41 to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to its Shareholders at 31st March, 2019 and 2018 were as follows:

	2019	2018
	HK'000	*HK'000*
Accumulated profits	**135,186**	95,497
	135,186	95,497

DIRECTORS

The Directors during the current year and up to the date of this report are:

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. Wong Yee Shuen, Wilson
Mr. Yeung Kim Ting *(Note)*
Mr. Lau Yuen Sun, Adrian *(resigned on 30th April, 2018)*

Note:

From 8th July, 2019, Mr. Yeung Kim Ting will be re-designated from Independent Non-executive Director to Executive Director and Mr. Lam Yik Tung will be appointed as Independent Non-executive Director of the Company.

Pursuant to bye-law 98(A) of the Bye-laws, each Director shall retire at least once for every three year, Mr. Ching Man Chun, Louis, Mr. Sue Ka Lok and Ms. Xu Wei will retire from rotation at the forthcoming annual general meeting of the Company (the "**2019 AGM**"). In accordance with bye-law 103(B) of the Bye-laws, Mr. Lam Yik Tung will hold office until the 2019 AGM. All these retiring Directors, being eligible, will offer themselves for re-election as Directors at the 2019 AGM.

DIRECTORS' SERVICE CONTRACTS

None of the Directors being proposed for re-election at the 2019 AGM have a service contract with the Company which is not determined by the Company within one year without payment of compensation, other than statutory compensation.

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

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

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

As at 31st March, 2019, 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 issued share of the Company
Mr. Ching Man Chun, Louis	Interest of controlled corporation	488,000,000 *(Note)*	24.18%

Note:

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

Save as disclosed above, as at 31st March, 2019, 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.

PERMITTED INDEMNITY PROVISIONS

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

DIRECTORS' REMUNERATION

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the directors of the Company had interests in any businesses apart from the Group's businesses which compete or is likely to compete, either directly or indirectly, with the businesses of the Group at 31st March, 2019 as required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Saved as disclosed in note 40 to the consolidated financial statements, no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the current year or at any time during the current year.

UPDATES ON DIRECTORS' INFORMATION

The following are updated information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of 2018 interim report of the Company up to the date of this annual report:

1. Mr. Lam Yik Tung will be appointed as an Independent Non-executive Director of the Company, as well as the chairman of the Remuneration Committee and a member of each of the Audit Committee, the Nomination Committee and the Corporate Governance Committee of the Company, with effect from 8th July, 2019;

2. Mr. Yeung Kim Ting will be re-designated from an Independent Non-executive Director to an executive Director of the Company, as well as ceased to be the chairman of the Audit Committee and a member of each of the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee of the Company, with effect from 8th July, 2019; and

UPDATES ON DIRECTORS' INFORMATION (continued)

3. Mr. Wong Yee Shuen, Wilson, as an Independent Non-executive Director of the Company, will be appointed as the chairman of the Audit Committee as well as remains a member of each of the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee of the Company, but ceased to be the chairman of the Remuneration Committee of the Company, with effect from 8th July, 2019.

SHARE OPTION SCHEME

The share option scheme of the Company was adopted on 19th August, 2011 (the "**Share Option Scheme**"). No share options were granted, exercised, cancelled or lapsed during the current year. As at 31st March, 2019, there was no outstanding share option granted by the Company pursuant to the Share Option Scheme. Details of the Share Option Scheme of the Company are set out in note 32 to the consolidated financial statements.

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

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 31st March, 2019, so far as is known to the Directors and the chief executives of the Company, who had 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 of Substantial Shareholders	Capacity	Number of issued shares held	Approximate percentage of the issued shares of the Company
Mr. Ching	Interest of controlled corporation	488,000,000 *(Note 1)*	24.18%
Champion Choice	Beneficial owner	488,000,000 *(Note 1)*	24.18%
Mr. Suen Cho Hung, Paul ("**Mr. Suen**")	Interest of controlled corporation	339,676,465 *(Note 2)*	16.83%
Ace Way Global Limited ("**Ace Way**")	Interest of controlled corporation	339,676,465 *(Note 2)*	16.83%
Ace Pride Holdings Limited ("**Ace Pride**")	Beneficial owner	339,676,465 *(Note 2)*	16.83%

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

Notes:

1. 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 339,676,465 shares of the Company under the SFO. The interests of Mr. Suen, Ace Way and Ace Pride in 339,676,465 shares of the Company referred to the same parcel of shares.

Save as disclosed above, as at 31st March, 2019, no other parties who had interests or short positions in the shares or underlying shares of the Company which were recorded in the register of the Company required to be kept under Section 336 of the SFO.

PRE-EMPTIVE RIGHTS

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

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

During the current year, there were no purchases, sales or redemptions by the Company, or any of its subsidiaries, of the Company's listed securities.

MAJOR CUSTOMERS AND SUPPLIERS

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

	Customers percentage of total sales	**Suppliers percentage of total purchases**
Five largest	59%	53%
The largest	29%	30%

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

BANK BORROWINGS

As at 31st March, 2019, the Group had no bank and other borrowings (2018: HK$14,277,000). Details of bank and other borrowings of the Group at 31st March, 2019 are set out in note 29 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

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

MANAGEMENT CONTRACTS

Save for employment contracts, no other contracts relating to the management and administration of the whole or any substantial part of any businesses of the Company were entered into or existed during the current year.

CONNECTED TRANSACTION

There was no connected transaction or continuing connected transaction undertaken by the Company during the current year and up to the date of this report which was required to be disclosed pursuant to Chapter 14A of the Listing Rules. The related party transactions disclosed in note 40 to the consolidated financial statements did not constitute connected transactions or continuing connected transactions of the Company, or were either disclosed previously pursuant to the Listing Rules or exempt from reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Directors confirm that the Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

COMPLIANCE WITH LAWS AND REGULATIONS

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

Directors' Report

EMPLOYEES AND REMUNERATION POLICY

As at 31st March, 2019, the Group had a total of 61 employees in Hong Kong, the PRC and Sri Lanka (2018: 30 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 year and there were no outstanding share options as at 31st March, 2019 and as at the date of this report.

SUFFICIENCY OF PUBLIC FLOAT

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

AUDIT COMMITTEE

The audited consolidated financial statements of the Company for the year ended 31st March, 2019 have been reviewed by the Audit Committee before they have been duly approved by the Board under the recommendation of the Audit Committee.

AUDITOR

The consolidated financial statements of the Company for the year ended 31st March, 2019 have been audited by Deloitte Touche Tohmatsu ("**Deloitte**"). A resolution will be proposed at the 2019 AGM to re-appoint Deloitte as auditor of the Company.

On behalf of the Board

Ching Man Chun, Louis
Chairman and Managing Director

Hong Kong, 26th June, 2019

Corporate Governance Report

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

CORPORATE GOVERNANCE CODE

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

Code provision A.2.1 – Chairman and Chief Executive

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

Deviation:

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

Corporate Governance Report

BOARD OF DIRECTORS

Board Composition and Functions

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

The Board has a balanced composition of Executive and Independent Non-executive Directors so that strong independent elements are included in the Board. The Company has always maintained a sufficient number of Independent Non-executive Directors representing more than one-third of the Board as required under the Listing Rules. With three members of the Board being Independent Non-executive Directors who possess professional expertise and a diverse range of experience, the Board can effectively and efficiently exercise independent judgment, give independent advice to the management of the Company and make decisions objectively to the benefits and in the interests of the Company and the Shareholders as a whole. The biographical details of the Directors are set out on pages 11 to 13. There is no financial, business, family or other material/relevant relationship among the members of the Board.

The Company recognises and embraces the benefits of having a diverse Board and therefore has adopted a policy of diversity on the Board (the "**Board Diversity Policy**") in June 2013. With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. Board diversity would be considered based on a number of measurable objectives, including but not limited to skills, knowledge, experience, gender, age, length of services and cultural and educational background. All Board candidates will be considered and appointed based on meritocracy, contribution that the selected candidates will bring to the Board against objective criteria, having due regard for the benefits of diversity on the Board. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The nomination committee will review the policy, as appropriate, and recommend any proposed changes to the Board for approval.

The nomination committee has obligation to review the size, structure and composition of the Board on an annual basis. The Company has a diversified Board composition which meets the aforesaid measurable objectives of the Board Diversity Policy. Biographical details of the Directors are set out on pages 11 to 13 of this annual report. A list containing the names of all Directors and their roles and functions is published on the respective websites of the Hong Kong Stock Exchange and the Company, which would be updated from time to time when there are any changes.

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

Note: From 8th July, 2019, Mr. Yeung will be re-designated from Independent Non-executive Director to Executive Director and Mr. Lam Yik Tung will be appointed as Independent Non-executive Director of the Company.

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

A summary of the training received by the Directors for the year ended 31st March, 2019 based on their training records provided to the Company is as follows:

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

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

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

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

ATTENDANCE AT MEETINGS

A tentative schedule for regular board meetings, committee meetings and annual general meeting of each financial year is made available to all Directors prior to the beginning of the year.

During the current year, four Board meetings and one 2018 annual general meeting ("**2018 AGM**") were held. The attendance records of each individual Director at Board meetings, audit committee meetings ("**ACM**"), corporate governance committee meetings ("**CGCM**"), nomination committee meeting ("**NCM**"), Remuneration Committee meeting ("**RCM**") and the 2018 AGM are set out in the following table:

	Number of meetings attended/held					
Name of Director	**Board Meetings**	**ACM**	**CGCM**	**NCM**	**RCM**	**2018 AGM**
Executive Directors						
Mr. Ching Man Chun, Louis *(Chairman and Managing Director)*	4/4	N/A	N/A	N/A	N/A	1/1
Mr. Sue Ka Lok *(CGC Chairman)*	3/4	N/A	2/2	N/A	N/A	0/1
Ms. Xu Wei	4/4	N/A	N/A	N/A	N/A	1/1
Mr. Gary Alexander Crestejo	4/4	N/A	N/A	N/A	N/A	1/1
INEDs						
Mr. Yam Kwong Chun *(NC Chairman)*	4/4	2/2	2/2	1/1	1/1	1/1
Mr. Yeung Kim Ting *(AC Chairman) (Note 1)*	4/4	2/2	2/2	1/1	1/1	1/1
Mr. Wong Yee Shuen, Wilson *(RC Chairman) (Note 2)*	4/4	2/2	2/2	1/1	1/1	1/1

Notes:

1. Mr. Yeung Kim Ting will be re-designated from Independent Non-executive Director to Executive Director, and ceased as Chairman of Audit Committee and a member of each of Remuneration Committee, Nomination Committee and Corporate Governance Committee on 8th July, 2019.

2. Mr. Wong Yee Shuen, Wilson will be appointed as Chairman of Audit Committee as well as remains a member of each of Remuneration Committee, Nomination Committee and Corporate Governance Committee but ceased to be the Chairman of Remuneration Committee on 8th July, 2019.

CHAIRMAN AND MANAGING DIRECTOR

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

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

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

NOMINATION, APPOINTMENT AND RE-ELECTION OF DIRECTORS

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

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

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

Details of retirement by rotation of the Director at the annual general meeting of the Company for the year 2019 (the "**2019 AGM**") will be stated in the circular and accompanied by the notice of the 2019 AGM.

BOARD COMMITTEES

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

Audit Committee ("AC")

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

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

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

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

- reviewed and discussed with external auditor the annual results for the year ended 31st March, 2018 and the interim results for the six months ended 30th September, 2018 and recommended to the Board for approval respectively;

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

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

- reviewed the internal audit plan for the year 2019;

- recommended to the Board regarding the re-appointment of the Company's external auditor;
- reviewed the audit plan for the year 2019;
- reviewed the risk management and internal control systems of the Group and reviewed the transaction in compliance with the annual review requirements of the Listing Rules;
- considered the adequacy of resources, professional qualifications and experience of staffs of the Company's accounting and financial reporting function, and their training programs and budget;
- reviewed the proposal for updated term of reference and recommended the same to the Board for approval; and
- held meetings with the external auditor, at least annually, in the absence of management, to discuss matters relating to any issues arising from the audit and any other matters the auditor may wish to raise.

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

Remuneration Committee ("RC")

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

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

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

- reviewed the proposal for updated term of reference and recommended the same to the Board for approval; and

- reviewed the Directors' fees for the year of 2018 and recommended the same to the Board for approval.

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

Nomination Committee ("NC")

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

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

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

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

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

- reviewed the structure, size and composition (including but not limited to the skills, knowledge and experiences) of the Board in accordance with the Board Diversity Policy, adopted the Nomination Policy and reported to the Board annually;

- reviewed the proposal for updated term of reference and recommended the same to the Board for approval;

- reviewed and assessed the independence of the INEDs;

- reviewed and recommended to the Board for the proposed re-election of the retiring Directors at the 2019 AGM.

Corporate Governance Committee ("CGC")

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

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

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

Corporate Governance Report

ACCOUNTABILITY AND AUDIT

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation of the financial statements for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the financial statements for the year ended 31st March, 2019, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are fair and reasonable and prepared the financial statements on a going concern basis. The statement made by the auditor of the Company regarding their reporting responsibilities on the financial statements of the Group is set out in the "Independent Auditor's Report" on pages 55 and 59 of this annual report.

Auditor's Remuneration

Deloitte Touche Tohmatsu ("**Deloitte**"), the Group's principal auditor, was re-appointed by the Shareholders at the last annual general meeting held on 17th August, 2018 as the Company's external auditor to hold office until the forthcoming annual general meeting. For the current year, the total auditor's remuneration in respect of statutory audit and non-audit services provided by Deloitte was set out below:

Services rendered	**Fees paid/payable** *HK$'000*
Statutory audit fee	1,700
Fees for non-audit services:	
Review of interim results	380
Total auditor's remuneration for the current year	2,080

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

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

- control environment including organisational structure, limit of authority, reporting lines and responsibilities;

- risk management self-assessment and internal control review conducted from time to time by the Group;

- appropriate risk management measures such as written policies and procedures; and

- effective information platforms to facilitate internal and external information flow.

The Board oversees the Group's risk management process and internal control systems on an ongoing basis. The Board has conducted an annual review of the effectiveness of the systems of risk management and internal control systems of the Group for the year ended 31st March, 2019, covering the changes of significant risks since the last annual review, the scope and quality of management's ongoing monitoring of risks and of the internal control systems, risk management weaknesses and all material controls, including financial, operational, compliance controls, and particularly the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions. The management of the Company has provided confirmation to the Board on the effectiveness of the internal control system. The Board considers the risk management and internal control systems effective and adequate.

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

DISSEMINATION OF INSIDE INFORMATION

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group is also committed to social responsibilities and its philosophies of sustainable development, and has conducted an annual review on the efforts and achievements made by the Group for environmental, social and governance issues for the current year, details of which as disclosed in the "Environmental, Social and Governance Report" on pages 37 to 54 of this annual report, which also serves as a platform for communication with all equity owners by making responses to the major concerns of all stakeholders in our efforts to facilitate mutual understandings.

COMPANY SECRETARY

Mr. Chan Ka Ku ("**Mr. Chan**") has been appointed as the Company Secretary in replacement of Ms. Cheung Wa Ying ("**Ms. Cheung**") with effect from 31st August, 2018. He is an employee of the Group and confirmed that he has complied with all the qualifications, experience and training requirements as required by the Listing Rules. The said change of the Company Secretary was appointed by the Board at a physical Board meeting pursuant to the Listing Rules.

Each of Ms. Cheung and Mr. Chan has taken no less than 15 hours of the relevant professional training during the current year. Biographical details of Mr. Chan are set out under the section headed "Biographies of Directors and Company Secretary" on pages 11 to 13 of this annual report.

COMMUNICATION WITH SHAREHOLDERS

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

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

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

SHAREHOLDERS' RIGHTS

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

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

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

Corporate Governance Report

DIVIDEND POLICY

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

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

CONSTITUTIONAL DOCUMENTS

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

Environmental, Social and Governance Report

1. ABOUT THE REPORT

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

1.1 Scope of the Report

The ESG Report covers the environmental and social performance of the Group's businesses for the period between 1st April, 2018 and 31st March, 2019 (the "**Year**"). The key performance indicators ("**KPIs**") as disclosed in the ESG Report for the Year are based on the performance of the whole Group, including the offices in Hong Kong, the People's Republic of China (the "**PRC**") and Sri Lanka, as compared to the last reporting period which covers only the principal office of the Group in Hong Kong[1]. For details of corporate governance, please refer to the Corporate Governance Report on pages 23 to 36 of the Company's annual report.

1.2 Reporting Standard

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

1.3 ESG Governance

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

1.4 Information and Feedback

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

[1] *Since it is the second year in reporting our environmental and social performance, the Group has decided to expand its reporting scope to raise the extent of disclosure of the ESG Report.*

2. ABOUT US

The Group is principally engaged in the businesses of investment holding, strategic investment, investment in other financial assets and securities, provision of finance, and property investment. We have also expanded our business to commodities trading of metals and fishery products in recent years, as a way to diversify the source of revenue.

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

3. STAKEHOLDER ENGAGEMENT

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

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

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

3. STAKEHOLDER ENGAGEMENT (continued)

Stakeholders	Requirements and Expectations	Response and Communication Channels
Shareholders	• Returns • Transparency and effective communication	• General Meetings • Announcements • Email, telephone communication and company website • Dedicated reports
Partners	• Operation with integrity • Equal rivalry • Performance of contracts • Mutual benefit and win-win result	• Review and evaluation meetings • Business communications • Discussion and exchange of views • Engagement and cooperation
Customers	• Operation with integrity	• Customer service center and hotlines • Meeting with customers • Customer feedback
Environment	• Energy saving and emission reduction • Environmental protection	• ESG reporting
Employees	• Protection of rights • Occupational health • Remunerations and benefits • Career development • Humanity cares	• Meetings with employees • Employee mailbox • Training and workshops • Employee activities
Community and the public	• Improvement in community environment • Transparency	• Company website • Announcements • Media Interviews

4. ENVIRONMENTAL PROTECTION

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

4.1. Emission

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

Air pollutants emission during the Year:

Type	Weight (g)
Nitrogen oxides (NO_x)	**72,847**
Sulphur oxides (SO_x)	**120**
Particulate matter (PM)	**7,304**

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

4. ENVIRONMENTAL PROTECTION (continued)

4.1. Emission (continued)

Greenhouse gas emission during the Year:

Indicator	Weight (tons CO_2e)
Total emission	**145**
Direct emission (Scope 1)	**32**
Indirect emission (Scope 2)	**56**
Indirect emission (Scope 3)	**56**
Intensity (emission/employee)	**2.37**

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

Wastes generated during the Year:

Type	Weight (tons)	Intensity (tons/employee)
Non-hazardous waste	**27**	**0.44**
	Weight (kg)	**Intensity (kg/employee)**
Hazardous waste	**25**	**0.41**

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

4. ENVIRONMENTAL PROTECTION (continued)

4.2. Green Operation

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

As a way to reduce the amount of waste we generate we implemented various measures by upholding the principle of "Reduce, Reuse, Recycle and Replace" ("**4Rs**"). We always encourage our staff to reuse envelopes, folders, file cards and other stationary, to recycle waste papers, metals and plastics by using waste sorting bins, and to reduce the use of disposable and non-recyclable products. For instance, rechargeable batteries are used instead of disposable batteries in our office. We also purchase products with improved recyclability, higher recycled content, reduced packaging and greater durability. We enhance our staff's awareness of the importance of reducing waste generation at source through green procurement practice and administrative approaches. For our fishery trading business, the remains of the fish products, such as the internal organs, are collected and further processed into animal feed by recycling companies so that food waste can be reduced.

Apart from waste generation, greenhouse gas emission is another major concern of the Group. Our dedication to reducing carbon footprint can be reflected by a couple of measures, targeting at various sources of emission. For example, employees who are engaged actively in overseas meetings are encouraged to substitute phone or video conferences for overseas business travels to avoid unnecessary outbound travels. We organize events at locations easily accessible by public transportation and optimize route planning for goods delivery to reduce carbon footprint on transportation. Also, we proactively avoid or reduce the amount of paper waste generated by using electronic means to disseminate information internally, setting printers to default duplex and monitoring printing volume regularly. In our office, most of the paper purchased is produced in an environmentally sustainable process. In Sri Lanka office, discarded papers are collected and sent to waste paper recycling companies.

4. ENVIRONMENTAL PROTECTION (continued)

4.3. Energy Conservation

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

Energy consumption during the Year:

Indicator	Consumption (MWh)
Total energy consumption	**190**
By type	
Use of vehicles	**116**
Electricity	**74**
Intensity (consumption/employee)	**3.11**

To effectively lower energy consumption, the Group has worked on the lighting system to minimize electricity use. We ensure all light fixtures and lamps are cleaned regularly to maximize their efficiency and utilize natural light as far as practicable. We have installed energy-efficient lighting and separated the office area into different lighting zones so that lighting can be used more flexibly.

In addition, we ensure filters and fan coil units of the air conditioning system are cleaned regularly to maintain its high efficiency. Employees are allowed to wear light clothes every Friday so that energy for air conditioning can be saved. The prevention of energy waste is another important aspect, we thereby use timers to switch off printers completely and set all computers to sleeping mode when idling.

For our fishery trading business, third-party engineers are assigned to monitor the air conditioning system of the rented refrigerated warehouse to minimize the fluctuation of temperature so as to reduce the consumption of electricity. The Group will continue to strengthen its energy-saving measures in an effort to make it an energy-efficient enterprise.

4. ENVIRONMENTAL PROTECTION (continued)

4.4. Water Conservation

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

Water consumption during the Year[2]:

Indicator	Consumption (m^3)	Intensity (m^3/employee)
Total water consumption	**7,680**	**333.91**

4.5. Use of Packaging Materials

Packaging is one of the key elements of the Group's fishery trading business in order to protect and preserve the fishery products during storage, transportation and delivery. The Group seeks to reduce the use of packaging materials by utilizing the materials to the maximum extent and exploring more simplified ways of packaging while maintaining our product quality. Packaging materials of the Group include paper products, plastic products like plastic bags and boxes, and polystyrene foam boxes.

Use of packaging materials during the Year[3]:

Type	Consumption (piece)	Intensity (piece/HKD'000)
Paper products	**75,240**	**7.15**
Plastic products	**404,695**	**38.43**
Polystyrene foam products	**1,162,311**	**110.38**

2 *As water consumption fee is included in the management fee of the office in Hong Kong and the PRC, water consumption amount in these two offices are not able to be obtained or recorded. Data herein only includes water consumption in Sri Lanka.*

3 *As weight of packaging materials was not recorded during the Year, data of packaging materials are presented in pieces.*

5. EMPLOYEE-FOCUSED

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

5.1. Employment

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

The Group strictly prohibits the employment of child labour in accordance with the relevant laws and regulations such as the Employment of Children Regulations of Hong Kong and Provision on the Prohibition of Using Child Labour of the PRC. We ensure that no child labour is employed by verifying the identity of new employees before the commencement of work. Forced labour is also stringently prohibited that no staff engagement in unacceptably dangerous and/or hazardous work, physical punishment, abuse, servitude, peonage or trafficking is allowed in any of our operations and services. During the Year, the Group has employed a total of 61 employees in Hong Kong, the PRC, and Sri Lanka.

5. EMPLOYEE-FOCUSED (continued)

5.2. Promotion and Development

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

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

5.3. Health and Safety

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

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

In case of any occurrence of work-related injuries or illness, or reports on unsafe and unhealthy work practices, the Group will make corresponding responses promptly by investigating the cases, planning for remedial measures and providing necessary assistance to the persons involved.

5. EMPLOYEE-FOCUSED (continued)

5.4. Welfare

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

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

6. BUSINESS OPTIMIZATION

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

6.1. Supply Chain Management

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

6. BUSINESS OPTIMIZATION (continued)

6.2. Products and Service Quality

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

We have put in place a system for quality management, aiming at ensuring that our products meet the relevant health and safety requirements and the service that we provide are of high quality. For the money lending business, the Group has obtained the Money Lender's License in conformity with the Money Lenders Ordinance of Hong Kong. For metals and fishery trading, products are always inspected and tested with reference to relevant standards prior to selling. Metals traded by the Group are also in compliance with the standard specifications of high-quality metals as set out by the London Metal Exchange, which is a world centre for the trading of industrial metals. For our fishery trading business, third-party engineers are responsible for the monitoring of the operation of the rented refrigerated warehouse to ensure our fishery products are kept fresh. In addition, we ensure our fishery products comply with all applicable food regulations and standards, which certifies the quality, safety and marketability. During the sales of products, certificates of origin and quality are always provided to buyers as a guarantee of the quality of our products.

6.3. Customer Services

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

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

6. BUSINESS OPTIMIZATION (continued)

6.4. Business Ethics

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

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

7. COMMUNITY CONTRIBUTION

Support from society and community has long been an important element for the growth and development of the Group, we therefore recognize the importance of serving the community with love and care. Our staff is encouraged to participate in charitable events and activities, and we will continue to step up our community contribution by dedicating more efforts in participating or organizing community and charitable activities in the future so as to share our fruitful enterprise growth with the community.

APPENDIX: KPI REPORTING GUIDE

KPI	Description	Chapters	Page No.
Environment			
A1 Emissions			
A1.1	The types of emissions and respective emissions data.	Emission	40-41
A1.2	Greenhouse gas emissions in total and, where appropriate, intensity.	Emission	40-41
A1.3	Total hazardous waste produced and, where appropriate, intensity.	Emission	40-41
A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	Emission	40-41
A1.5	Description of measures to mitigate emissions and results achieved.	Green Operation; Energy Conservation	42-43
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Emission; Green Operation	40-42

APPENDIX: KPI REPORTING GUIDE (continued)

KPI	Description	Chapters	Page No.
A2 Use of Resources			
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Energy Conservation	43
A2.2	Water consumption in total and intensity.	Water Conservation	44
A2.3	Description of energy use efficiency initiatives and results achieved.	Energy Conservation	43
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Water Conservation	44
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Use of Packaging Materials	44
A3 The Environment and Natural Resources			
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Emission; Green Operation; Energy Conservation; Water Conservation; Use of Packaging Materials	40-44

APPENDIX: KPI REPORTING GUIDE (continued)

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

APPENDIX: KPI REPORTING GUIDE (continued)

KPI	Description	Chapters	Page No.
B4 Labor Standards			
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment	45
B4.2	Description of steps taken to eliminate such practices when discovered.	*No relevant disclosure for the Year*	NA
B5 Supply Chain Management			
B5.1	Number of suppliers by geographical region.	*No relevant disclosure for the Year*	NA
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management	47
B6 Product Responsibility			
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	*No relevant disclosure for the Year*	NA
B6.2	Number of products and service related complaints received and how they are dealt with.	*No relevant disclosure for the Year*	NA
B6.3	Description of practices relating to observing and protecting intellectual property rights.	*No relevant disclosure for the Year*	NA
B6.4	Description of quality assurance process and recall procedures.	Products and Services Quality	48
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Customer Services	48

APPENDIX: KPI REPORTING GUIDE (continued)

KPI	Description	Chapters	Page No.
B7 Anti-corruption			
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Business Ethics	49
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Business Ethics	49
B8 Community Investment			
B8.1	Focus areas of contribution.	*No relevant disclosure for the Year*	NA
B8.2	Resources contributed to the focus area.	*No relevant disclosure for the Year*	NA

Deloitte. 德勤

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

OPINION

We have audited the consolidated financial statements of PT International Development Corporation Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 60 to 155, which comprise the consolidated statement of financial position as at 31st March, 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31st March, 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of interest in an associate	
We identified the impairment assessment of interest in PYI Corporation Limited ("PYI"), an associate, as a key audit matter due to the significance of the Group's interests in PYI in the context of the Group's consolidated financial statements as a whole, combined with the significant judgments involved in management's impairment assessment of the interests in associates. PYI is listed in Hong Kong and the carrying value of the Group's interest in PYI as at 31st March, 2019 amounted to approximately HK$547,145,000, which represented approximately 37% of the net assets of the Group. As disclosed in note 4 to the consolidated financial statements, the carrying value of the Group's interest in PYI exceeded the market value of the Group's holding therein as at 31st March, 2019. As disclosed in note 17(c)(i) to the consolidated financial statements, management has assessed the recoverable amount of the Group's interest in PYI using value in use calculations based on 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. As a result of the impairment assessment, a further impairment loss of HK$100,000,000 was recognised in profit or loss during the year ended 31st March, 2019. The accumulated impairment losses recognised as at 31st March, 2019 amounted to HK$485,000,000.	Our procedures in relation to the impairment assessment of interest in an associate included: • Obtaining an understanding of the basis adopted in the valuation methodology prepared by management; and • Assessing the reasonableness of key inputs and assumptions used by management in their estimation of recoverable amounts, including projections of future cash flows expected to arise from dividends to be received from its associate and from its ultimate disposal and discount rates applied.

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
Revenue recognition from trading of goods	
We identified revenue recognition from trading of goods as a key audit matter due to the significance of revenue of the Group to the consolidated statement of profit or loss and other comprehensive income. As disclosed in note 5 to the consolidated financial statements, revenue from trading of goods is recognised at a point in time when the control of the goods is transferred to customers upon delivery of the goods. Revenue from trading of goods amounted to HK$1,772,410,000 for the year ended 31st March, 2019 as set out in the consolidated statement of profit or loss and other comprehensive income and note 5 to the consolidated financial statements.	Our procedures in relation to revenue recognition from trading of goods included: • Obtaining an understanding of the Group's revenue recognition policy; • Obtaining an understanding of the revenue business processes and relevant controls relating to the recognition of trading income; • Assessing the criteria under which the Group concludes it as acting as a principal and recognises revenue on gross basis based on the requirements under HKFRS 15 "Revenue from Contracts with Customers"; and • Testing the trading income on a sample basis by examining underlying documents.

OTHER INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Chiu Mei Hing.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
26th June, 2019

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st March, 2019

	NOTES	2019 HK$'000	2018 HK$'000
Revenue	5		
Goods and services		**1,775,102**	1,973,954
Interest		**7,682**	5,441
Rental		**2,996**	4,973
Total revenue		**1,785,780**	1,984,368
Cost of sales		**(1,766,242)**	(1,970,005)
Other income, other gains and losses	7	**35,855**	4,910
Net gain (loss) on financial instruments	8	**380,043**	(1,207)
Net (decrease) increase in fair values of investment properties	16	**(18,142)**	29,199
Administrative expenses		**(53,078)**	(35,981)
Finance costs	9	**(406)**	(412)
Loss on net decrease in interest in an associate	10	**–**	(146,443)
Share of results of associates		**11,637**	102,865
Impairment loss on interest in an associate	17	**(100,000)**	–
Profit (loss) before taxation	11	**275,447**	(32,706)
Taxation	12	**1,751**	(4,300)
Profit (loss) for the year		**277,198**	(37,006)
Other comprehensive (expenses) income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(5,263)**	2,614
Share of other comprehensive (expenses) income of associates		**(35,388)**	35,024
Reclassification adjustments:			
– reserves released on net decrease in interests in associates		**–**	(5,666)
– reserves released on disposal of subsidiaries		**(6,062)**	–
Items that will not be reclassified to profit or loss:			
(Loss) gain on revaluation of land and buildings		**(1,794)**	3,910
Share of other comprehensive expenses of associates		**(14,416)**	(14,664)
Deferred tax arising on revaluation of land and buildings		**242**	(644)
Other comprehensive (expenses) income for the year		**(62,681)**	20,574
Total comprehensive income (expenses) for the year		**214,517**	(16,432)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st March, 2019

	NOTE	2019 HK$'000	2018 HK$'000
Profit (loss) for the year attributable to:			
Owners of the Company		**277,056**	(36,828)
Non-controlling interests		**142**	(178)
		277,198	(37,006)
Total comprehensive income (expenses) for the year attributable to:			
Owners of the Company		**214,375**	(16,254)
Non-controlling interests		**142**	(178)
		214,517	(16,432)
		HK cents	*HK cents*
Earnings (loss) per share:	*14*		
Basic		**13.73**	(2.16)
Diluted		**13.73**	(2.16)

Consolidated Statement of Financial Position

At 31st March, 2019

	NOTES	2019 HK$'000	2018 HK$'000
Non-current assets			
Property, plant and equipment	15	**2,724**	10,101
Investment properties	16	**–**	71,997
Interests in associates	17	**547,145**	709,232
Debt instrument at amortised cost	18	**200,000**	–
Financial assets at fair value through profit or loss	19	**551,725**	–
Convertible note	20	**–**	13,596
		1,301,594	804,926
Current assets			
Inventories	21	**1,094**	3,927
Debtors, deposits and prepayments	22	**32,266**	132,614
Loans receivable	23	**39,000**	200,000
Equity investments held for trading	24	**6,572**	4,992
Short-term bank deposits, bank balances and cash	25	**65,553**	281,996
		144,485	623,529
Assets classified as disposal group held for sale	26	**42,086**	–
		186,571	623,529
Current liabilities			
Creditors and accrued expenses	27	**3,609**	119,963
Tax payable		**331**	–
Bank and other borrowings – due within one year	29	**–**	7,157
		3,940	127,120
Liabilities classified as disposal group held for sale	26	**6,818**	–
		10,758	127,120
Net current assets		**175,813**	496,409
Total assets less current liabilities		**1,477,407**	1,301,335
Non-current liabilities			
Bank and other borrowings – due over one year	29	**–**	7,120
Deferred tax liabilities	30	**–**	7,159
		–	14,279
Net assets		**1,477,407**	1,287,056

Consolidated Statement of Financial Position

At 31st March, 2019

	NOTE	2019 HK$'000	2018 HK$'000
Capital and reserves			
Share capital	31	**20,183**	20,183
Share premium and reserves		**1,452,425**	1,261,970
Equity attributable to the owners of the Company		**1,472,608**	1,282,153
Non-controlling interests		**4,799**	4,903
Total equity		**1,477,407**	1,287,056

The consolidated financial statements on pages 60 to 155 were approved and authorised for issue by the Board of Directors on 26th June, 2019 and are signed on its behalf by:

Ching Man Chun, Louis
Chairman and Managing Director

Xu Wei
Executive Director

Consolidated Statement of Changes in Equity

For the year ended 31st March, 2019

	Attributable to the owners of the Company											
	Share capital HK$'000	Share premium HK$'000	Reserve on acquisition HK$'000 (Note (a))	Capital redemption reserve HK$'000	Other reserve HK$'000 (Note (b))	Property revaluation reserve HK$'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 1st April, 2017	16,883	828,508	(24,681)	908	23,058	3,726	(57,498)	31,466	341,313	1,163,683	–	1,163,683
Loss for the year	–	–	–	–	–	–	–	–	(36,828)	(36,828)	(178)	(37,006)
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	–	2,614	–	2,614	–	2,614
Share of other comprehensive (expenses) income of associates	–	–	–	–	–	–	(14,664)	35,024	–	20,360	–	20,360
Reserves released on net decrease in interest in an associate	–	–	–	–	–	–	–	(5,666)	–	(5,666)	–	(5,666)
Gain on revaluation of land and buildings	–	–	–	–	–	3,910	–	–	–	3,910	–	3,910
Deferred tax arising on revaluation of land and buildings	–	–	–	–	–	(644)	–	–	–	(644)	–	(644)
Total comprehensive income (expenses) for the year	–	–	–	–	–	3,266	(14,664)	31,972	(36,828)	(16,254)	(178)	(16,432)
Issue of shares – placing of shares	3,300	135,300	–	–	–	–	–	–	–	138,600	–	138,600
Transaction costs on issue of shares	–	(4,258)	–	–	–	–	–	–	–	(4,258)	–	(4,258)
Capital contribution from non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	–	–	5,081	5,081
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)	–	2,622	–	4,423	382	–	382
At 31st March, 2018	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

Consolidated Statement of Changes in Equity

For the year ended 31st March, 2019

	Attributable to the owners of the Company											
	Share capital HK$'000	Share premium HK$'000	Reserve on acquisition HK$'000 *(Note (a))*	Capital redemption reserve HK$'000	Other reserve HK$'000 *(Note (b))*	Property revaluation reserve HK$'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	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 year	-	-	-	-	-	-	-	-	277,056	277,056	142	277,198
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	-	(5,263)	-	(5,263)	-	(5,263)
Share of other comprehensive expenses of associates	-	-	-	-	-	-	(14,416)	(35,388)	-	(49,804)	-	(49,804)
Reserves released on disposal of subsidiaries *(note 36)*	-	-	-	-	-	-	-	(6,062)	-	(6,062)	-	(6,062)
Loss on revaluation of land and buildings	-	-	-	-	-	(1,794)	-	-	-	(1,794)	-	(1,794)
Deferred tax arising on revaluation of land and buildings	-	-	-	-	-	242	-	-	-	242	-	242
Total comprehensive (expenses) income for the year	-	-	-	-	-	(1,552)	(14,416)	(46,713)	277,056	214,375	142	214,517
Share of equity transactions of the associate	-	-	-	-	393	-	-	-	360	753	-	753
Disposal of subsidiaries *(note 36)*	-	-	-	-	-	-	-	-	-	-	(246)	(246)
At 31st March, 2019	20,183	959,550	(20,513)	908	12,872	5,440	(73,840)	16,729	551,279	1,472,608	4,799	1,477,407

Notes:

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

(b) Other reserve represents the Group's share of the statutory reserve of subsidiaries established in the People's Republic of China (the "PRC") of an associate.

The PRC statutory reserve is required by the relevant laws in the PRC applicable to the entities established in the PRC, whereas the allocation to which is mandatory at certain rates of profit after taxation of the relevant entities prepared under the PRC Generally Accepted Accounting Principles until the balance of the reserve reaches certain levels of the contributed capital of the relevant entities.

Consolidated Statement of Cash Flows

For the year ended 31st March, 2019

	NOTE	2019 HK$'000	2018 HK$'000
OPERATING ACTIVITIES			
Profit (loss) before taxation		**275,447**	(32,706)
Adjustments for:			
Depreciation of property, plant and equipment		**1,798**	1,691
Decrease (increase) in fair values of investment properties		**18,142**	(29,199)
Gain on disposals of property, plant and equipment		**(102)**	(526)
Interest income		**(8,678)**	(5,441)
Interest expenses		**406**	412
Net (gain) loss on financial instruments		**(379,926)**	619
Loss on net decrease in interests in associates		**–**	146,443
Share of results of associates		**(11,637)**	(102,865)
Impairment loss on interest in an associate		**100,000**	–
Unrealised exchange loss (gain)		**239**	(529)
Gain on disposal of subsidiaries		**(34,605)**	(3,356)
Operating cash flows before movements in working capital		**(38,916)**	(25,457)
Decrease (increase) in inventories		**2,559**	(3,927)
Decrease (increase) in debtors, deposits and prepayments		**97,016**	(125,105)
Increase in loans receivable		**(39,000)**	(140,000)
(Increase) decrease in equity investments held for trading		**(1,779)**	55,093
(Decrease) increase in creditors and accrued expenses		**(3,609)**	112,253
Decrease in contract liabilities		**(109,153)**	–
Cash used in operations		**(92,882)**	(127,143)
Interest received		**3,770**	5,093
Tax paid		**(346)**	–
NET CASH USED IN OPERATING ACTIVITIES		**(89,458)**	(122,050)
INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through profit or loss		**(171,600)**	–
Additions to property, plant and equipment		**(2,779)**	(1,801)
Acquisition of investment properties		**(71)**	(156)
Proceeds from disposal of subsidiaries, net of cash and cash equivalents disposed of	*36*	**56,228**	23,987
Interest received		**996**	–
Proceeds from disposals of property, plant and equipment		**445**	1,115
Proceeds from disposal of debt instrument		**–**	13,118
Acquisition of additional interests in associates		**–**	(7,022)
NET CASH (USED IN) FROM INVESTING ACTIVITIES		**(116,781)**	29,241

Consolidated Statement of Cash Flows

For the year ended 31st March, 2019

	NOTE	2019 HK$'000	2018 HK$'000
FINANCING ACTIVITIES			
Repayment of bank and other borrowings		**(7,104)**	(183)
Interest paid		**(508)**	(310)
Proceeds from placing of shares		**–**	138,600
New borrowings raised		**–**	7,000
Capital contribution from non-controlling shareholders of subsidiaries		**–**	5,081
Transaction costs on issue of shares		**–**	(4,258)
NET CASH (USED IN) FROM FINANCING ACTIVITIES		**(7,612)**	145,930
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(213,851)**	53,121
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		**281,996**	227,968
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**(1,526)**	907
CASH AND CASH EQUIVALENTS CARRIED FORWARD		**66,619**	281,996
Represented by:			
Short-term bank deposits, bank balances and cash		**65,553**	281,996
Assets classified as disposal group held for sale	26	**1,066**	–
		66,619	281,996

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2019

1. GENERAL

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

The Company is an investment holding company. The principal activities of the Company's principal subsidiaries (together with the Company referred to as the "Group") and the Group's principal associates are set out in notes 42 and 17, respectively.

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

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

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

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

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	Transfers of Investment Property

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

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

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

HKFRS 15 "Revenue from Contracts with Customers"

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

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 "Revenue" and HKAS 11 "Construction Contracts" and the related interpretations.

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 when the control of the goods is 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 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. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (continued)

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

HKFRS 15 "Revenue from Contracts with Customers" (continued)

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.

Information about the Group's performance obligations and the accounting policies resulting from application of HKFRS 15 are disclosed in notes 5 and 3 respectively.

Summary of effects arising from initial application of HKFRS 15

The following adjustments were made to the amounts recognised in the 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 HK$'000	Reclassification HK$'000	Remeasurement HK$'000	Carrying amounts under HKFRS 15 at 1st April, 2018* HK$'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 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. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (continued)

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

HKFRS 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 consolidated statement of financial position as at 31st March, 2019 and its consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows for the current year for each of the line items affected. Line items that were not affected by the changes have not been included.

Impact on the consolidated statement of financial position

	Note	As reported *HK$'000*	Adjustment *HK$'000*	Amounts without application of HKFRS 15 *HK$'000*
Non-current asset				
Interests in associates	*(a)*	547,145	17,556	564,701
Capital and reserves				
Share premium and reserves	*(a)*	1,452,425	17,556	1,469,981

Impact on the consolidated statement of profit or loss and other comprehensive income

	Note	As reported *HK$'000*	Adjustment *HK$'000*	Amounts without application of HKFRS 15 *HK$'000*
Share of results of associates	*(a)*	11,637	(2,245)	9,392
Profit before taxation	*(a)*	275,447	(2,245)	273,202
Profit for the year	*(a)*	277,198	(2,245)	274,953
Total comprehensive income for the year	*(a)*	214,517	(2,245)	212,272

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

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

HKFRS 15 "Revenue from Contracts with Customers" (continued)

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

Impact on the consolidated statement of cash flows

	Notes	As reported *HK$'000*	Adjustment *HK$'000*	Amounts without application of HKFRS 15 *HK$'000*
Profit before taxation	*(a)*	275,447	(2,245)	273,202
Adjustment for share of results of associates	*(a)*	(11,637)	2,245	(9,392)
Decrease in creditors and accrued expense	*(b)*	(3,609)	(109,153)	(112,762)
Decrease in contract liabilities	*(b)*	(109,153)	109,153	–

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 application of HKFRS 15 resulted in an accumulated decrease of HK$17,556,000 in the carrying amount of interests in associates at 31st March, 2019, of which HK$17,561,000 has been charged to accumulated profits and HK$5,000 has been credited to translation reserve. Meanwhile, the application of HKFRS 15 resulted in an increase of HK$2,245,000 in share of results of associates for the current year.

(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. There were no contract liabilities as at 31st March, 2019.

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

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

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

HKFRS 9 (2014) "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 other items; 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 HKFRSs in the current year. 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) and have not been applied to instruments that have already been derecognised as at 1st April, 2018. The differences between 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 was prepared under HKAS 39 "Financial Instruments: Recognition and Measurement".

Accounting policies resulting from application of HKFRS 9 are disclosed in note 3.

Summary of effects arising from initial application of HKFRS 9

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 of 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.

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.

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

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

Impact on opening consolidated statement of financial position arising from application of new standards

As a result of the changes in the Group's accounting policies above, the opening consolidated statement of financial position had to be restated. The following table shows the adjustments recognised for each of the line items affected. Line items that were not affected by the changes have not been included.

	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

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

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 16	Leases[1]
HKFRS 17	Insurance Contracts[3]
HK(IFRIC) - Int 23	Uncertainty over Income Tax Treatments[1]
Amendments to HKFRS 3	Definition of a Business[4]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKAS 1 and HKAS 8	Definition of Material[5]
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement[1]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 - 2017 Cycle[1]

1 Effective for annual periods beginning on or after 1st January, 2019.

2 Effective for annual periods beginning on or after a date to be determined.

3 Effective for annual periods beginning on or after 1st January, 2021.

4 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1st January, 2020.

5 Effective for annual periods beginning on or after 1st January, 2020.

Except for the new HKFRS mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the Group's consolidated financial statements in the foreseeable future.

HKFRS 16 "Leases"

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 "Leases" and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted for as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

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

New and amendments to HKFRSs in issue but not yet effective (continued)

HKFRS 16 "Leases" (continued)

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classifications of cash flow, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to those classified as investment properties while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31st March, 2019, the Group has non-cancellable operating lease commitments of HK$13,707,000 as disclosed in note 37. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of HK$2,323,000 (included in debtors, deposits and prepayments) as rights under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) - Int 4 "Determining whether an Arrangement contains a Lease" and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC) - Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group elected the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening accumulated profits without restating comparative information.

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation

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

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

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

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates

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

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

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

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates (continued)

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

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

Acquisition or deemed acquisition of additional interests in associates

On acquisition or deemed acquisition of additional interests in associates, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of that associate attributable to the additional interests obtained is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities attributable to the additional interests obtained over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Disposal or deemed disposal of partial interests in associates

On disposal or deemed disposal of partial interests in associates without losing significant influence, the difference between the carrying values of the interests in associate disposed of and the consideration received, if any, is credited or charged to the profit or loss as gain/loss on disposal of interests in associates. In addition, the Group reclassifies to profit or loss in relation to the partial interests disposed of a proportionate amount of the gain or loss previously recognised in other comprehensive income if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Disposal group held for sale

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

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

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

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2)

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 or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

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

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or

- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2) (continued)

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.

Revenue recognition (prior to 1st April, 2018)

Revenue is measured at the fair value of the consideration received or receivable, net of discounts and sales related taxes.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed.

Service income is recognised when services are rendered.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

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

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

The Group as lessee

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

Leasehold land and building

When the Group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted for as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

When the lease payments cannot be allocated reliably between the leasehold land and building elements, the entire property is generally classified as if the leasehold land is under finance lease.

Foreign currencies

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

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

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

In addition, for partial disposals of associates that do not result in the Group losing significant influence, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

Retirement benefit costs

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

Short-term employee benefits

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

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

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

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

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

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

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

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

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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

Property, plant and equipment

Property, plant and equipment, other than land and buildings, are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Land and buildings held for use in the supply of services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amount. Freehold land is stated at the fair value at the date of revaluation and is not depreciated. Buildings are stated at the fair value at the date of revaluation less any subsequent accumulated depreciation and any subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

Any revaluation increases arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in property revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of an asset is recognised in profit or loss to the extent that it exceeds the balance, if any, on the property revaluation reserve relating to a previous revaluation of the same asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to accumulated profits.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the item is derecognised.

Impairment losses on assets

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

The recoverable amount of assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating unit for which a reasonable and consistent allocation basis can be identified.

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

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment losses on assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

Inventories

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

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1st April, 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets

Classification and subsequent measurement of financial assets

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

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

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

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

A financial asset is classified as held for trading if:

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

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

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

In addition, the Group may irrevocably designate a financial asset that is required to be measured at amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(ii) Financial assets at FVTPL

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset.

Impairment of financial assets (upon full application of HKFRS 9 with transitions in accordance with note 2)

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including debt instrument at amortised cost, debtors and deposits, loans receivable and short-term bank deposits and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for trade debtors. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon full application of HKFRS 9 with transitions in accordance with note 2) (continued)

(i) Significant increase in credit risk

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon full application of HKFRS 9 with transitions in accordance with note 2) (continued)

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

(ii) Definition of default

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon full application of HKFRS 9 with transitions in accordance with note 2) (continued)

(iii) Credit-impaired financial assets

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

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

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon full application HKFRS 9 with transitions in accordance with note 2) (continued)

(v) Measurement and recognition of ECL (continued)

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

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

Impairment of financial assets (before full application of HKFRS 9 on 1st April, 2018)

Financial assets, other than those at FVTPL are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period, observable changes in national or local economic conditions that correlate with default on receivables.

The amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (before full application of HKFRS 9 on 1st April, 2018) (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade debtors, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a balance is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

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

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

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Financial liabilities at amortised cost

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

Derecognition of financial liabilities

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

4. CRITICAL ACCOUNTING ESTIMATES

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

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

Critical judgment in applying accounting policies

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

Principal versus agent consideration (principal)

The Group 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.

Key sources of estimation uncertainty

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

Impairment assessment of interest in an associate

At the end of each reporting period, the Group assesses whether there is an objective evidence that the interest in an associate may be impaired. As at 31st March, 2019, the carrying value of the Group's interest in a listed associate in Hong Kong exceeded the market value of the Group's holding therein. Management has assessed the recoverable amount of the Group's interest in the listed associate using value in use calculations based on 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. As a result of the impairment assessment, a further impairment loss of HK$100,000,000 (2018: nil) was recognised in profit or loss during the year ended 31st March, 2019. The accumulated impairment loss recognised in respect of the Group's interest in the associate as at 31st March, 2019 amounted to HK$485,000,000 (2018: HK$385,000,000).

5. REVENUE AND SEGMENT INFORMATION

Revenue

For the year ended 31st March, 2019

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

	2019
	HK$'000
Revenue from contracts with customers	
– Trading income	**1,772,410**
– Management and other related service income	**2,692**
	1,775,102
Interest revenue	
– Interest income from provision of finance	**3,370**
– Interest income from investments	**4,312**
	7,682
Rental income	
– Property rental income	**2,983**
– Others	**13**
	2,996
	1,785,780

5. REVENUE AND SEGMENT INFORMATION (continued)

Revenue (continued)

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

Disaggregation of revenue from contracts with customers

	2019
	HK$'000
Types of goods or services	
Trading income	
– Metals	**1,730,032**
– Fisheries	**40,050**
– Agricultural products	**2,328**
	1,772,410
Management and other related service income	**2,692**
	1,775,102
Geographical location	
Hong Kong	**1,141,231**
The People's Republic of China (the "PRC"), excluding Hong Kong	**620,649**
Canada	**2,692**
Sir Lanka	**10,530**
	1,775,102

Upon initial application of HKFRS 15 on 1st April, 2018 as set out in note 2, revenue from trading of commodities is recognised at a point in time when the control of the goods is transferred to the customers upon delivery of the goods, 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.

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

5. REVENUE AND SEGMENT INFORMATION (continued)

Revenue (continued)

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

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

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

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

5. REVENUE AND SEGMENT INFORMATION (continued)

Revenue (continued)

For the year ended 31st March, 2018

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

	2018 *HK$'000*
Trading income	1,970,638
Management and other related service income	3,316
Interest income from provision of finance	4,104
Interest income from investments	1,337
Property rental income	4,800
Others	173
	1,984,368

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.

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

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

Segment revenue and results

For the year ended 31st March, 2019

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

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Segment revenue and results (continued)

For the year ended 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*	Eliminations *HK$'000*	Consolidated *HK$'000*
SEGMENT REVENUE								
External sales	1,970,638	3,910	1,086	251	8,483	1,984,368	–	1,984,368
Inter-segment sales	–	177	–	–	–	177	(177)	–
Total	1,970,638	4,087	1,086	251	8,483	1,984,545	(177)	1,984,368
RESULTS								
Segment results	633	3,180	1,022	(380)	30,969	35,424	–	35,424
Central administration costs								(28,519)
Other income, other gains and losses								4,379
Finance costs								(412)
Loss on net decrease in interest in an associate								(146,443)
Share of results of associates – share of results								102,865
Loss before taxation								(32,706)

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

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

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Segment assets and liabilities

As at 31st March, 2019

	Trading	Finance	Long-term investment	Other investment	Others	Segment total	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
SEGMENT ASSETS								
Segment assets	28,132	42,195	752,700	6,576	–	829,603	–	829,603
Assets classified as disposal group held for sale	–	–	–	–	42,086	42,086	–	42,086
Interests in associates	–	–	–	–	–	–	547,145	547,145
Unallocated corporate assets	–	–	–	–	–	–	69,331	69,331
Total assets	28,132	42,195	752,700	6,576	42,086	871,689	616,476	1,488,165

As at 31st March, 2018

	Trading	Finance	Long-term investment	Other investment	Others	Segment total	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'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

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Segment assets and liabilities (continued)

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

- all assets are allocated to operating segment other than interests in associates, certain 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 chief operating decision maker of the Group on making decision for resources allocation and performance assessment.

Interest income (other than bank interest income) was allocated to segments. However, certain related short-term bank deposits and bank balances are not reported to the Group's CODM as part of segment assets. This is the measure reported to the Group's CODM for the purposes of resource allocation and assessment of segment performance.

Other information

For the year ended 31st March, 2019

	Trading HK$'000	Finance HK$'000	Long-term investment HK$'000	Other investment HK$'000	Others HK$'000	Segment total HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measurement of segment results or segment assets:								
Additions to property, plant and equipment	946	-	-	-	20	966	1,813	2,779
Additions to investment properties	-	-	-	-	71	71	-	71
Depreciation	299	-	-	-	472	771	1,027	1,798
Interest income	-	3,370	4,312	-	-	7,682	996	8,678
Decrease in fair values of investment properties	-	-	-	-	(18,142)	(18,142)	-	(18,142)
Gain on disposal of subsidiaries	-	-	-	-	-	-	34,605	34,605
Gain on disposals of property, plant and equipment	-	-	-	-	-	-	102	102
Net gain (loss) on financial instruments	-	-	380,125	(82)	-	380,043	-	380,043

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Other information (continued)

For the year ended 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
Amounts included in the measurement of segment results or segment assets:								
Additions to property, plant and equipment	–	–	–	–	14	14	1,787	1,801
Additions to investment properties	–	–	–	–	156	156	–	156
Depreciation	–	–	–	–	275	275	1,416	1,691
Interest income	–	3,910	1,086	251	194	5,441	–	5,441
Increase in fair values of investment properties	–	–	–	–	29,199	29,199	–	29,199
Gain on disposal of subsidiaries	–	–	–	–	–	–	3,356	3,356
Gain on disposals of property, plant and equipment	–	–	–	–	–	–	526	526
Net loss on financial instruments	–	–	574	633	–	1,207	–	1,207

Geographical information

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

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

	Revenue		**Carrying amount of non-current assets *(Note)***	
	2019 *HK$'000*	2018 *HK$'000*	**2019 *HK$'000***	2018 *HK$'000*
Hong Kong	1,148,395	1,963,966	548,826	711,524
The PRC, excluding Hong Kong	620,649	10,982	375	203
Canada	6,206	9,219	–	79,397
Sri Lanka	10,530	201	665	206
	1,785,780	1,984,368	549,866	791,330

Note: Non-current assets exclude financial assets.

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Information about major customers

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

Customer	Segment	2019 HK$'000	2018 HK$'000
Customer A	Trading	521,995	1,406,578
Customer B	Trading	N/A[1]	420,696
Customer C	Trading	334,624	N/A[1]

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

Revenue by services and investments

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

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

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

(a) Directors' emoluments

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

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

(a) Directors' emoluments (continued)

	Fees *HK$'000*	Salaries and other benefits *HK$'000*	Retirement benefit scheme contributions *HK$'000*	Discretionary bonus *HK$'000*	Total *HK$'000*
2018					
Executive directors:					
Ching Man Chun, Louis (appointed on 1st June, 2017)	8	842	15	–	865
Xu Wei (appointed on 17th August, 2017)	6	572	11	–	589
Gary Alexander Crestejo (appointed on 17th August, 2017)	6	315	12	–	333
Sue Ka Lok	10	383	19	–	412
Suen Cho Hung, Paul (resigned on 30th September, 2017)	5	600	30	–	635
Chau Mei Wah, Rosanna (resigned on 29th December, 2017)	8	334	33	–	375
Independent non-executive directors:					
Lau Yuen Sun, Adrian (resigned on 30th April, 2018)	150	–	–	–	150
Wong Yee Shuen, Wilson (appointed on 6th November, 2017)	60	–	–	–	60
Yam Kwong Chun	150	–	–	–	150
Chu Kin Wang, Peleus (resigned on 27th September, 2017)	74	–	–	–	74
Yeung Kim Ting (appointed on 17th August, 2017)	94	–	–	–	94
Total	571	3,046	120	–	3,737

On 30th September, 2017, Suen Cho Hung, Paul resigned as the chief executive of the Company and Ching Man Chun, Louis was appointed as the chief executive of the Company.

The emoluments disclosed above include those for services rendered by them as the chief executives of the Company.

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

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

(b) Five highest paid employees

The five highest paid employees of the Group during the year included two (2018: three) directors of the Company during the year, details of whose emoluments are set out in note (a) above. For the year ended 31st March, 2019, amounts disclosed as follows represent the remuneration of the remaining three highest paid employees who are neither a director nor chief executive of the Company during the year ended 31st March, 2019. For the year ended 31st March, 2018, amounts disclosed as follows represented the remuneration of the remaining two highest paid employees who were neither a director nor chief executive of the Company during the year ended 31st March, 2018, and the remuneration of another individual who resigned as a director of the Company during the year ended 31st March, 2018 and became an employee of the Group after the resignation.

	2019	2018
	HK$'000	*HK$'000*
Salaries and other benefits	**3,219**	2,998
Discretionary bonus	**1,323**	1,825
Retirement benefit scheme contributions	**109**	128
	4,651	4,951

Their emoluments were within the following bands:

	Number of individuals	
	2019	2018
Nil to HK$1,000,000	**–**	1
HK$1,000,001 to HK$1,500,000	**1**	1
HK$1,500,001 to HK$2,000,000	**2**	–
HK$3,000,001 to HK$3,500,000	**–**	1

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

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

7. OTHER INCOME, OTHER GAINS AND LOSSES

	2019	2018
	HK$'000	*HK$'000*
Gain on disposals of property, plant and equipment	**102**	526
Gain on disposal of subsidiaries *(note 36)*	**34,605**	3,356
Net foreign exchange (loss) gain	**(990)**	484
Bank interest income	**996**	–
Others	**1,142**	544
	35,855	4,910

8. NET GAIN (LOSS) ON FINANCIAL INSTRUMENTS

	2019	2018
	HK$'000	*HK$'000*
Increase in fair values of financial assets at fair value through profit or loss	**380,125**	–
Increase (decrease) in fair values of equity investments held for trading, realised	**117**	(588)
Decrease in fair value of equity investments held for trading, unrealised	**(199)**	(5)
Decrease in fair value of convertible note	**–**	(574)
Decrease in fair value of debt instruments	**–**	(40)
	380,043	(1,207)

9. FINANCE COSTS

The amount represent interests on the Group's bank and other borrowings during the year.

10. LOSS ON NET DECREASE IN INTEREST IN AN ASSOCIATE

The loss for the year ended 31st March, 2018 was mainly resulted from the deemed disposal of partial interests in associates which was resulted from the dilution effect of exercise of share options and share placements by the associates.

In May 2017, PYI Corporation Limited ("PYI"), the Group's associate, 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$144,217,000 and HK$2,226,000 respectively during the year ended 31st March, 2018. The Group's interest in PYI decreased from approximately 28.45% at 31st March, 2017 to approximately 23.65% at 31st March, 2018.

11. PROFIT (LOSS) BEFORE TAXATION

	2019	2018
	HK$'000	*HK$'000*
Profit (loss) before taxation has been arrived at after charging:		
Staff costs, including directors' emoluments:		
Salaries and other benefits	**23,294**	15,289
Retirement benefit scheme contributions	**582**	427
	23,876	15,716
Auditor's remuneration - audit services	**1,700**	1,503
Depreciation of property, plant and equipment	**1,798**	1,691
Minimum lease payments under operating leases in respect of rented premises	**9,658**	5,889
Cost of inventories recognised as an expense	**1,766,242**	1,970,005
and after crediting:		
Gain on disposal of subsidiaries	**34,605**	3,356
Gain on disposals of property, plant and equipment	**102**	526
Rental income under operating leases, net of negligible outgoings, in respect of:		
– investment properties	**2,983**	4,800
– motor vehicles	**13**	173

12. TAXATION

	2019 HK$'000	2018 HK$'000
Current tax		
PRC Enterprise Income Tax ("EIT")	436	–
Deferred tax *(note 30)*:		
(Credit) charge for the year	(2,187)	3,386
Attributable to a change in tax rate	–	914
	(2,187)	4,300
Tax (credit) charge	(1,751)	4,300

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

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, PRC EIT is calculated at 25% of the assessable profits for the subsidiaries in the PRC. No provision for EIT was made for the year ended 31st March, 2018 as the relevant subsidiary had no assessable profits under PRC EIT.

The Group's operations in Canada are subject to corporation income tax rate at 27% (2018: 27%). Deferred tax has been recognised on the revaluation of properties located in Canada. As a result of the increase in the applicable corporation income tax rate from 26% to 27% with effect from 1st January, 2018, deferred tax liabilities recognised in relation to the Group's revaluation of properties in Canada have been adjusted for the year ended 31st March, 2018. Details are set out in note 30.

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

12. TAXATION (continued)

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

	2019	2018
	HK$'000	*HK$'000*
Profit (loss) before taxation	**275,447**	(32,706)
Tax credit at the Hong Kong Profits Tax rate of 16.5%	**45,449**	(5,396)
Tax effect of expenses not deductible for tax purposes	**22,649**	24,966
Tax effect of income not taxable for tax purposes	**(69,431)**	(5,313)
Tax effect of tax losses not recognised	**1,147**	3,167
Utilisation of tax losses not recognised	**(230)**	–
Tax effect of share of results of associates	**(1,920)**	(16,973)
Increase in opening deferred tax liabilities resulting from an increase in applicable tax rate	**–**	914
Effect of different tax rates applicable to subsidiaries operating in other jurisdictions	**585**	2,935
Tax (credit) charge for the year	**(1,751)**	4,300

Details of deferred taxation are set out in note 30.

13. DISTRIBUTIONS

The directors of the Company have resolved not to recommend the payment of a final dividend for the year ended 31st March, 2019 (2018: nil).

14. 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:

	2019 *HK$'000*	2018 *HK$'000*
Profit (loss) for the year attributable to the owners of the Company for the purpose of basic earnings (loss) per share	**277,056**	(36,828)
Effect of dilutive potential ordinary shares:		
Adjustment to the share of results of an associate based on dilution of its earnings per share	**–**	(3)
Profit (loss) for the year attributable to the owners of the Company for the purpose of diluted earnings (loss) per share	**277,056**	(36,831)

	Number of shares 2019	 2018
Weighted average number of shares for the purposes of basic and diluted earnings (loss) per share	**2,018,282,827**	1,702,748,580

For the year ended 31st March, 2019, the computation of diluted earnings per share does not assume the exercise of the share options and warrants of the Group's associates, as appropriate, since their assumed exercise would result in an increase in earning per share (2018: a decrease in loss per share).

15. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings HK$'000	Office equipment HK$'000	Yacht and motor vehicles HK$'000	Furniture and fixtures HK$'000	Total HK$'000
COST OR VALUATION					
At 1st April, 2017	3,268	4,103	27,837	2,997	38,205
Translation adjustments	138	11	–	67	216
Additions	–	845	–	956	1,801
Disposal of subsidiaries *(note 36)*	–	–	(2,227)	–	(2,227)
Disposals	–	(552)	(5,542)	(770)	(6,864)
Revaluation increase	3,760	–	–	–	3,760
At 31st March, 2018	7,166	4,407	20,068	3,250	34,891
Translation adjustments	(231)	(31)	–	(84)	(346)
Additions	–	1,224	326	1,229	2,779
Disposal of subsidiaries *(note 36)*	–	–	(19,275)	–	(19,275)
Disposals	–	(173)	(790)	(156)	(1,119)
Revaluation decrease	(2,138)	–	–	–	(2,138)
Reclassification to assets classified as disposal group held for sale *(note 26)*	(4,797)	(272)	–	(1,596)	(6,665)
At 31st March, 2019	–	5,155	329	2,643	8,127
DEPRECIATION					
At 1st April, 2017	–	3,852	24,837	2,674	31,363
Translation adjustments	(1)	10	–	54	63
Provided for the year	151	250	734	556	1,691
Disposal of subsidiaries *(note 36)*	–	–	(1,902)	–	(1,902)
Eliminated on disposals	–	(436)	(5,069)	(770)	(6,275)
Reversal on revaluation	(150)	–	–	–	(150)
At 31st March, 2018	–	3,676	18,600	2,514	24,790
Translation adjustments	(6)	(22)	–	(70)	(98)
Provided for the year	350	554	147	747	1,798
Disposal of subsidiaries *(note 36)*	–	–	(18,225)	–	(18,225)
Eliminated on disposals	–	(172)	(448)	(156)	(776)
Reversal on revaluation	(344)	–	–	–	(344)
Reclassification to assets classified as disposal group held for sale *(note 26)*	–	(257)	–	(1,485)	(1,742)
At 31st March, 2019	–	3,779	74	1,550	5,403
CARRYING VALUES					
At 31st March, 2019	–	1,376	255	1,093	2,724
At 31st March, 2018	7,166	731	1,468	736	10,101

15. PROPERTY, PLANT AND EQUIPMENT (continued)

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

Freehold land	Nil
Buildings	4%
Office equipment	20% - $33^1/_3$%
Yacht and motor vehicles	20%
Furniture and fixtures	20%

The carrying value of land and buildings held by the Group as at 31st March, 2018 represented freehold land and property in Canada.

As at 31st March, 2018, if the land and building had not been revalued, they would have been included in these consolidated financial statements at historical cost less accumulated depreciation of HK$715,000. Details of the fair value measurements of the Group's land and buildings as at 31st March, 2018 are set out in note 16.

16. INVESTMENT PROPERTIES

	HK$'000
FAIR VALUE	
At 1st April, 2017	40,907
Translation adjustments	1,735
Additions	156
Increase in fair values recognised in profit or loss, unrealised	29,199
At 31st March, 2018	71,997
Translation adjustments	(2,729)
Additions	71
Decrease in fair values recognised in profit or loss, unrealised	(18,142)
Disposal of subsidiaries *(note 36)*	(16,789)
Reclassification to assets classified as disposal group held for sale *(note 26)*	(34,408)
At 31st March, 2019	–

16. INVESTMENT PROPERTIES (continued)

The fair values of the Group's land and buildings (included in property, plant and equipment) and investment properties as at 31st March, 2018 had been arrived on the basis of valuations carried out on that date by RHL Appraisal Limited, an independent qualified professional valuer not connected with the Group, who has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The Group examined the appropriateness for valuation techniques and inputs for fair value measurements.

The fair value measurement for the Group's land and buildings and investment properties were categorised as Level 3. The fair value were determined based on the direct comparison method, which makes references to the recent transactions for similar properties in the proximity and adjusted for a number of unobservable inputs, between the comparable properties and the subject matters. A slight change in any of the unobservable inputs above holding all other factors constant would have no significant effect to the fair values of the land and buildings and the investment properties. In estimating the fair values of the properties, the highest and best use of the properties was their current use. There had been no change to the valuation technique or level of fair value hierarchy during the year ended 31st March, 2018.

The Group's investment properties as at 31st March, 2018 represented properties in Canada held to earn rentals and for capital appreciation purposes, which were measured using the fair value model and were classified and accounted for as investment properties. Details of the Group's investment properties and information about the fair value hierarchy as at 31st March, 2018 was as follows:

	Level 3 and fair value at 31 March 2018 *HK$'000*
Office premises located in Canada	54,303
Hotel strata lots located in Canada	17,694
	71,997

There were no transfers into or out of Level 3 during the year ended 31st March, 2018.

Investment properties of HK$17,694,000 were pledged by the Group to secure a bank loan of the Group as at 31st March, 2018.

17. INTERESTS IN ASSOCIATES

(a) Investments in associates

	2019 HK$'000	2018 HK$'000
Share of consolidated net assets of associates:		
– listed in Hong Kong	**1,030,968**	1,093,055
– listed overseas	**–**	–
Goodwill	**1,177**	1,177
	1,032,145	1,094,232
Accumulated impairment losses recognised	**(485,000)**	(385,000)
	547,145	709,232
Market value of listed securities:		
Hong Kong	**178,828**	189,270
Overseas	**–**	31,163
	178,828	220,433

As at 31st March, 2018, the Group held 22.45% equity interests in a listed associate, Burcon Nutra Science Corporation ("Burcon"). Burcon is listed in Canada and Germany and is engaged in investment holding in company engaged in the development of commercial plant protein. The carrying value of the Group's interest in Burcon as at 31st March, 2018 was 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 36.

17. INTERESTS IN ASSOCIATES (continued)

(b) Particulars of the Group's associates at 31st March, 2019 and 2018

Name of associate	Place of listing	Place of incorporation/ registration	Principal place of operations	Percentage of issued share capital and voting rights held indirectly by the Company		Principal activities
				2019 %	2018 %	
PYI	Hong Kong	Bermuda	Hong Kong	**23.65**	23.65	Investment holding in companies engaged in ports and infrastructure development and investment, the operation of ports and logistics facilities, land and property development and investment in association with ports and infrastructure development, securities trading and investment as well as provision of loan financing services, comprehensive engineering and property-related services
Burcon	Canada, United States and Germany*	Canada	Canada	**-**	22.45	Investment holding in company engaged in the development of commercial plant protein

* Burcon was delisted from Nasdaq Stock Market of the United States on 14th June, 2018.

(c) Summarised consolidated financial information of associates

Summarised consolidated financial information in respect of Group's material associate (i.e. PYI) is set out below. The other associate (i.e. Burcon) invested by the Group is not individually material. The summarised consolidated financial information below represents amounts shown in the associates' consolidated financial statements prepared in accordance with HKFRSs.

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

17. INTERESTS IN ASSOCIATES (continued)

(c) Summarised consolidated financial information of associates (continued)

Material associate - PYI

	2019 **HK$'000**	2018 HK$'000
Financial information of financial performance		
Revenue	**628,368**	624,400
Profit for the year	**64,356**	501,759
Other comprehensive (expenses) income for the year	**(263,118)**	163,235
Total comprehensive (expenses) income for the year	**(198,762)**	664,994
Dividend declared by the associate during the year, attributable to the Group	**–**	–
Financial information of financial position		
Property, plant and equipment	**1,308,915**	1,358,358
Investment properties	**1,324,481**	1,350,540
Project under development	**175,428**	186,297
Interests in associates and joint ventures	**773,037**	830,529
Other non-current assets	**769,030**	878,710
Stock of properties	**1,556,864**	1,627,256
Other current assets	**1,760,738**	1,887,644
Other current liabilities	**(1,083,004)**	(854,442)
Other non-current liabilities	**(1,275,913)**	(1,652,100)
Net assets of the associate	**5,309,576**	5,612,792

17. INTERESTS IN ASSOCIATES (continued)

(c) Summarised consolidated financial information of associates (continued)

Material associate - PYI (continued)

	2019 HK$'000	2018 HK$'000
Reconciliation to the carrying amount of interests in the associate:		
Net assets of the associate	**5,309,576**	5,612,792
Less:		
Attributable to:		
– holders of share options granted by the associate	**–**	(3,182)
– non-controlling interests	**(863,482)**	(900,978)
Net assets attributable to the owners of the associate	**4,446,094**	4,708,632
Net assets attributable to the Group's interest in the associate	**1,030,968**	1,093,055
Goodwill	**1,177**	1,177
Accumulated impairment loss recognised	**(485,000)**	(385,000)
Carrying amount of the Group's interest in the associate	**547,145**	709,232
Fair value of the listed associate, valued based on the quoted prices in active markets for the identical asset directly, and categorised as Level 1 of the fair value hierarchy	**178,828**	189,270

17. INTERESTS IN ASSOCIATES (continued)

(c) Summarised consolidated financial information of associates (continued)

Burcon

	2019	2018
	HK$'000	*HK$'000*
The Group's share of:		
Loss and total comprehensive expenses for the year	**–**	(7,022)
Carrying amount of the Group's interest in the associate	**–**	–

Notes:

(i) Assessment for impairment of an associate

As at 31st March, 2019, as the carrying value of the Group's interest in an associate listed in Hong Kong ('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% (2018: 8%) per annum. As a result of the impairment assessment, a further impairment loss of HK$100,000,000 (2018: nil) was recognised in profit or loss during the year ended 31st March, 2019. The accumulated impairment losses recognised in respect of the Group's interest in the associate as at 31st March, 2019 amounted to HK$485,000,000 (2018: HK$385,000,000).

(ii) Unrecognised share of losses of an associate

As at 31st March, 2018, the Group had discontinued recognition of its share of losses of Burcon. The amount of the cumulative unrecognised share of the associate for the year ended 31st March, 2018, extracted from the relevant audited consolidated financial statements of Burcon is as follows:

	2018
	HK$'000
The unrecognised share of losses of the associate for the year	–
Accumulated unrecognised share of losses of the associate	6,917

No disclosure is made for the year ended 31st March, 2019 as Burcon ceased to be the Group's associate as at 31st March, 2019.

17. INTERESTS IN ASSOCIATES (continued)

(d) Decrease in interest in PYI during the year ended 31st March, 2018

As disclosed in note 10, the PYI Placing and exercise of PYI share options resulted in loss on decrease in interest in PYI of HK$144,217,000 and HK$2,226,000 respectively during the year ended 31st March, 2018. The Group's interest in PYI decreased from approximately 28.45% at 31st March, 2017 to approximately 23.65% at 31st March, 2018.

18. 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 a 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 year ended 31st March, 2019.

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

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019 *HK$'000*	2018 *HK$'000*
Unlisted fund *(Note (a))*	**536,125**	–
Unlisted equity investment *(Note (b))*	**15,600**	–
	551,725	–

Notes:

(a) Unlisted fund

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

The Fund is accounted for as a financial asset at fair value through profit or loss in accordance with HKFRS 9. As at 31st March, 2019, the fair value of the Fund is HK$536,125,000. During the year ended 31st March, 2019, fair value gains of HK$380,125,000 was recognised in profit or loss. Details of the fair value measurements of the Fund are disclosed in note 34. In the opinion of the directors of the Company, the Fund is held for long-term strategic investment purposes and as such, the investment is classified as non-current.

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

Notes: (continued)

(b) Unlisted equity investment

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

The Investment is accounted for as a financial asset at fair value through profit or loss in accordance with HKFRS 9. As at 31st March, 2019, the fair value of the Investment is HK$15,600,000. No fair value gain/loss was recognised in profit or loss during the year ended 31st March, 2019. Details of the fair value measurements of the Investment are disclosed in note 34. In the opinion of the directors of the Company, the Investment is held for long-term strategic investment purposes and as such, the Investment is classified as non-current.

20. CONVERTIBLE NOTE

In April 2016, the Group entered into a convertible note agreement with its associate, Burcon, to subscribe for a 3-year unlisted convertible note issued by Burcon. The convertible note was issued on 12th May, 2016 with a principal amount of Canadian Dollars ("C$") 2,000,000 (equivalent to approximately HK$12,127,000) and a maturity date on 12th May, 2019, entitling the Group to convert the convertible note into shares of Burcon at an initial conversion price of C$4.01 per share (subject to adjustments) from 1st July, 2016 until 12th May, 2019. The coupon rate of the convertible note was 8% per annum. As at 31st March, 2018, the carrying value of the convertible note was C$2,238,000 (equivalent to HK$13,596,000). The loss on change in fair value of convertible note of HK$574,000 was recognised to profit or loss during the year ended 31st March, 2018.

The convertible note was accounted for as a financial asset at fair value through profit or loss in accordance with HKFRS 9. The Group determined the appropriate valuation technique and inputs for Level 3 fair value measurements. In estimating the fair value of the convertible note, the Group used market-observable data to the extent it was available. The fair value of the convertible note as at 31st March, 2018 was determined by the directors of the Company with reference to the valuation performed by RHL Appraisal Limited, an independent qualified valuer, using discounted cash flow method for the liability component and the Binomial Option Pricing Model for the conversion and call feature of the convertible note. The valuation was performed as at 31st March, 2018. Details of the method and assumptions used in the valuation of the convertible note were as follows:

	2018
Stock price	C$0.52
Conversion price (as adjusted)	C$3.94
Expected volatility	99.37%
Expected dividend yield	–
Discount rate	12.13%
Option life	1.12 years
Risk-free rate	1.62%

There was no transfer among different levels of the fair value hierarchy during the year ended 31st March, 2018.

On 28th September, 2018, the Group disposed of the convertible note in full through disposal of subsidiaries. Details of the disposal of subsidiaries are set out in note 36.

21. INVENTORIES

	2019 HK$'000	2018 HK$'000
Goods held for sale	**1,094**	3,927

22. DEBTORS, DEPOSITS AND PREPAYMENTS

	2019 HK$'000	2018 HK$'000
Trade debtors		
– goods and services	**1,932**	623
– interest	**4,170**	734
	6,102	1,357
Prepayments to suppliers	**1,025**	95,543
Prepaid expenses, deposits and other receivables	**25,139**	35,714
Other debtors, deposits and prepayments	**26,164**	131,257
	32,266	132,614

As at 31st March, 2018 and 1st April, 2018, trade debtors from contracts with customers amounted to HK$623,000.

Trade debts arising from commodities trading are either receipt in advance in full or are granted with an average credit term of 90 days. The credit terms granted by the Group to other trade debtors normally ranged from 30 days to 90 days. For interest receivable, there are no credit terms granted by the Group.

22. DEBTORS, DEPOSITS AND PREPAYMENTS (continued)

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

	2019 HK$'000	2018 HK$'000
Trade debtors		
0 - 30 days	**4,901**	1,357
31 - 60 days	**224**	–
61 - 90 days	**106**	–
Over 90 days	**871**	–
	6,102	1,357

No trade debtors were past due but not impaired as at 31st March, 2018.

Details of impairment assessment of trade debtors for the year ended 31st March, 2019 are set out in note 34.

23. LOANS RECEIVABLE

	2019 HK$'000	2018 HK$'000
Secured	**39,000**	200,000

The loans receivable carries fixed interests at contractual interest rates (which are also equal to the effective interest rates) at 10% (2018: 2% per annum) and are repayable within one year (2018: repayable within one year).

The loans receivable at 31st March, 2019 and 2018 were respectively secured by share charges relating to shares in entities independent of the Group.

As at 31st March, 2019, the loan receivable of HK$39,000,000 (2018: nil) was denominated in United States dollars ("US$").

The loan receivable amounting to HK$200,000,000 as at 31st March, 2018 has been settled during the year ended 31st March, 2019 pursuant to a deed of novation in fulfilment for the subscription price of the debt instrument as disclosed in note 18.

24. EQUITY INVESTMENTS HELD FOR TRADING

	2019 HK$'000	2018 HK$'000
Financial assets carried at FVTPL:		
Listed equity securities in Hong Kong	**6,572**	4,992

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

25. SHORT-TERM BANK DEPOSITS, BANK BALANCES AND CASH

The short-term bank deposits and bank balances carried interests ranging from 0.01% to 11.00% (2018: 0.01% to 11.00%) per annum.

26. DISPOSAL GROUP HELD FOR SALE

At 31st March, 2019, the Group is in the process of disposing of its entire equity interests in certain subsidiaries that are principally engaged in the holding of an office premise in Canada for own use and to earn rentals and the provision of management and other related services. Negotiations with an interested party have already taken place, and the directors of the Company are committed to sell the equity interest in the subsidiaries within twelve months from end of the reporting period. The assets and liabilities attributable to the subsidiaries have been reclassified as a disposal group held for sale and are presented separately in the consolidated statement of financial position (see below). The results of the subsidiaries are included in “others” for segment reporting purposes (see note 5). The net proceeds of disposal are expected to be HK$35,268,000, which is the same as the net carrying amount of the relevant assets and liabilities of the subsidiaries. Accordingly, no impairment losses have been recognised.

26. DISPOSAL GROUP HELD FOR SALE (continued)

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

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

Cumulative property revaluating surplus of HK$5,440,000 and exchange surplus of HK$253,000 have been recognised in other comprehensive income and included in equity under the headings of property revaluation reserve and translation reserve, respectively.

Subsequent to the end of the reporting period, the disposal of the subsidiaries has been completed.

27. CREDITORS AND ACCRUED EXPENSES

	2019 ***HK$'000***	2018 *HK$'000*
Trade creditors	**523**	651
Receipt in advance	**–**	109,153
Other payables and accrued expenses	**3,086**	10,159
Other creditors and accrued expenses	**3,086**	119,312
	3,609	119,963

27. CREDITORS AND ACCRUED EXPENSES (continued)

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

	2019	2018
	HK$'000	*HK$'000*
0 - 30 days	**257**	632
31 - 60 days	**221**	19
Over 90 days	**45**	–
	523	651

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

28. CONTRACT LIABILITIES

	As at 31st March, 2019	As at 1st April, 2018*
	HK$'000	*HK$'000*
Amount received in advance in respect of commodities trading	**–**	109,153

* The amount in this column is after the adjustments from the application of HKFRS 15.

Upon application of HKFRS 15 on 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 as at 31st March, 2018 were reclassified to contract liabilities as at 1st April, 2018. There were no contract liabilities as at 31st March, 2019.

Revenue recognised during the year ended 31st March, 2019 that was included in the contract liability balance at 1st April, 2018 amounted to HK$109,153,000.

29. BANK AND OTHER BORROWINGS

	2019 HK$'000	2018 HK$'000
Bank loan	–	7,277
Loan from a third party	–	7,000
	–	14,277
Secured	–	7,277
Unsecured	–	7,000
	–	14,277
The carrying amounts of the above bank and other borrowings based on scheduled repayment dates set out in the loan agreements:		
Within one year	–	7,157
Within a period of more than one year but not exceeding two years	–	163
Within a period of more than two years but not exceeding five years	–	6,957
	–	14,277
Less: Amounts due within one year shown under current liabilities	–	(7,157)
Amounts shown under non-current liabilities	–	7,120

29. BANK AND OTHER BORROWINGS (continued)

The exposure of the Group's borrowings is as follows:

	2019 HK$'000	2018 HK$'000
Fixed-rate borrowing	–	7,000
Variable-rate borrowings	–	7,277
	–	14,277

As at 31st March, 2018, the variable-rate borrowing carried variable interests at prevailing market rates and the effective interest rate on bank borrowing was 3.95% per annum. As at 31st March, 2018, the fixed-rate borrowing carried fixed interest at 10.00% per annum.

As at 31st March, 2018, the bank borrowing of HK$7,277,000 was secured by investment properties of HK$17,694,000.

30. DEFERRED TAX LIABILITIES

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

	Accelerated tax depreciation HK$'000	Revaluation of properties HK$'000	Tax losses HK$'000	Total HK$'000
At 1st April, 2017	1,198	1,754	(737)	2,215
(Credit) charge to profit or loss	(126)	3,847	(335)	3,386
Charge to other comprehensive income	–	528	–	528
Effect of change in tax rate recognised in:				
– profit or loss	–	914	–	914
– other comprehensive income	–	116	–	116
Disposal of subsidiaries	(45)	–	45	–
At 31st March, 2018	1,027	7,159	(1,027)	7,159
(Credit) charge to profit or loss	(36)	(2,187)	36	(2,187)
Credit to other comprehensive income	–	(242)	–	(242)
Translation adjustment	–	(252)	–	(252)
Reclassification to liabilities classified as disposal group held for sale *(note 26)*	–	(4,478)	–	(4,478)
Disposal of subsidiaries	(991)	–	991	–
At 31st March, 2019	–	–	–	–

30. DEFERRED TAX LIABILITIES (continued)

At 31st March, 2019, the Group has unused tax losses of HK$787,518,000 (2018: HK$804,735,000) available for offset against future profits. As at 31st March, 2018, a deferred tax asset had been recognised in respect of HK$6,226,000 of such losses. As at 31st March, 2019, no deferred tax asset in respect of the tax losses of HK$787,518,000 (2018: HK$798,509,000) has been recognised due to the unpredictability of future profit streams.

As at 31st March, 2019, other than tax losses of HK$2,698,000 arising from the Group's operations in Canada that would expire throughout the years from 2029 to 2038, other tax losses may be carried forward indefinitely.

As at 31st March, 2018, other than tax losses of HK$2,849,000 arising from the Group’s operations in Canada that would expire throughout the years from 2028 to 2035 and HK$767,000 arising from the Group’s operations in the PRC that will expire in 2023, other tax losses might be carried forward indefinitely.

31. SHARE CAPITAL

	Number of shares	**Value** *HK$’000*
Ordinary shares of HK$0.01 each:		
Authorised:		
At 1st April, 2017, 31st March, 2018 and 31st March, 2019	102,800,000,000	1,028,000
Issued and fully paid:		
At 1st April, 2017	1,688,282,827	16,883
Issue of shares – placing of shares	330,000,000	3,300
At 31st March, 2018 and 31st March, 2019	2,018,282,827	20,183

On 16th March, 2018, the Company completed a placement, through a placing agent, of 330,000,000 new shares of the Company at a price of HK$0.42 per share to certain independent third parties.

These shares rank pari passu with the then existing shares of the Company in all respects.

32. SHARE OPTIONS

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

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

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

At the time of adoption by the Company of the Share Option Scheme on 19th August, 2011, the aggregate number of shares which may be issued upon the exercise of all options to be granted by the Company under the Share Option Scheme and any other share option scheme(s) adopted by the Company must not exceed 10% of the total number of issued shares of the Company as at the date of shareholders' approval of the Share Option Scheme. The Company may refresh such limit by an ordinary resolution of its shareholders at a general meeting provided that the limit so refreshed does not exceed 10% of the then total number of issued shares of the Company as at the date(s) of the shareholders' approvals. Share options previously granted under any share option scheme(s) (including options outstanding, cancelled, or lapsed in accordance with the relevant scheme rules or exercised options) shall not be counted for the purpose of calculating the limit as refreshed. As at the date of which these consolidated financial statements authorised for issuance, the total number of shares available for issue under the Share Option Scheme is 201,828,283 (2018: 166,765,479) shares, which represented approximately 10% (2018: 8.3%) of the number of shares in issue of the Company as at the date of which these consolidated financial statements authorised for issuance. Notwithstanding the foregoing, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company must not, in aggregate, exceed 30% of the total number of issued shares of the Company from time to time.

32. SHARE OPTIONS (continued)

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

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

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

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

As at 31st March, 2019 and 2018, there were no outstanding share options granted by the Company pursuant to the Share Option Scheme. No share options were granted, exercised, cancelled or lapsed during the current and prior years.

33. CAPITAL RISK MANAGEMENT

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

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

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

34. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2019 ***HK$'000***	2018 *HK$'000*
Financial assets		
Mandatorily measured at FVTPL		
Held for trading	**6,572**	4,992
Others	**551,725**	13,596
Amortised cost (including cash and cash equivalents)	**334,735**	516,862
Financial liabilities		
Amortised cost	**1,440**	15,300

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

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

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

Market risks

(i) Currency risk

At the end of the reporting period, the carrying amounts of the Group's significant net monetary assets and advances to foreign operations which are subsidiaries within the Group denominated in currencies other than the respective functional currencies of the relevant group entities are as follows:

	2019	2018
	HK$'000	*HK$'000*
The Group		
C$	**–**	13,596
Euro ("EUR")	**7**	25,000
US$	**43,513**	3
Inter-company balances		
C$	**–**	30,253

34. FINANCIAL INSTRUMENTS (continued)

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

Market risks (continued)

(i) Currency risk (continued)

Sensitivity analysis

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

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

On this basis, there would be a decrease/increase in post-tax loss for the year ended 31st March, 2018 by HK$1,831,000 and HK$1,044,000 where C$ and EUR strengthens/weakens against HK$ by 5%, respectively. Management has closely monitored foreign exchange exposure to mitigate the foreign currency risk.

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

(ii) Interest rate risk

As at 31st March, 2019, the Group is exposed to fair value interest rate risk in relation to fixed-rate debt instrument at amortised cost, loans receivable and short-term bank deposits (2018: fixed-rate loans receivable and short-term bank deposits and other borrowing).

As at 31st March, 2019, the Group is exposed to cash flow interest rate risk in relation to bank balances which are mainly arranged at floating rate (2018: bank balances and bank borrowing).

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

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. As at 31st March, 2018, the Group's cash flow interest rate risk was mainly concentrated on the fluctuation of prime rate quoted by the respective banks offering the Group the relevant banking facilities (the "Prime Rate") arising from the Group's bank borrowing that was denominated in C$. There is no significant exposure to interest rate risk on financial liabilities as at 31st March, 2019.

Interest income from financial assets measured at amortised cost amounted to HK$8,678,000 (2018: HK$5,441,000).

Interest expense on financial liabilities measured at amortised cost amounted to HK$406,000 (2018: HK$412,000).

34. FINANCIAL INSTRUMENTS (continued)

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

Market risks (continued)

(ii) Interest rate risk (continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for the financial instruments at the end of the reporting period which carried floating market interest rates. The analysis is prepared assuming the assets and liabilities outstanding at the end of the reporting period were outstanding for the whole year. A 10 basis points increase or decrease for short-term bank deposits and bank balances and 50 basis points for bank borrowing are used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

As at 31st March, 2018, if interest rates for short-term bank deposits and bank balances had been 10 basis points higher/lower, interest rates for bank borrowing had been 50 basis points higher/lower, and all other variables held constant, the Group's post-tax loss for the year would decrease/increase by HK$121,000.

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

(iii) Other price risk

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

Sensitivity analysis

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

If prices of the underlying listed investment of the unlisted fund had been 5% higher/lower, post-tax profit for the year would increase/decrease by HK$5,564,000 (2018: nil) as a result of changes in fair values of the underlying listed investment of the unlisted fund.

If prices of the equity investments held for trading had been 5% higher/lower, post-tax profit (2018: post-tax loss) for the year would increase/decrease (2018: decrease/increase) by HK$274,000 (2018: HK$208,000) as a result of changes in fair values of equity investments held for trading measured at FVTPL.

For the convertible note, as at 31st March, 2018, if the stock price of Burcon had been 5% higher/lower, post-tax loss for the year ended 31st March, 2018 would decrease/increase by HK$4,000 as a result of the changes in fair values of the convertible note measured at FVTPL.

34. FINANCIAL INSTRUMENTS (continued)

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

Credit risk and impairment assessment

As at 31st March, 2019, the carrying amounts of financial assets best represent the Group's maximum exposure to credit risk. Other than the entire balance of debt instrument at amortised cost of HK$200,000,000 and loan receivable of HK$39,000,000 which were backed by share charges as security as disclosed in notes 18 and 23 respectively, the Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its other financial assets.

As at 31st March, 2019, the Group has concentration of credit risk as the loans receivable and the related interest receivable (included in trade debtors) was due from one (2018: one) counterparty.

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

34. FINANCIAL INSTRUMENTS (continued)

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

Credit risk and impairment assessment (continued)

Trade debtors arising from contracts with customers

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group assesses the credit quality of each potential customer and defines a credit rating and limit for each customer which are reviewed regularly by management. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 (2018: incurred credit loss model under HKAS 39) on trade balances based on historical default experience and forward-looking information. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

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

Debt instrument at amortised cost and corresponding interest receivable

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

34. FINANCIAL INSTRUMENTS (continued)

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

Credit risk and impairment assessment (continued)

Other debtors and deposits

The Group accounts for its credit risk on other debtors and deposits by performing credit evaluation and performs impairment assessment under ECL model upon application of HKFRS 9 (2018: incurred credit loss model under HKAS 39) on other debtors. As the other debtors and deposits with gross carrying amount of HK$24,082,000 at 31st March, 2019 have no fixed repayment terms, the directors of the Company consider that the credit risk of the balances has not increased significantly since initial recognition. As such, the Group assess the balances for impairment equal to 12m ECL under the ECL model. The balances are classified as low risk and no 12m ECL is recognised considering the financial background of the counterparties.

Loans receivable and corresponding interest receivable

Before approving any loans to new borrowers, the Group assesses the potential borrower's credit quality and define credit limits individually. Limits attributed to borrowers are reviewed at the end of each reporting period. Management regularly monitors the financial strength of the counterparties to ensure that loans are only made with counterparties with good credit standings. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 (2018: incurred credit loss model under HKAS 39) on each balance individually. In this regard, the directors of the Company consider that the credit risk from these financial assets is significantly reduced.

As the loan receivable and the corresponding interest receivable (included in trade debtors) with gross carrying amounts of HK$39,000,000 and HK$3,195,000 respectively as at 31st March, 2019 are not past due at the end of the reporting period, the directors of the Company consider that the credit risk of the balances has not increased significantly since initial recognition. As such, the Group assesses the balances for impairment equal to 12m ECL under the ECL model. The balances are classified as low risk and no 12m ECL is recognised as the Group's exposure to credit losses is minimal considering the underlying value of the share charges held by the Group as disclosed in note 23.

Short-term bank deposits and bank balances

Short-term bank deposits and bank balances with gross carrying amount of HK$65,553,000 is measured at 12m ECL as there is no significant increase in credit risk since initial recognition. The balances are deposited in banks with external credit rating ranged from A1 to A and no 12m ECL is recognised as the credit risk on these balances is limited because the counterparties are banks with good reputation and credit profile.

34. FINANCIAL INSTRUMENTS (continued)

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

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. As at 31st March, 2018, management also monitored the utilisation of borrowings and ensures compliance with loan covenants.

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

	Weighted average interest rate %	Less than 3 months *HK$'000*	3 months to 1 year *HK$'000*	1 year to 5 years *HK$'000*	Total undiscounted cash flows *HK$'000*	Carrying amount *HK$'000*
2019						
Trade and other creditors	**–**	**1,440**	**–**	**–**	**1,440**	**1,440**
2018						
Trade and other creditors	–	1,023	–	–	1,023	1,023
Bank and other borrowings	6.92	110	7,681	7,760	15,551	14,277
		1,133	7,681	7,760	16,574	15,300

As at 31st March, 2018, the amounts included above for variable interest rate instruments for financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

34. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments

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

Financial assets	Fair value as at 2019 HK$'000	2018 HK$'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input(s)
Equity investments – Listed equity securities	**6,572**	4,992	Level 1	Quoted closing prices in an active market	–
Financial assets at fair value through profit or loss – Unlisted fund	**536,125**	–	Level 2	Based on the net asset values of the fund determined with reference to observable quoted prices in an active market of the underlying investment portfolio, mainly listed shares.	–
– Unlisted equity investment	**15,600**	–	Level 2	Fair value of initial subscription cost adjusted by market movements for the corresponding period from the date of subscription up to the end of the reporting period.	–
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)*.	Discount rate: 12.13% *(Note (i))* Expected volatility of 99.37%. *(Note (ii))*

34. FINANCIAL INSTRUMENTS (continued)

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

Notes:

(i) 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.

(ii) 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 years.

Reconciliation of Level 3 fair value measurements of financial assets

	Convertible note *HK$'000*
As at 1st April, 2017	12,555
Interest income recognised in profit or loss	1,086
Decrease in fair value recognised in profit or loss	(574)
Exchange gain recognised in profit or loss	529
As at 31st March, 2018	13,596
Interest income recognised in profit or loss	476
Exchange loss recognised in profit or loss	(239)
Disposal of subsidiaries (note 36)	(13,833)
As at 31st March, 2019	–

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

35. RETIREMENT BENEFIT SCHEMES

The Group operates a defined contribution scheme which is registered under the Occupational Retirement Schemes Ordinance for qualifying employees. The assets of the scheme are separately held in funds under the control of trustees.

The cost charged to profit or loss represents contributions paid and payable to the funds by the Group at rates specified in the rules of the scheme. Where there are employees who leave the scheme prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

At the end of the reporting period, there were no significant forfeited contributions which arose upon employees leaving the scheme prior to their interests in the Group's contributions becoming fully vested and which are available to reduce the contributions payable by the Group in future years.

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

36. DISPOSAL OF SUBSIDIARIES

For the year ended 31st March, 2019

On 22nd June, 2018, the Group disposed of its entire 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.

On 28th September, 2018, the Group disposed of its entire interests in two subsidiaries Great Intelligence Limited ("Great Intelligence") and Large Scale Investments Limited ("Large Scale") which 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.

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

36. DISPOSAL OF SUBSIDIARIES (continued)

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

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

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

36. DISPOSAL OF SUBSIDIARIES (continued)

For the year ended 31st March, 2018

During the year, the Group disposed of its entire interest in certain subsidiaries for an aggregate consideration of approximately HK$23,840,000. Most of these subsidiaries were investment holding companies.

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

	2018 *HK$'000*
Consideration received:	
Cash received	23,840
Analysis of the aggregate assets and liabilities over which control was lost:	
Property, plant and equipment	325
Intangible assets	150
Debtors, deposits and prepayments	20,014
Creditors and accrued expenses	(5)
Net assets disposed of	20,484
Aggregate gain on disposal of the subsidiaries:	
Consideration received	23,840
Net assets disposed of	(20,484)
Gain on disposal (included in other income, other gains and losses)	3,356
Cash inflow arising on the disposals:	
Cash consideration received	23,840
Settlement of consideration receivable in the prior year	147
Proceeds from disposal of subsidiaries	23,987

37. OPERATING LEASE ARRANGEMENTS/COMMITMENTS

(a) The Group as a lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises, which fall due as follows:

	2019	2018
	HK$'000	*HK$'000*
Within one year	**9,489**	5,489
In the second to fifth year inclusive	**4,218**	7,288
	13,707	12,777

Leases are negotiated, and monthly rentals are fixed, for an average term of two years (2018: two years).

(b) The Group as a lessor

At the end of the reporting period, the Group had contracted with a tenant for future minimum lease payments which fall due as follows:

	2019	2018
	HK$'000	*HK$'000*
Within one year	**976**	524
In the second to fifth year inclusive	**419**	306
	1,395	830

As at 31st March, 2019, the investment property held had a committed tenant for the next two years (2018: two years).

38. PLEDGE OF ASSETS

As at 31st March, 2018, investment properties of HK$17,694,000 were pledged by the Group to secure a bank loan granted to the Group.

39. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Bank and other borrowings
	HK$'000
At 1st April, 2017	7,156
Financing cash flows	6,507
Non-cash changes:	
Exchange realignment	304
Interest expenses	412
Change in accrued interest	(102)
At 31st March, 2018	14,277
Financing cash flows	(7,612)
Non-cash changes	
Exchange realignment	(399)
Interest expenses	406
Disposal of subsidiaries	(6,774)
Change in accrued interest	102
At 31st March, 2019	–

40. RELATED PARTY DISCLOSURES

(a) Related party transactions

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

		2019	2018
		HK$'000	*HK$'000*
Related parties	**Nature of transactions**		
Burcon	Rentals and related building management fee charged by the Group	**228**	457
	Service fees charged by the Group	**–**	10
	Interest income received or receivable by the Group	**476**	1,086

(b) Compensation of key management personnel

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

41. FINANCIAL INFORMATION OF THE COMPANY

	2019 *HK$'000*	2018 *HK$'000*
Non-current asset		
Investments in subsidiaries	**1,044,066**	578,254
Current assets		
Other receivables	**332**	281
Amounts due from subsidiaries	**151,896**	364,805
Short-term bank deposits, bank balances and cash	**695**	134,412
	152,923	499,498
Current liabilities		
Other payables	**1,756**	1,614
Amounts due to subsidiaries	**79,406**	–
	81,162	1,614
Net current assets	**71,761**	497,884
	1,115,827	1,076,138
Capital and reserves		
Share capital	**20,183**	20,183
Share premium and reserves *(Note)*	**1,095,644**	1,055,955
Total equity	**1,115,827**	1,076,138

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

	Share premium *HK$'000*	**Capital redemption reserve** *HK$'000*	**Accumulated profits** *HK$'000*	**Total** *HK$'000*
At 1st April, 2017	828,508	908	30,163	859,579
Profit and total comprehensive income for the year	–	–	65,334	65,334
Issue of shares				
– placing on shares	135,300	–	–	135,300
Transaction costs on issue of shares	(4,258)	–	–	(4,258)
At 31st March, 2018	959,550	908	95,497	1,055,955
Profit and total comprehensive income for the year	–	–	39,689	39,689
At 31st March, 2019	959,550	908	135,186	1,095,644

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31st March, 2019 and 2018 are as follows:

Name of subsidiary	Place of incorporation/ establishment/ registration	Place of operations	Issued and fully paid share capital	Percentage of issued share capital held by the Company		Percentage of issued share capital attributable to the Group		Principal activities
				2019 %	2018 %	2019 %	2018 %	
Directly owned								
All Combine Investments Limited	British Virgin Islands	Hong Kong	US$1 ordinary share	**100**	100	**100**	100	Investment holding
Treasure Investment Holdings Limited	British Virgin Islands	Hong Kong	US$1 ordinary share	**100**	100	**100**	100	Investment holding
PT Holdings (BVI) Limited	British Virgin Islands	Hong Kong	US$1 ordinary share	**100**	100	**100**	100	Investment holding
PT OBOR Trading Group Limited	British Virgin Islands	Hong Kong	US$1 ordinary share	**100**	100	**100**	100	Investment holding
PT OBOR Financial Holdings Limited	British Virgin Islands	Hong Kong	US$1 ordinary share	**100**	100	**100**	100	Investment holding
PT Global Investment Holdings Limited	British Virgin Islands	Hong Kong	US$1 ordinary share	**100**	100	**100**	100	Investment holding
Indirectly owned								
Great Intelligence Holdings Limited	Hong Kong	Hong Kong	HK$2 ordinary shares	**100**	100	**100**	100	Securities trading and treasury investment
PT Credit Limited	Hong Kong	Hong Kong	HK$2 ordinary shares	**100**	100	**100**	100	Provision of finance
ITC Management Limited	Hong Kong	Hong Kong	HK$2 ordinary shares	**100**	100	**100**	100	Provision of management, administration and financial services and treasury investment

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation/ establishment/ registration	Place of operations	Issued and fully paid share capital	Percentage of issued share capital held by the Company 2019 %	2018 %	attributable to the Group 2019 %	2018 %	Principal activities
1081346 B. C. Limited *(Note (i))*	Canada	Canada	C$1 common share	-	100	-	100	Property holding
PT Investment Corporation Limited	Hong Kong	Hong Kong	HK$1 ordinary share	**100**	100	**100**	100	Investment holding. securities trading and metal trading
保笙(上海)貿易有限公司 *(Note (ii))*	The PRC	The PRC	Renminbi 20,000,000 ordinary shares	**80**	80	**80**	80	Metal trading
Ko Bon Metal Power Limited	Hong Kong	Hong Kong	HK$78,000,000 ordinary shares	**100**	100	**100**	100	Metal trading
PT Fishery Trading Limited	Hong Kong	Hong Kong	HK$1 ordinary share	**100**	100	**100**	100	Fishery and vegetables trading
Hong Zhan International (Private) Limited	Sri Lanka	Sri Lanka	Sri Lankan Rupee 70,590,910 ordinary shares	**100**	100	**100**	100	Fishery trading

Notes:

(i) The entity was disposed of during the year ended 31st March, 2019.

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

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

All of the above subsidiaries are limited companies.

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

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

43. MAJOR NON-CASH TRANSACTION

As disclosed in notes 18 and 23, the acquisition of debt instrument of HK$200,000,000 during the year ended 31st March, 2019 was settled by way of offsetting the loan receivable of the same amount due by the Issuer of the debt instrument to the Group.

44. EVENTS AFTER THE REPORTING PERIOD

Disposal of subsidiaries

In June 2019, the disposal of the subsidiaries principally engaged in the holding of an office premise in Canada and provision of management and other related services as disclosed in note 26 has been completed.

Disposal of subsidiaries of PYI

Subsequent to the end of the reporting period, on 22nd May, 2019, PYI entered into a conditional agreement with an independent third party for the disposal of its entire investment of 51% equity interest in Yichang Port Group Limited (the "**Disposal**") at a consideration of RMB377,400,000 (equivalent to approximately HK$429,000,000), subject to adjustment. The Disposal has not been completed as at the date of these consolidated financial statements were authorised for issuance.

Financial Summary

For the year ended 31st March, 2019

	Year ended 31st March,				
	2015	2016	2017	2018	**2019**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
RESULTS					
Revenue	9,099	15,027	15,404	1,984,368	**1,785,780**
Profit (loss) before taxation	240,528	436,334	(1,293,560)	(32,706)	**275,447**
Taxation	(40)	(416)	(418)	(4,300)	**1,751**
Profit (loss) for the year	240,488	435,918	(1,293,978)	(37,006)	**277,198**
Attributable to:					
Owners of the Company	240,488	435,918	(1,293,978)	(36,828)	**277,056**
Non-controlling interests	–	–	–	(178)	**142**
	240,488	435,918	(1,293,978)	(37,006)	**277,198**

	As at 31st March,				
	2015	2016	2017	2018	**2019**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
ASSETS AND LIABILITIES					
Total assets	3,125,597	3,605,991	1,180,622	1,428,455	**1,488,165**
Total liabilities	(18,062)	(72,128)	(16,939)	(141,399)	**(10,758)**
	3,107,535	3,533,863	1,163,683	1,287,056	**1,477,407**
EQUITY					
Equity attributable to:					
Owners of the Company	3,107,535	3,533,863	1,163,683	1,282,153	**1,472,608**
Non-controlling interests	–	–	–	4,903	**4,799**
	3,107,535	3,533,863	1,163,683	1,287,056	**1,477,407**