



INTERIM REPORT 2020



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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Abbreviations

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

“Board”	Board of Directors of the Company
“Bye-laws”	Bye-laws of the Company
“Company”	PT International Development Corporation Limited
“Current Period”	the six months ended 30th September, 2020
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“PRC”	People’s Republic of China
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	shareholders of the Company
“HK\$” and “HK\$ cents”	Hong Kong dollars and cents, the lawful currency of Hong Kong
“%”	per cent.

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Ching Man Chun, Louis
(Chairman and Managing Director)
Mr. Sue Ka Lok
Ms. Xu Wei
Mr. Yeung Kim Ting
Mr. Heinrich Grabner

Independent Non-executive Directors

Mr. Yam Kwong Chun
Mr. Wong Yee Shuen, Wilson
Mr. Lam Yik Tung

AUDIT COMMITTEE

Mr. Wong Yee Shuen, Wilson *(Chairman)*
Mr. Yam Kwong Chun
Mr. Lam Yik Tung

REMUNERATION COMMITTEE

Mr. Lam Yik Tung *(Chairman)*
Mr. Yam Kwong Chun
Mr. Wong Yee Shuen, Wilson

NOMINATION COMMITTEE

Mr. Yam Kwong Chun *(Chairman)*
Mr. Wong Yee Shuen, Wilson
Mr. Lam Yik Tung

CORPORATE GOVERNANCE COMMITTEE

Mr. Sue Ka Lok *(Chairman)*
Mr. Yam Kwong Chun
Mr. Wong Yee Shuen, Wilson
Mr. Lam Yik Tung

COMPANY SECRETARY

Ms. Lo Yuen Mei

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants

LEGAL ADVISORS

Vincent T.K. Cheung, Yap & Co.
Solicitors & Notaries
Conyers Dill & Pearman (Bermuda)

PRINCIPAL BANKERS

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

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 3412-3413
34/F., China Merchants Tower, Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

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

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STOCK CODE

Hong Kong Stock Exchange 372

Report on Review of Condensed Consolidated Financial Statements

Deloitte.

德勤

To the Board of Directors of PT International Development Corporation Limited

(Incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of PT International Development Corporation Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 5 to 34, which comprise the condensed consolidated statement of financial position as of 30th September, 2020 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants. The Directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

27th November, 2020

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30th September, 2020

		(Unaudited)	
		Six months ended	
		30th September,	
		2020	2019
	NOTES	HK\$'000	HK\$'000
Revenue	3		
Contracts with customers		702,730	573,046
Interest under effective interest method		175	4,531
Leases		–	203
Total revenue		702,905	577,780
Cost of sales		(695,647)	(572,715)
Other income, other gains and losses		1,924	1,111
Gain on disposal of an associate	13	163,480	–
Net gain (loss) on financial instruments	4	11,866	(281,483)
Administrative expenses		(30,679)	(25,327)
Finance costs		(544)	(792)
Share of results of an associate		–	(48,563)
Impairment loss on interest in an associate	13	–	(345,687)
Profit (loss) before taxation	5	153,305	(695,676)
Taxation charge	6	(5)	(134)
Profit (loss) for the period		153,300	(695,810)
Other comprehensive income (expenses):			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		2,392	(1,411)
Share of other comprehensive expenses of an associate		–	(28,246)
Reclassification adjustment of reserves on disposal of an associate	13	13,427	–
Reclassification adjustment of reserves released on disposal of subsidiaries		–	978
Item that will not be reclassified to profit or loss:			
Share of other comprehensive expenses of an associate		–	(7,171)
Other comprehensive income (expenses) for the period		15,819	(35,850)
Total comprehensive income (expenses) for the period		169,119	(731,660)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30th September, 2020

		(Unaudited) Six months ended 30th September,	
	NOTE	2020 HK\$'000	2019 HK\$'000
Profit (loss) for the period attributable to:			
Owners of the Company		153,649	(695,443)
Non-controlling interests		(349)	(367)
		153,300	(695,810)
Total comprehensive income (expenses) for the period attributable to:			
Owners of the Company		169,468	(731,293)
Non-controlling interests		(349)	(367)
		169,119	(731,660)
		HK\$ cents	HK\$ cents
Earnings (loss) per share	8		
Basic		7.61	(34.46)

Condensed Consolidated Statement of Financial Position

At 30th September, 2020

	NOTES	(Unaudited) At 30th September, 2020 HK\$'000	(Audited) At 31st March, 2020 HK\$'000
Non-current assets			
Property, plant and equipment	9	29,493	27,323
Right-of-use assets	9	19,966	15,872
Financial assets at fair value through profit or loss	10	168,603	152,442
		218,062	195,637
Current assets			
Inventories		36,234	31,256
Debtors, deposits and prepayments	11	5,162	8,026
Debt instrument at amortised cost	12	200,000	200,000
Derivative financial instruments		412	6,513
Equity investment held for trading		–	6,109
Restricted deposits with brokers		1,950	1,950
Short-term bank deposits, bank balances and cash		254,147	77,938
		497,905	331,792
Asset classified as held for sale	13	–	19,780
		497,905	351,572
Current liabilities			
Other payables and accrued expenses		5,465	7,429
Derivative financial instruments		2,556	2,637
Contract liabilities		–	2,522
Lease liabilities – due within one year		5,611	4,416
		13,632	17,004
Net current assets		484,273	334,568
Total assets less current liabilities		702,335	530,205
Non-current liability			
Lease liabilities – due after one year		3,293	282
Net assets		699,042	529,923
Capital and reserves			
Share capital	14	20,183	20,183
Share premium and reserves		673,003	625,871
Amounts recognised in other comprehensive income and accumulated in equity related to asset held for sale		–	(122,336)
Equity attributable to the owners of the Company		693,186	523,718
Non-controlling interests		5,856	6,205
Total equity		699,042	529,923

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30th September, 2020

	Attributable to the owners of the Company											Non-controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Reserve on acquisition HK\$'000 (Note)	Capital redemption reserve HK\$'000	Other reserve HK\$'000	Property revaluation reserve HK\$'000	Investment revaluation reserve HK\$'000	Translation reserve HK\$'000	Amounts recognised in other comprehensive income and accumulated in equity relating to asset held for sale HK\$'000	Accumulated profits (accumulated losses) HK\$'000	Sub-total HK\$'000		
At 1st April, 2020 (audited)	20,183	959,550	-	908	-	-	-	(1,920)	(122,336)	(332,667)	523,718	6,205	529,923
Profit for the period	-	-	-	-	-	-	-	-	-	153,649	153,649	(349)	153,300
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	-	2,392	-	-	2,392	-	2,392
Reserves released on disposal of an associate (note 13)	-	-	-	-	-	-	-	-	13,427	-	13,427	-	13,427
Total comprehensive income (expenses) for the period	-	-	-	-	-	-	-	2,392	13,427	153,649	169,468	(349)	169,119
Disposal of an associate	-	-	-	-	-	-	-	-	108,909	(108,909)	-	-	-
At 30th September, 2020 (unaudited)	20,183	959,550	-	908	-	-	-	472	-	(287,927)	693,186	5,856	699,042
At 1st April, 2019 (audited)	20,183	959,550	(20,513)	908	12,872	5,440	(73,840)	16,729	-	551,279	1,472,608	4,799	1,477,407
Loss for the period	-	-	-	-	-	-	-	-	-	(695,443)	(695,443)	(367)	(695,810)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	-	(1,411)	-	-	(1,411)	-	(1,411)
Share of other comprehensive expenses of an associate	-	-	-	-	-	-	(7,171)	(28,246)	-	-	(35,417)	-	(35,417)
Reserves released on disposal of subsidiaries (note 15)	-	-	-	-	-	-	-	978	-	-	978	-	978
Total comprehensive (expenses) income for the period	-	-	-	-	-	-	(7,171)	(28,679)	-	(695,443)	(731,293)	(367)	(731,660)
Share of equity transactions of the associate	-	-	-	-	(2,730)	-	-	-	-	2,730	-	-	-
Acquisition of subsidiaries (note 16)	-	-	-	-	-	-	-	-	-	-	-	2,734	2,734
Disposal of subsidiaries (note 15)	-	-	-	-	-	(5,440)	-	-	-	5,440	-	-	-
At 30th September, 2019 (unaudited)	20,183	959,550	(20,513)	908	10,142	-	(81,011)	(11,950)	-	(135,994)	741,315	7,166	748,481

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

Condensed Consolidated Statement of Cash Flows

For the six months ended 30th September, 2020

		(Unaudited)	
		Six months ended	
		30th September,	
	NOTES	2020	2019
		HK\$'000	HK\$'000
Net cash used in operating activities			
Increase in inventories		(4,978)	(72,452)
Decrease in debtors, deposits and prepayments		2,408	20,278
Decrease in equity investment held for trading		(6,109)	–
Increase in loan receivables		–	(9,100)
Decrease in other payables and accrued expenses		(2,099)	(2,622)
(Decrease) increase in contract liabilities		(2,522)	62,246
Other operating activities		(2,252)	(12,151)
		(15,552)	(13,801)
Net cash from investing activities			
Proceeds from disposal of an associate	13	196,687	–
Interest received		357	657
Additions to property, plant and equipment	9	(1,911)	(3,098)
Payments for right-of-use assets		(190)	–
Proceeds from disposal of subsidiaries, net of cash and cash equivalents disposed of	15	–	37,336
Capital distribution from financial assets at fair value through profit or loss		–	23,433
Cash inflow on acquisition of subsidiaries not constituting a business	16	–	658
		194,943	58,986
Net cash used in financing activities			
Repayment of lease liabilities		(3,766)	(4,072)
Interest paid		(203)	(792)
		(3,969)	(4,864)
Net increase in cash and cash equivalents		175,422	40,321
Cash and cash equivalents at beginning of the period		77,938	66,619
Effect of foreign exchange rate changes		787	(1,208)
Cash and cash equivalents at end of the period, represented by short-term bank deposits, bank balances and cash		254,147	105,732

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2020

1. BASIS OF PREPARATION

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

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

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values.

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

Application of amendments to HKFRSs

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

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

The application of the Amendments to References to the Conceptual Framework in HKFRSs and the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2020

3. REVENUE AND SEGMENT INFORMATION

Revenue

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

	Six months ended 30th September,	
	2020 HK\$'000	2019 HK\$'000
Revenue from contracts with customers		
– Trading income	702,685	572,418
– Insurance agency income	45	–
– Management and other related service income	–	628
	702,730	573,046
Interest under effective interest method		
– Interest income from provision of finance	–	2,525
– Interest income from investments	175	2,006
	175	4,531
Leases – property rental income	–	203
	702,905	577,780

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2020

3. REVENUE AND SEGMENT INFORMATION (continued)

Revenue (continued)

Disaggregation of revenue from contracts with customers

	Six months ended 30th September,	
	2020 HK\$'000	2019 HK\$'000
Types of goods or services		
Trading income		
– Metals	679,786	567,913
– Chemicals	22,899	–
– Fisheries	–	4,505
	702,685	572,418
Insurance agency income	45	–
Management and other related service income	–	628
	702,730	573,046
Geographical location		
Hong Kong	620,196	418,394
The PRC, excluding Hong Kong	82,534	149,315
Canada	–	832
Sri Lanka	–	4,505
	702,730	573,046

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2020

3. REVENUE AND SEGMENT INFORMATION (continued)

Revenue (continued)

Disaggregation of revenue from contracts with customers (continued)

Revenue from trading of commodities is recognised at a point in time when control of the goods is transferred to the customers upon delivery of the goods. Revenue from provision of insurance agency services is recognised at a point in time when the purchase of insurance products is confirmed between the client and the insurance brokers. Revenue from the provision of management and other related services is recognised over time using the input method.

Revenue from trading of commodities are either receipt in advance in full or is granted with an average credit term of 90 days. Revenue from provision of insurance agency services is granted with an average credit term of 14 days after the end of the relevant month of transaction. For management and other related services, the credit terms normally ranged from 30 days to 90 days.

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

Six months ended 30th September, 2020

	Trading HK\$'000	Long-term investment HK\$'000	Chemical HK\$'000	Financial institute business HK\$'000	Finance HK\$'000	Other investment HK\$'000	Others HK\$'000	Total HK\$'000
Trading income	702,685	-	-	-	-	-	-	702,685
Insurance agency income	-	-	-	45	-	-	-	45
Revenue from contracts with customers	702,685	-	-	45	-	-	-	702,730
Interest under effective interest method - interest income from investments	-	175	-	-	-	-	-	175
Total revenue	702,685	175	-	45	-	-	-	702,905

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2020

3. REVENUE AND SEGMENT INFORMATION (continued)

Revenue (continued)

Disaggregation of revenue from contracts with customers (continued)

Six months ended 30th September, 2019

	Trading HK\$'000	Long-term investment HK\$'000	Chemical HK\$'000	Finance HK\$'000	Other investment HK\$'000	Others HK\$'000	Total HK\$'000
Trading income	572,418	-	-	-	-	-	572,418
Management and other related service income	-	-	-	-	-	628	628
Revenue from contracts with customers	572,418	-	-	-	-	628	573,046
Interest income from provision of finance	-	-	-	2,525	-	-	2,525
Interest income from investments	-	2,006	-	-	-	-	2,006
Interest under effective interest method	-	2,006	-	2,525	-	-	4,531
Revenue arising from leases - property rental income	-	-	-	-	-	203	203
Total revenue	572,418	2,006	-	2,525	-	831	577,780

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2020

3. REVENUE AND SEGMENT INFORMATION (continued)

Segment information

The Group's operating segments, based on information reported to the chief operating decision maker ("CODM"), being the Executive Directors of the Company, for the purposes of resources allocation and performance assessment are as follows:

Trading	-	trading of commodities
Long-term investment	-	investments including long-term debt instruments and equity investments
Chemical	-	chemical storage services (<i>Note(a)</i>)
Financial institute business	-	provision of asset management, insurance brokerage and related services (<i>Note(b)</i>)
Finance	-	loan financing services
Other investment	-	investment in trading of securities
Others	-	leasing of investment properties and management services

Notes:

- (a) During the six months ended 30th September, 2019, the Group acquired, through the acquisition of subsidiaries, a right to use a parcel of reclaimed land and certain chemical storages and related facilities under construction thereon for the provision of chemical storage services. The segment has not commenced operation at the end of the reporting period. Details of the acquisition are disclosed in note 16.
- (b) During the six months ended 30th September, 2020, the Group identified financial institute business as a new operating segment under HKFRS 8 "Operating Segments" under which the Group provides asset management, insurance brokerage and related services.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2020

3. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

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

Segment revenue and results

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

Six months ended 30th September, 2020

	Trading HK\$'000	Long-term investment HK\$'000	Chemical HK\$'000	Financial institute business HK\$'000	Finance HK\$'000	Other investment HK\$'000	Others HK\$'000	Consolidated HK\$'000
SEGMENT REVENUE								
External sales	<u>702,685</u>	<u>175</u>	<u>-</u>	<u>45</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>702,905</u>
RESULTS								
Segment results	<u>(1,612)</u>	<u>12,805</u>	<u>(1,422)</u>	<u>(2,543)</u>	<u>-</u>	<u>21</u>	<u>-</u>	<u>7,249</u>
Central administration costs								(18,190)
Other income, other gains and losses								1,310
Gain on disposal of an associate								163,480
Finance costs								<u>(544)</u>
Profit before taxation								<u>153,305</u>

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2020

3. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Segment revenue and results (continued)

Six months ended 30th September, 2019

	Trading HK\$'000	Long-term investment HK\$'000	Chemical HK\$'000	Finance HK\$'000	Other investment HK\$'000	Others HK\$'000	Consolidated HK\$'000
SEGMENT REVENUE							
External sales	572,418	2,006	-	2,525	-	831	577,780
RESULTS							
Segment results	(4,442)	(280,188)	-	1,816	(274)	(5)	(283,093)
Central administration costs							(17,602)
Other income, other gains and losses							61
Finance costs							(792)
Share of results of an associate							(48,563)
Impairment loss on interest in an associate							(345,687)
Loss before taxation							(695,676)

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2020

4. NET GAIN (LOSS) ON FINANCIAL INSTRUMENTS

	Six months ended 30th September,	
	2020 HK\$'000	2019 HK\$'000
Increase (decrease) in fair value of financial assets at fair value through profit or loss	16,161	(281,209)
Increase (decrease) in fair value of equity investments held for trading	21	(274)
Decrease in fair values of derivative financial instruments	(4,316)	–
	11,866	(281,483)

5. PROFIT (LOSS) BEFORE TAXATION

	Six months ended 30th September,	
	2020 HK\$'000	2019 HK\$'000
Profit (loss) before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	1,018	695
Depreciation of right-of-use assets	4,638	4,063
Loss on disposal of subsidiaries	–	330

6. TAXATION

	Six months ended 30th September,	
	2020 HK\$'000	2019 HK\$'000
Hong Kong Profit Tax	5	–
PRC Enterprise Income Tax ("EIT")	–	134
	5	134

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2020

6. TAXATION (continued)

In March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 which introduces the two-tiered profits tax rates regime. 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%. Hong Kong Profit Tax recognised for the six months ended 30th September, 2020 represents underprovision in prior years. No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits arising in Hong Kong for the six months ended 30th September, 2019.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, EIT is calculated at 25% of the assessable profits for the subsidiaries in the PRC. No provision for EIT has been made for the six months ended 30th September, 2020 as the Group had no assessable profits arising in the PRC for the period.

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.

7. DISTRIBUTIONS

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

8. EARNINGS (LOSS) PER SHARE

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

	Six months ended 30th September,	
	2020 HK\$'000	2019 HK\$'000
Profit (loss) for the period attributable to the owners of the Company for the purpose of basic earnings (loss) per share	<u>153,649</u>	<u>(695,443)</u>
	Number of shares	
Number of shares for the purpose of basic earnings (loss) per share	<u>2,018,282,827</u>	<u>2,018,282,827</u>

For the six months ended 30th September, 2020, no diluted earnings per share is presented as the Company has no potential ordinary shares in issue.

For the six months ended 30th September, 2019, no diluted loss per share was presented as the Company and the Group's associate had no potential ordinary shares in issue.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2020

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30th September, 2020, the Group spent HK\$1,911,000 (six months ended 30th September, 2019: HK\$3,098,000) on the acquisition of property, plant and equipment.

During the six months ended 30th September, 2020, the Group entered into a new lease agreement with lease term of two years. The Group is required to make fixed monthly payments. On lease commencement, the Group recognised right-of-use assets of HK\$8,341,000 (six months ended 30th September, 2019: Nil) and lease liabilities of HK\$7,901,000 (six months ended 30th September, 2019: Nil).

During the six months ended 30th September, 2019, the Group acquired, through the acquisition of subsidiaries as disclosed in note 16, a right to use a parcel of reclaimed land constructed on a sea plot in Yangkou Port, Nantong of the PRC and certain construction in progress of chemical storage and related facilities under construction located on the constructed land. The sea area use right has a remaining lease term of 42 years and will expire in 2061. The consideration on the date of acquisition of the subsidiaries allocated to the sea area use right (recognised in right-of-use assets) and the construction in progress (recognised in property, plant and equipment) amounted to HK\$11,239,000 and HK\$23,773,000, respectively. Details of the acquisition of assets through acquisition of subsidiaries are disclosed in note 16.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 30th September, 2020 HK\$'000	At 31st March, 2020 HK\$'000
Unlisted fund (Note (A))	168,603	140,769
Unlisted equity investment (Note (B))	–	11,673
	168,603	152,442

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% (31st March, 2020: 29.71%) of the issued share capital of the Fund as at 30th September, 2020.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2020

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

Notes: (continued)

(A) UNLISTED FUND (CONTINUED)

The Fund is accounted for as a financial asset at fair value through profit or loss. As at 30th September, 2020, the fair value of the Fund is HK\$168,603,000 (31st March, 2020: HK\$140,769,000). During the six months ended 30th September, 2020, fair value gain of HK\$27,834,000 (six months ended 30th September, 2019: fair value loss of HK\$281,209,000) was recognised in profit or loss. Details of the fair value measurements of the Fund are disclosed in note 18. In the opinion of the Directors, the Fund is held for long-term strategic investment purposes and as such, the investment is classified as non-current.

(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% (31st March, 2020: 20%) of the issued share capital of the Investment as at 30th September, 2020.

The Investment is accounted for as a financial asset at fair value through profit or loss. During the six months ended 30th September, 2020, fair value loss of HK\$11,673,000 (six months ended 30th September, 2019: Nil) was recognised in profit or loss. The Investment has nil fair value as at 30th September, 2020 (31st March, 2020: HK\$11,673,000) as the Directors determine that the Investment is unable to generate future cash flows to the Group due to significant financial difficulties of the Investment in recent months causing suspension of business operations and even possible cessation of business in the foreseeable future. Details of the fair value measurements of the Investment are disclosed in note 18.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2020

11. DEBTORS, DEPOSITS AND PREPAYMENTS

	At 30th September, 2020 <i>HK\$'000</i>	At 31st March, 2020 <i>HK\$'000</i>
Trade debtors – interest	–	329
Other debtors, deposits and prepayments	<u>5,162</u>	<u>7,697</u>
	<u>5,162</u>	<u>8,026</u>

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

	At 30th September, 2020 <i>HK\$'000</i>	At 31st March, 2020 <i>HK\$'000</i>
Trade debtors 0–30 days	<u>–</u>	<u>329</u>

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2020

12. DEBT INSTRUMENT AT AMORTISED COST

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

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

During the six months ended 30th September, 2020, dividends arising on the preference shares amounting to HK\$175,000 (six months ended 30th September, 2019: HK\$2,006,000) are recognised in profit or loss as interest income from investments (included in revenue).

On 9th November, 2020, the Group entered into a supplemental agreement with Thousand Vantage and the Guarantor pursuant to which the parties conditionally agreed to extend the redemption date of the preference shares from the original redemption date of 16th April, 2020 to the new redemption date of 16th April, 2022 (the “**Extension**”). Save for the Extension, other principal terms of the preference shares remain the same. The Extension is conditional upon the passing of the requisite resolution by the shareholders of the Company. Up to the date of this report, the Group is in the process of arranging shareholders’ approval.

No significant expected credit loss is recognised on the debt instrument as the Group’s exposure to credit losses is minimal considering the underlying value of the Share Charge held by the Group as well as the underlying value of the net assets held by Thousand Vantage.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2020

13. DISPOSAL OF INTEREST IN AN ASSOCIATE/IMPAIRMENT LOSS ON INTEREST IN AN ASSOCIATE/ASSET CLASSIFIED AS HELD FOR SALE

Impairment loss on interest in an associate during the six months ended 30th September, 2019

As at 30th September, 2019, the Directors performed impairment assessment of the interest in an associate listed in Hong Kong (i.e. PYI Corporation Limited (“PYI”)) and determined the recoverable amount to be the fair value less cost of disposal (which is based on quoted prices in an active market for the identical asset directly and categorised as Level 1 of the fair value hierarchy) as the fair value less cost of disposal was higher than the value in use. To assess the value in use as at 30th September, 2019 for the purpose of the impairment test, the Directors considered the present value of the estimated future cash flows expected to arise from dividends to be received from the associate and from its ultimate disposal. The Directors anticipated that PYI would continue to focus on divesting its ports and logistics business and refocus on other bulk commodities businesses with higher growth potential, in particular the liquefied natural gas business, rather than to return the gain on divestment to shareholders through declaration of dividends in the foreseeable term. Accordingly, the Directors revised their estimates of future dividends to be received from PYI and determined that the value in use of the interest in the associate as at 30th September, 2019 to be lower than its fair value less cost of disposal. As such, the fair value less cost of disposal was used as the recoverable amount of the interest in the associate. As the recoverable amount of the interest in the associate was less than its then carrying amount, a further impairment loss of HK\$345,687,000 was recognised in profit or loss during the six months ended 30th September, 2019.

Asset held for sale as at 31st March, 2020

As at 31st March, 2020, the Group was in the process of disposing of its entire 23.65% equity interests in PYI. Negotiations with an interested party had already taken place, and the Directors were committed to sell the equity interests in the associate within twelve months from the end of the reporting period. The interest in the associate with carrying amount of HK\$19,780,000 as at 31st March, 2020 had been reclassified as asset held for sale and was presented separately in the consolidated statement of financial position as at 31st March, 2020. The net proceeds of disposal were expected to exceed the carrying amount of the interest in the associate. Accordingly, no impairment losses had been recognised.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2020

13. DISPOSAL OF INTEREST IN AN ASSOCIATE/IMPAIRMENT LOSS ON INTEREST IN AN ASSOCIATE/ASSET CLASSIFIED AS HELD FOR SALE (continued)

Disposal of interest in an associate during the six months ended 30th September, 2020

On 7th April, 2020, the Group entered into a conditional agreement with an independent third party for the disposal of its 19.57% equity interests in PYI (the “Disposal”) at a consideration of HK\$181,440,000, subject to adjustments. As a conditional precedent to the Disposal, the Group has agreed to place the remaining 4.08% equity interests in PYI to independent third parties by way of placing before completion of the Disposal (the “Placing”), after which the Group and the Company will no longer hold any shares of PYI after the Placing and the Disposal.

The Placing and the Disposal was completed on 24th June, 2020 and 6th July, 2020, respectively. The Group received net proceeds from the Placing and the Disposal amounting to HK\$15,337,000 and HK\$181,350,000, respectively and recognised a total gain on disposal of interest in the associate of HK\$163,480,000 in profit or loss, calculated as follows:

	<i>HK\$'000</i>
Net proceeds received from the Placing and the Disposal	196,687
Less: Carrying amount of 23.65% equity interests in PYI (included in asset held for sale as at 31st March, 2020)	(19,780)
Reclassification of cumulative share of translation reserve of the associate upon disposal of the associate	<u>(13,427)</u>
Gain on disposal of an associate recognised in profit or loss	<u>163,480</u>

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2020

14. SHARE CAPITAL

	Number of shares		Value	
	2020	2019	2020 HK\$'000	2019 HK\$'000
Ordinary shares of HK\$0.01 each				
Authorised:				
At 1st April and 30th September	102,800,000,000	102,800,000,000	1,028,000	1,028,000
Issued and fully paid:				
At 1st April and 30th September	2,018,282,827	2,018,282,827	20,183	20,183

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2020

15. DISPOSAL OF SUBSIDIARIES

For the six months ended 30th September, 2019

On 24th June, 2019, the Group completed the disposal of its entire equity interests in certain subsidiaries (together referred to as the “**Illuminate Investment Group**”) for an aggregate consideration of Canadian dollars 6,000,000 (equivalent to approximately HK\$35,139,000).

During the six months ended 30th September, 2019, the Group disposed of its entire interests in certain subsidiaries which were mainly engaged in investment holding and trading of fisheries business for an aggregate consideration of HK\$4,081,000.

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

	Illuminate Investment Group <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Consideration received:			
Cash received	35,139	4,081	39,220
Analysis of the assets and liabilities over which control was lost:			
Property, plant and equipment	4,867	536	5,403
Investment properties	34,408	–	34,408
Inventories	–	1,485	1,485
Debtors, deposits and prepayments	697	1,575	2,272
Short-term bank deposits, bank balances and cash	1,121	763	1,884
Other payables and accrued expenses	(1,336)	(1,066)	(2,402)
Deferred tax liabilities	(4,478)	–	(4,478)
Net assets disposed of	35,279	3,293	38,572

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2020

15. DISPOSAL OF SUBSIDIARIES (continued)

For the six months ended 30th September, 2019 (continued)

	Illuminate Investment Group <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Gain (loss) on disposal of subsidiaries:			
Consideration received	35,139	4,081	39,220
Reclassification of cumulative translation reserve upon disposal of subsidiaries	253	(1,231)	(978)
Net assets disposed of	<u>(35,279)</u>	<u>(3,293)</u>	<u>(38,572)</u>
Gain (loss) on disposal (included in other income, other gains and losses)	<u>113</u>	<u>(443)</u>	<u>(330)</u>
Net cash inflow arising on disposals:			
Cash consideration received	35,139	4,081	39,220
Short-term bank deposits, bank balances and cash disposed of	<u>(1,121)</u>	<u>(763)</u>	<u>(1,884)</u>
Proceeds from disposal of subsidiaries	<u>34,018</u>	<u>3,318</u>	<u>37,336</u>

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2020

16. ACQUISITION OF SUBSIDIARIES NOT CONSTITUTING A BUSINESS

For the six months ended 30th September, 2019

On 5th September, 2019, pursuant to a loan capitalisation deed entered into between the Group and Yangtze Prosperity Development (HK) Limited (formerly known as Eastern Yangtze Development (HK) Limited) (“**YPD(HK)**”), YPD(HK) issued and allotted 9,000,000 new shares to the Group in settlement for the outstanding loan receivable of HK\$23,400,000 and outstanding interest receivable of HK\$1,210,000 due by YPD(HK) to the Group.

YPD(HK) is incorporated in Hong Kong and is an investment holding company which in turn owns the entire equity interest in 江蘇宏貿倉儲有限公司 (formerly known as 江蘇濱渡化工倉儲有限公司) (“**Jiangsu Hong Mao**”), a wholly foreign-owned enterprise established in the PRC. Jiangsu Hong Mao holds a sea area use right in respect of a parcel of reclaimed land constructed on the relevant sea plot in Yangkou Port, Nantong, the PRC and is in the course of constructing infrastructure for operating chemical storage and related facilities thereon. Jiangsu Hong Mao has not commenced operation up to 30th September, 2020.

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

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

	<i>HK\$'000</i>
Consideration transferred	24,610
Non-controlling interests recognised	<u>2,734</u>
Net assets acquired	<u>27,344</u>

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

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2020

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

For the six months ended 30th September, 2019 (continued)

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

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

17. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

	Six months ended 30th September,	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Fees	225	198
Salaries and other emoluments	4,845	3,775
	<u>5,070</u>	<u>3,973</u>

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2020

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

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

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

Financial assets	Fair value at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
	30th September, 2020 HK\$'000	31st March, 2020 HK\$'000			
Equity investments					
– Listed equity securities	–	6,109	Level 1	Quoted closing prices in an active market.	N/A
Derivative financial instruments					
– Commodities forward contracts					
Assets	412	6,513	Level 2	Based on future cash flows estimated based on future commodities prices and contracted commodities prices.	N/A
Liabilities	667	2,637			

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2020

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Financial assets	Fair value at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
	30th September, 2020 <i>HK\$'000</i>	31st March, 2020 <i>HK\$'000</i>			
- Currency forward contracts Liabilities	1,889	-	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A
Financial assets at fair value through profit or loss - Unlisted fund	168,603	140,769	Level 2	Based on the net asset values of the fund determined with reference to observable quoted prices in an active market of the underlying investment portfolio, mainly listed shares	N/A

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2020

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Financial assets	Fair value at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
	30th September, 2020 <i>HK\$'000</i>	31st March, 2020 <i>HK\$'000</i>			
- Unlisted equity investment	-	11,673	Level 3	Income approach - in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of this investee, based on an appropriate discount rate.	Discount rate: N/A (31st March, 2020: 25%)

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

Reconciliation of Level 3 fair value measurements of financial asset

	Unlisted equity investment <i>HK\$'000</i>
At 1st April, 2020 (audited)	11,673
Fair value loss recognised in profit or loss	<u>(11,673)</u>
At 30th September, 2020 (unaudited)	<u>-</u>

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 consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values at the end of the reporting period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30th September, 2020

19. EVENTS AFTER THE REPORTING PERIOD

Possible Extension of redemption date of preference shares

As disclosed in note 12, on 9th November, 2020, the Group entered into a supplemental agreement with Thousand Vantage and the Guarantor pursuant to which the parties conditionally agreed to extend the redemption date of the preference shares from the original redemption date of 16th April, 2020 to the new redemption date of 16th April, 2022. Save for the Extension, other principal terms of the preference shares remain the same. The Extension is conditional upon the passing of the requisite resolution by the shareholders of the Company. Up to the date of this interim financial report, the Group is in the process of arranging for shareholders' approval.

Management agreement

On 9th November, 2020, the Group entered into a management agreement with Thousand Vantage pursuant to which Thousand Vantage agreed to appoint the Group on an exclusive basis to provide advisory, management and administrative services to Thousand Vantage and its subsidiaries.

Management Discussion and Analysis

BUSINESS REVIEW

Review of Financial Performance

During the Current Period, the Group, pursuant to its long-term strategy of exploring potential investments and enhancing the value of its strategic investments by active participation in or close liaisons with the management of the Group's invested companies, continued to strategically invest or hold significant interests, both directly or indirectly, in a portfolio of listed companies in Hong Kong and Korea and also high-potential private companies and funds, through equity instruments and debt financing, financial assets and securities, engaged in trading of commodities, chemical storage business, provision of management services, financial institute business and loan financing services.

For the Current Period, the Group reported a profit of HK\$153,649,000 attributable to the owners of the Company (2019: loss of HK\$695,443,000) and basic earnings per share of HK\$7.61 cents (2019: basic loss per share of HK\$34.46 cents). The current period profit was mainly due to (a) a gain from the disposal of an associate, PYI, and (b) the fair value gain of a financial instrument, in particular, the Company's investment in AFC Mercury Fund.

Commodities Trading

During the Current Period, the Group, through its subsidiaries, continued its trading business which focuses on the trading of commodities including copper cathodes, nickel, aluminium and chemical products. The business generated a segment revenue of HK\$702,685,000 (2019: HK\$572,418,000) and recorded a segment loss of HK\$1,612,000 (2019: HK\$4,442,000). The losses include unrealised fair value loss on commodities and currency forward contracts of HK\$2,145,000 (2019: Nil). The increase in revenue was mainly due to our effort to diversify the commodities, suppliers, clients, markets. After excluding the unrealised fair value loss, we have segment profit of HK\$533,000 in 2020 comparing segment loss of HK\$4,442,000 in 2019. The improvement in segment result is mainly due to increase in overall gross margin as a result of provision of additional value added services to our clients.

The Group, through its subsidiaries, maintained the metal trading business in Hong Kong and Shanghai. This business is operated by experienced management teams located in both locations, with extensive and unique experience in the field of metal trading. The metal trading business remains one of the main sources of income for the Group. Our trading volume improved after the expansion of suppliers and clients network and diversification of commodities. With the Group continue to expand both upstream supplier and downstream end users network, the Group is able to facilitate the trade through offering our value added services to enhance our market share and position. China aluminium demand is encouraging for the Group whereas we are successfully trade with new clients in China and aluminium trading is the main contributor to our business growth.

The commodities markets worldwide are being affected by COVID-19 at different level. Activities clearly rebounded in March 2020 after the ease of lockdown, with favourable policy support and growing pent-up demand in China. Import and export growth started to improve in the beginning of the financial year due to overall commodities market demand picked up in China which led to the recovery of most of the Asia Pacific countries. The management has been monitoring the situation and the credit exposures in commodities markets and put measures in place to mitigate the risks arising from the impact of the COVID-19 pandemic.

Management Discussion and Analysis

Long-term Strategic Investments

During the Current Period, the Group's long-term investment recorded a revenue of HK\$175,000 (2019: HK\$2,006,000) and a segment profit of HK\$12,805,000 (2019: segment loss of HK\$280,188,000). The segment revenue and the segment profit for the Current Period was mainly attributed to the preference shares dividend from Thousand Vantage Investment Limited ("**Thousand Vantage**") and the unrealised gain from the AFC Mercury Fund, respectively.

Thousand Vantage

Thousand Vantage is an investment holding company. Its subsidiaries are principally engaged in the business of handling and storage of liquid dangerous goods through operation of a terminal in 欽州港金谷區鷹嶺作業區, in Guangxi, the PRC.

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

During the Current Period, dividends arising on the preference shares amounting to HK\$175,000 (2019: HK\$2,006,000) are recognised in profit or loss as interest income from investments (included in revenue).

Pursuant to such subscription agreement entered into in April 2018, Thousand Vantage shall redeem the preference shares on 16th April, 2020 and at an aggregate sum of subscription price and all accrued and unpaid dividends through and including the date of payment ("**Redemption Price**"). The Guarantor granted to the Group an exclusive right during the period commencing from the date of the issue of the preference shares up to the full payment of the Redemption Price, as may be extended by agreement between the parties from time to time to purchase all or part of the issued ordinary shares of and all or part of shareholder's loan due by Thousand Vantage or to subscribe for new ordinary shares in Thousand Vantage.

As disclosed in the Company's announcement dated 16th April, 2020 and 9th November, 2020, the Board has negotiated with the Guarantor and Thousand Vantage in relation to the acquisition of equity interests in the Thousand Vantage, whereby the consideration of which will possibly be offset by the Redemption Price. In November 2020, the Group, through its subsidiary, entered into an supplemental agreement ("**Supplemental Agreement**") with Thousand Vantage and the Guarantor pursuant to which the parties conditionally agreed to extend the date for redemption of the preference shares to 16th April, 2022. The Supplemental Agreement constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

Management Discussion and Analysis

As part of the Group's management role in Thousand Vantage group and with an aim to strengthening its overall business performance, the Group has been conducting a detailed review on the business operation and financial position of Thousand Vantage group so as to formulate business and financing plans and strategies for Thousand Vantage group's future business development. Since the subscription of preference shares, the Group has assigned three senior officers to 廣西廣明碼頭倉儲有限公司 Guangxi Guangming Warehouse Storage Limited, a PRC company in which Thousand Vantage has a 75% equity interest (the "**PRC Subsidiary**"), whom took up the positions of legal representative, general manager and head of finance department respectively and participated in the business operation of the PRC Subsidiary. Moreover, the Group was able to formalize our management role in Thousand Vantage group pursuant to a management agreement entered into between the Group and Thousand Vantage on 9th November, 2020, under which Thousand Vantage agreed to appoint the Group on an exclusive basis to provide advisory, management and administrative services to Thousand Vantage and its subsidiaries. Through this appointment, the Group is entitled to management fee remuneration, subject to earlier termination as stipulated in the management agreement.

AFC Mercury Fund

AFC Mercury Fund principally invests in shares of companies listed on the Korea Exchange, principally STX Corporation Limited. STX Corporation Limited (stock code: 011810) is primarily engaged in the business of energy trading, commodity trading, machinery and engine trading, and shipping and logistics. The shares of the AFC Mercury Fund held by the Group represent approximately 29.71% of the issued share capital of the AFC Mercury Fund as at 30th September, 2020.

In June 2018, the Group, through its subsidiary, entered into a subscription agreement with certain independent third parties pursuant to which the Group agreed to subscribe for shares in AFC Mercury Fund, as a limited partner, at an aggregate consideration of US\$20,000,000 (equivalent to approximately HK\$156,000,000).

During the Current Period, an unrealised fair value gain of HK\$27,834,000 (2019: fair value loss of HK\$281,209,000) was made.

CEC Asia Media

CEC Asia Media Group L.P. ("**CEC Fund**") was organised primarily to invest, directly or indirectly, in Global K Centre Limited and Lionheart Entertainment Asia Limited and other strategical investment in relation to media, artist and beauty training academy based in South Korea. The shares of the CEC Fund held by the Group represent 20% of the issued share capital of the CEC Fund.

In December 2018, the Group, through its subsidiary, entered into a subscription agreement with the CEC Fund pursuant to which the Group agreed to subscribe for shares in CEC Fund, as a limited partner, at an aggregate consideration of US\$2,000,000 (equivalent to approximately HK\$15,600,000).

Management Discussion and Analysis

Fair value loss of HK\$11,673,000 (2019: Nil) was recognised in profit or loss. CEC Fund has nil fair value as at 30th September, 2020 (31st March, 2020: HK\$11,673,000) as the Directors determine that such investment is unable to generate future cash flows to the Group due to significant financial difficulties of CEC Fund in recent months causing suspension of business operations and even possible cessation of business in the foreseeable future.

Chemical Storage

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

The Group invested in Yangtze Prosperity Development (HK) Limited (“**YPD (HK)**”) through capitalisation of loan in 2019. YPD (HK) is incorporated in Hong Kong as an investment holding company which in turn owns the entire equity interest in 江蘇宏貿倉儲有限公司 (“**Jiangsu Hong Mao**”), which has been granted a sea area use right in respect of a parcel of reclaimed land constructed on the relevant sea plot in Yangkou Port, Nantong, the PRC and is in the course of constructing infrastructure for operating chemical storage and related facilities thereon.

Such investment reinforces the Group’s commitment towards sustainable development and it will broaden the income stream of the Group in the near future. This business segment has not commenced operation as at 30th September, 2020.

Financial Institute Business

The Group established Helios Asset Management (HK) Limited (“**Helios**”), which is principally engaged in assets management and advisory business in Hong Kong and is licensed under the SFO Type 4 licence (Advising on Securities) and Type 9 licence (Asset Management) from the Securities and Futures Commission. To further develop its financial institute business, the Group has actively extended its reach to different facets of the financial services sector so as to develop an all-rounded business, the Group acquired an insurance brokerage firm, Simply Management Limited (currently known as PT Insurance Brokers Company Limited (“**PT Insurance Brokers**”)) which is a member of the Hong Kong Confederation of Insurance Brokers and allowed to carry out insurance brokerage business in the long term (excluding linked long term) insurance in Hong Kong. In January 2020, Muhabura Capital Limited (“**Muhabura**”), a subsidiary of the Company incorporated in Mauritius, was in-principle granted an investment banking licence in Mauritius. The Group may carry out investment banking business in Mauritius once final approval is granted by the Financial Services Commission of Mauritius (the “**FSC**”).

The business goals of the financial institute business of the Group is to build an international financial platform that capitalises on cross-border investments between Asia and Africa. In light of the One Belt One Road (OBOR) initiative, the Group expects to see increasing business flows between the two continents. The Group takes the view that by operating licensed entities in both Hong Kong and Africa will give confidence in institutional, corporate and retail customers when working with the Group.

During the Current Period, the financial institute business was hampered by COVID-19, which not only affected the business negatively but also caused delays towards licencing of some of the new financial institute business segments. Muhabura, which received its approved in-principle by the FSC was unable to finalise its licence approval with site visit until November 2020 due to COVID-19 disruptions.

Management Discussion and Analysis

Since there was a delay in finalising licence approval for Muhabura, Helios was unable to launch its planned Africa focus fund. Whereas PT Insurance Brokers commenced its business during this period by becoming the general agent of certain insurance companies which will enable the Group to carry most of the popular insurance products sold in Hong Kong, and has also hired sales staff to spearhead its business.

Loan Financing Services

For the Current Period, the Group's loan financing operation reported a nil segment result (2019: segment profit of HK\$1,816,000). As at 30th September, 2020, the loan portfolio held by the Group was nil (31st March, 2020: nil).

Listed strategic investments (Disposed)

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

On 7th April, 2020, the Group entered into a conditional agreement with an independent third party for the disposal of its 19.57% equity interests in PYI (the "**Disposal**") at a consideration of HK\$181,440,000, subject to adjustments. As a conditional precedent to the Disposal, the Group has agreed to place the remaining 4.08% equity interests in PYI to independent third parties by way of placing before completion of the Disposal (the "**Placing**"), after which the Group and the Company will no longer hold any shares of PYI after the Placing and the Disposal.

The Placing and the Disposal was completed on 24th June, 2020 and 6th July, 2020, respectively. The Group received net proceeds from the Placing and the Disposal amounting to HK\$15,337,000 and HK\$181,350,000, respectively and recognised a total gain on disposal of interest in the associate of HK\$163,480,000 in profit or loss.

Other Investment

During the Current Period, the Group's other investment contributed nil segment revenue (2019: nil) and a segment profit of HK\$21,000 (2019: segment loss of HK\$274,000).

Others

During the Current Period, the Group's other business contributed nil segment revenue (2019: HK\$831,000) and nil segment result (2019: segment loss of HK\$5,000).

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30th September, 2020, the Group's total assets of HK\$715,967,000 (31st March, 2020: HK\$547,209,000) represented an increase of approximately 30.8% when compared with the last period.

As at 30th September, 2020, equity attributable to owners of the Company amounted to HK\$693,186,000 (31st March, 2020: HK\$523,718,000), representing an increase of HK\$169,468,000 or 32.4% as compared to 31st March, 2020. The increase was mainly due to a gain on disposal of the Group's associate, PYI.

Management Discussion and Analysis

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 30th September, 2020, current assets and current liabilities of the Group were HK\$497,905,000 (31st March, 2020: HK\$351,572,000) and HK\$13,632,000 (31st March, 2020: HK\$17,004,000) respectively. Accordingly, the Group's current ratio was about 37 (31st March, 2020: 21).

Gearing Ratio

As at 30th September, 2020, the Group had bank deposits, bank balances and cash of HK\$254,147,000 (31st March, 2020: HK\$77,938,000) and nil bank and other borrowings (31st March, 2020: nil). The Group's gearing ratio was zero at 30th September, 2020 and 31st March, 2020 as the Group was in net cash position. The gearing ratio is calculated on the basis of net borrowings over the equity attributable to owners of the Company. Net borrowings are arrived at by deducting bank deposits, bank balances and cash from borrowings.

Material Acquisitions or Disposals and Future Plans for Material Investments

On 7th April, 2020, the Group entered into a conditional agreement with an independent third party for the Disposal of its 19.57% equity interests in PYI subject to adjustments. As a conditional precedent to the Disposal, the Group has agreed to place the remaining 4.08% equity interests in PYI to independent third parties by way of Placing before completion of the Disposal. During the Current Period, the Group has completed the Placing and Disposal on 24th June, 2020 and 6th July, 2020, respectively. Following completion, the Group no longer holds any shares of PYI after the Placing and the Disposal. For details, please refer to the announcements of the Company dated 7th April, 2020, 25th May, 2020, 24th June, 2020 and 6th July, 2020 and the circular of the Company dated 28th May, 2020.

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

Foreign Currency Management

The monetary assets and liabilities as well as business transactions of the Group are mainly denominated in Hong Kong dollars, Korean Won, Renminbi, United States dollars and New Taiwan dollars. During the Current Period, the Group entered into foreign currency forward contracts and currency swaps for hedging purposes. Appropriate measures would be undertaken by the Group when exchange rate fluctuations become significant.

Pledge of Assets

As at 30th September, 2020, none of the Group's assets were pledged to secure any bank loans (31st March, 2020: nil).

Management Discussion and Analysis

Contingent Liabilities

As at 30th September, 2020, the Group had no significant contingent liabilities (31st March, 2020: nil).

Capital Commitments

As at 30th September, 2020, the capital commitments of the Group were HK\$58,057,000 (31st March, 2020: HK\$55,510,000) in respect of construction contracts entered into for the construction of chemical storage and related facilities in order to operate the chemical storage business located in China.

Securities in Issue

As at 30th September, 2020, there were 2,018,282,827 shares in issue. There was no change in the capital structure of the Company during the Current Period. The share capital of the Company only comprises of ordinary shares.

Interim Dividend

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

EMPLOYEES AND REMUNERATION POLICY

As at 30th September, 2020, the Group had a total of 41 employees (including Directors) (as at 31st March, 2020: 42 employees (including Directors)). The Group's remuneration policy is to ensure that the Group's remuneration structure is appropriate and aligns with the Group's goals and objectives. The employees' remuneration is based on the employees' skill, knowledge and involvement in the Company's affairs and is determined by reference to the Company's performance, as well as remuneration benchmark in the industry and the prevailing market conditions. The ultimate objective of the remuneration policy is to ensure that the Group is able to attract, retain and motivate a high-calibre team which is essential to the success of the Company. The Group also offers benefits to employees including discretionary bonus, training and provident funds. The share option scheme of the Company is established for the eligible participants (including employees). No share options were granted during the Current Period and there were no outstanding share options as at 30th September, 2020 and as at the date of this report.

PROSPECTS

The COVID-19 pandemic coupled with the continued Sino-US trade tension has posed unprecedented challenges to both individuals and corporations across the globe. Within the reporting period and when COVID-19 was gaining momentum globally, we have seen both businesses large and small suffer with many requiring financial lifelines to stay afloat. The various businesses of the Group too have been severely affected. With travel restrictions implemented globally, much of the Group's new business initiatives have been delayed with business activities, and international meetings moved to virtual platforms, which is adequate but less than ideal.

Management Discussion and Analysis

Given the economic backdrop in the first half of the financial year, the management of the Group decided to take a more prudent approach and capitalised on an opportunity to increase its cash level by divesting out of a long-term investment. The Group was able to improve its overall financial performance and achieve a turnaround from net loss for the corresponding period in 2019 to net profit during the Current Period. Management has been formulating and refining its strategies with a prudent yet opportunistic approach. We expect the second half of the year will continue to be challenging and global economic recovery will be an arduous process. The management of the Group will remain prudent yet will be ready to study any opportunities that will arise from the current economic circumstances.

Asia is expected to lead in the global economic recovery post-COVID-19, and the Group will continue to grow its commodities trading business. Through working with quality and stable suppliers and producers we look to increase our product range and enhance our profitability over time. We are also looking to enhance our value chain, lower cost and risk for the Group and its' customers via offering financial tool to mitigate financial trade risk, expanding upstream sourcing capabilities and other value add such as storage for certain commodities products. For example, through the growth in the Group's management services business and investment holding business in companies engaging in port development, operation and provision of storage facilities, the Group is seeking to further solidify our position in ports and infrastructure management and broaden the income stream of the Group through the management agreement with Thousand Vantage. Moreover, since the Group has acquired a petrochemical trading licence in the PRC in June 2020, which permits the Group to trade over 50 petrochemical products in the PRC, the priority berthing rights granted to the Group under the management agreement can also facilitate the Group's commodities trading business.

In respect of the financial institute business, the Group expects that Muhabura will be fully licensed during the financial year in 2021 and will commence operations by early financial year 2022, offering investment banking, asset management and brokerage business to international clients. By then Muhabura will have in place all key staff necessary to launch the various business lines. During the financial year 2022, Helios aims to initiate fundraising for an African focused fund to capitalise on the unique opportunity to offer African growth tied into PRC's One Belt One Road initiative to Asian investors. PT Insurance Brokers will continue to sign up with more insurance companies to become their general agent and is looking to hire additional sales staff to promote the Group's insurance product offerings.

The Group was in a healthy financial position for its first half of the financial year and is confident to weather the severe economic downturn brought about by the COVID-19 pandemic. The Group will continue to adopt prudent funding or treasury policy in ensuring liquidity sufficient to ensure the financing requirements of Group companies are met within acceptable costs. The Group will strive to stay competitive and seek to maximise investors return during this turbulent period.

Supplementary Information

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

As at 30th September, 2020, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or, as the case may be, the percentage in the equity interest and debentures of the Company or its associated corporations (within the meaning of the SFO), which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO), or (ii) pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

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

Name of Director	Capacity	Number of shares held	Approximate percentage of the issued share capital of the Company
Mr. Ching Man Chun, Louis	Beneficial owner	100,000,000	4.95%
("Mr. Ching")	Interest of controlled corporation	488,000,000	24.18%
		(Note)	

Note:

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

Save as disclosed above, as at 30th September, 2020, none of the Directors and chief executive of the Company or any of their close associates had any interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEME

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 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.

Supplementary Information

The Board 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.

Subject to early termination in accordance with the provisions of the Share Option Scheme, the Share Option Scheme shall remain valid and effective for a period of ten years commencing from 19th August, 2011, after which period no further options shall be granted.

As at 30th September, 2020, 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 Period.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

Save as disclosed below, as at 30 September 2020, the Directors and chief executive of the Company are not aware of any person who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Substantial Shareholders	Capacity	Number of issued shares held	Approximate percentage of the issued shares of the Company
Mr. Ching	Beneficial owner	100,000,000	4.95%
	Interest of controlled corporation	488,000,000 (Note)	24.18%
Champion Choice	Beneficial owner	488,000,000 (Note)	24.18%

Note:

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

Supplementary Information

EVENTS AFTER THE REPORTING PERIOD

Possible Extension of redemption date of preference shares

On 9th November, 2020, the Group entered into a supplemental agreement with Thousand Vantage and the Guarantor pursuant to which the parties conditionally agreed to extend the redemption date of the preference shares from the original redemption date of 16th April, 2020 to the new redemption date of 16th April, 2022. Save for the Extension, other principal terms of the preference shares remain the same. The Extension is conditional upon the passing of the requisite resolution by the Shareholders. As at the date of this report, the Group is in the process of arranging for the requisite Shareholders' meeting for such purpose.

Management agreement

In order to formalize our management role in Thousand Vantage group, the Group entered into a management agreement with Thousand Vantage on 9th November, 2020, pursuant to which Thousand Vantage agreed to appoint the Group on an exclusive basis to provide advisory, management and administrative services to Thousand Vantage and its subsidiaries. Through this appointment, the Group is entitled to management fee remuneration (subject to earlier termination as stipulated in the management agreement), as well as rights to priority berthing, discharging and loading and for other services to vessels serving the business of the Group.

INTERIM DIVIDEND

The Board resolved not to recommend the payment of an interim dividend for the Current Period (six months ended 30th September, 2019: nil).

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

During the six months ended 30th September, 2020, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company has, throughout the six months ended 30th September, 2020, complied with the code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules except for the following deviations with reason as explained:

Code Provision A.2.1 – Chairman and Chief Executive

Under this 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.

Supplementary Information

Deviation

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.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has continued to adopt the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. 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 Period.

REVIEW OF INTERIM RESULTS

The interim results for the six months ended 30th September, 2020 have not been audited, but have been reviewed by the auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA, and the Audit Committee of the Company.

On behalf of the Board

Ching Man Chun, Louis

Chairman and Managing Director

Hong Kong, 27th November, 2020