



金榜集團控股有限公司  
GOLDBOND GROUP HOLDINGS LIMITED

Stock Code: 00172

Interim Report 2013/14



## BOARD OF DIRECTORS

### *Executive Directors*

Mr. Wang Jun (*Chairman*)  
Mr. Wong Yu Lung, Charles (*Deputy Chairman*)  
Mr. Ding Chung Keung (*Chief Executive Officer*)  
Ms. Wong, Michelle Yatyee  
Mr. Melvin Jitsumi Shiraki

### *Independent non-executive Directors*

Mr. Ma Ho Fai *SBS JP*  
Mr. Cheng Yuk Wo  
Mr. Ng Chi Keung *MH*

## AUDIT COMMITTEE

Mr. Cheng Yuk Wo (*Chairman*)  
Mr. Ma Ho Fai *SBS JP*  
Mr. Ng Chi Keung *MH*

## REMUNERATION COMMITTEE

Mr. Cheng Yuk Wo (*Chairman*)  
Mr. Ma Ho Fai *SBS JP*  
Mr. Ding Chung Keung

## NOMINATION COMMITTEE

Mr. Ng Chi Keung *MH* (*Chairman*)  
Mr. Cheng Yuk Wo  
Mr. Ding Chung Keung

## SECRETARY

Ms. Li Yu Lian, Kelly

## AUDITOR

Deloitte Touche Tohmatsu  
*Certified Public Accountants*

## STOCK CODE

00172

## REGISTERED OFFICE

Units 1901-06, 19/F  
Tower One, Lippo Centre  
89 Queensway  
Hong Kong

## SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited  
Shops 1712-16  
17th Floor  
Hopewell Centre  
183 Queen's Road East  
Hong Kong

## LEGAL ADVISER

Iu, Lai & Li

## PRINCIPAL BANKERS

China Construction Bank (Asia) Corporation Limited  
CITIC Bank International Limited  
Hang Seng Bank Limited  
The Hongkong and Shanghai Banking  
Corporation Limited

## WEBSITES

<http://www.goldbondgroup.com>  
<http://www.irasia.com/listco/hk/goldbondgroup/>

# Chairman's Statement

On behalf of the board of Directors (the "Board") of Goldbond Group Holdings Limited (the "Company"), I am pleased to present the interim report of the Company and its subsidiaries (collectively the "Group") for the period ended 30 September 2013 (the "Period").

The People's Republic of China ("China") has experienced rapid economic growth over the past three decades as a result of the government's extensive economic reforms. The growth of China's economy has led to increased small-to-medium enterprises ("SMEs") activities and investments, which has benefited the business of the Group and our joint ventures. The equity attributable to owners of the Company increased to HK\$2,224.1 million, up by 5% from the year ended 31 March 2013. Profit for the Period attributable to the owners of the Company amounted to HK\$108.8 million (corresponding period in 2012: HK\$3.9 million).

In June 2013, Rongzhong Capital Holdings Limited ("Rongzhong Capital"), our principal platform for providing financial leasing services in China, completed an issuance of new shares to its key management. As a result of such, our equity interest in Rongzhong Capital reduced to approximately 47.94% and Rongzhong Capital became our joint venture. With dedicated management and increased financial resources, the business of Rongzhong Capital continues to grow. The total carrying value of finance leases receivable reached HK\$1,735.7 million as at 30 September 2013, up by 6% from the year ended 31 March 2013.

During the Period, our first wholly-owned small loan subsidiary commenced operation in Jiangsu Province, China ("Jiangsu"), one of the most economically developed provinces in China. The small loan business has achieved satisfactory growth, recording total advances provided to customers of HK\$103.3 million as at 30 September 2013. We expect that the small loan operation will continue to grow and will provide a stable revenue stream to the Group.

## OUTLOOK

China's economy will continue to expand under a stable growth rate. As bank lending was limited, SMEs turn to the Group and our joint ventures for diversified financial services to meet their immediate short-term and medium term financing needs. The robust demand from SMEs provides a solid base for our future growth. We believe we could continue to improve our loan portfolio through enhancing our risk assessments and loan pricing.

We constantly evaluate opportunities to leverage our industry expertise and extend our geographic reach. Our local presence in Jiangsu helped to enhance our brand recognition among local customers in Jiangsu. We plan to solidify our position as one of the major financial services provider in Jiangsu by expanding to our footprints in Jiangsu in the near future. By leveraging business operation capability and network gained in the past, we are confident that we could seize business opportunities promptly to ensure continuous, healthy and stable growth.

In addition, the Group will continue to look for investment opportunities for high quality assets or properties in some developed countries for diversifying the business segments of the Group and create sustainable value to the shareholders of the Company.

On behalf of the board of directors and our management team, I would like to take this opportunity to thank our shareholders, business partners and customers for their continued support and encouragement.

**Wong Yu Lung, Charles**  
*Deputy Chairman*

Hong Kong, 28 November 2013

## INTERIM DIVIDEND

The Board did not recommend the payment of any interim dividend in respect of the results for the Period (corresponding period in 2012: nil).

## BUSINESS REVIEW

The Group engages principally in the provision of non-bank financial services to SMEs in China. Through its multi-platforms, the Group and its joint ventures offer wide spectrum of services including financing, financial leasing and loan guarantee services with customer base spans over various provinces and cities in China.

### Financing

#### *Small loan operation*

In view of the large demand for financing channel from SMEs and as part of the growth strategies, the Group took a major leap forward to establish its first wholly-owned small loan subsidiary, 鹽城市金榜科技小額貸款有限公司 (“Yancheng Goldbond”) in Yancheng, Jiangsu Province, China. Yancheng Goldbond had an approved registered capital of US\$30 million, which gives us a competitive advantage in both operational scale and flexibility to cater the different financial needs of SMEs, as the approved registered capital is directly related to the total capital available to a small loan provider for granting loans and the maximum size of individual loan and direct investment.

Yancheng Goldbond is authorised to offer, in addition to financing service, loan guarantee service, direct investment and other services approved by the provincial government, to its customers. The ability to provide a wider range of service is favorable to us as we would be able to reach more potential customers.

Many SMEs turn to Yancheng Goldbond for short-term loans as our comprehensive products range and transparent and efficient loan approval process could better serve their immediate liquidity needs. The small loan operation has achieved satisfactory growth since its commencement of business during the Period, recording total advances provided to customers of HK\$103.3 million as at 30 September 2013 and recognising a total revenue of HK\$4.6 million (corresponding period in 2012: nil).

As the awareness to our brand increased, we expected that demand for our financing service and the number of loan applications will continue to increase. The sustainability of our small loan operation and future growth depends largely on our ability to effectively manage the default risk of our loan portfolio and maintain a low impaired loan ratio. We will timely adjust its risk control measures to minimise default risk. We expected that the operation of Yancheng Goldbond will continue to grow and will provide a stable revenue stream to the Group.

#### *Rongzhong Facilities*

The Group has granted a revolving loan facility of up to HK\$900 million to Rongzhong Group Limited (“Rongzhong Group”). Part of the loans in a sum of HK\$444 million (the “Special Loan”) is expected to be repaid beyond one year while the remaining balance of the loans is expected to be repaid within one year. As at 30 September 2013, the total carrying amount of the loans under the above-mentioned facility was HK\$498.5 million (31 March 2013: HK\$499.2 million) and the total interest generated therefrom for the Period was HK\$26.8 million (corresponding period in 2012: HK\$27.2 million). During the prior period, the carrying amount of the Special Loan was written down by HK\$39.5 million as a result of the change of expected repayment date in accordance with applicable accounting standards.

Rongzhong Capital, a non-wholly owned subsidiary of the Group prior to Completion (as defined below), has provided a revolving loan facility of RMB150 million (equivalent to approximately HK\$185 million) to Rongzhong Group. The loan is bearing an interest rate of 3% per annum and repayable within one year of the reporting date. The total interest generated therefrom for the Period prior to Completion (as defined below) was HK\$1.3 million (corresponding period in 2012: HK\$2.6 million).

# Management Discussion and Analysis

## **Discontinued Operations/Interests in a joint venture – Rongzhong Capital (47.94% owned by the Group)**

The Group, through Rongzhong Capital and its subsidiaries (“Rongzhong Capital Group”), had offered a wide range of financial leasing services, such as direct leasing, sales and leaseback, leveraged leasing, lease with buy-back undertaking and other related consultancy services to SMEs spans over various provinces and cities in China. Rongzhong Capital Group has achieved significant growth since it commenced business operation in late 2008. The total carrying value of finance leases receivable amounted to HK\$1,735.7 million as at 30 September 2013 (31 March 2013: HK\$1,643.4 million), representing an increase of 6%.

On 21 June 2013, Rongzhong Capital completed an issuance of new shares to its key management (“Completion”), details of which were set out in the circular of the Company dated 24 May 2013. As a result of such share issuance, the Company’s equity interest in Rongzhong Capital was reduced to approximately 47.94%, and Rongzhong Capital ceased to be a subsidiary of the Company. The financial results and position of Rongzhong Capital Group were deconsolidated from, and then accounted for as a joint venture using equity method in the condensed consolidated financial statements of the Group thereafter.

Upon Completion, the Group recognised a gain of HK\$28.8 million, which was computed on the basis of, among others, the estimated fair value and carrying amount of the Rongzhong Capital Group on the date of Completion.

The revenue and profit of Rongzhong Capital Group for the Period was HK\$107.3 million and HK\$40.5 million, respectively (corresponding period in 2012: HK\$91.5 million and HK\$35.0 million, respectively), of which HK\$51.1 million and HK\$18.4 million, respectively related to the period prior to the date of Completion and were treated as the discontinued operations. The profit generated by Rongzhong Capital Group after Completion was HK\$22.1 million in which the Group shared, in proportion to its approximately 47.94% equity interest, HK\$10.6 million (corresponding period in 2012: nil).

## **Interests in a joint venture – Rongzhong Group (40% owned by the Group)**

Rongzhong Group engages principally in the business of financing, loan guarantee, financial consulting and management services in China. Over these years, the Rongzhong Group has extended its business services to cover customers located in Wuhan, Chongqing, Guangdong, Hubei, Hunan, Jiangsu, Sichuan and Zhejiang in China. Rongzhong Group and its subsidiaries have developed strong and cohesive business relationship with numerous SMEs and more than 20 co-operating banks in China.

The Group accounted for the financial results of Rongzhong Group using equity method. During the Period, Rongzhong Group generated total revenue of HK\$211.4 million (corresponding period in 2012: HK\$175.8 million), representing a growth of 20%. The Group shared a net profit for the Period of HK\$47.1 million (corresponding period in 2012: loss of HK\$15.9 million). Significant improvement in result was mainly contributed by the growth of its financing business and decrease in impairment provision.

## FINANCIAL REVIEW

### Revenue

The Group generated a total revenue for the Period of HK\$82.5 million (corresponding period in 2012: HK\$118.7 million). It included revenue from the continuing financing operation of HK\$31.4 million (corresponding period in 2012: HK\$27.2 million) and the revenue from financial leasing and financing services carried out by Rongzhong Capital Group for the period prior to Completion, which have been treated as discontinued operations of HK\$51.1 million (corresponding period in 2012: HK\$91.5 million). Although the financing business recorded a growth during the Period with the commencement of small loan operation, the total revenue dropped by about 31% because the revenue of Rongzhong Capital Group was not consolidated by the Group after the Completion.

### Results of Operations

As mentioned in the section headed “Discontinued Operations/Interests in a joint venture – Rongzhong Capital”, as a result of share issuance of Rongzhong Capital, the Company’s equity interest in Rongzhong Capital was reduced to approximately 47.94% and Rongzhong Capital ceased to be a subsidiary of the Company. The financial results and position of Rongzhong Capital Group were deconsolidated from, and then accounted for as a joint venture using equity method in the condensed consolidated financial statements of the Group thereafter. The share of profit of Rongzhong Capital Group for the period from the date of Completion to 30 September 2013 amounted to HK\$10.6 million (corresponding period in 2012: nil). Together with the share of profit of Rongzhong Group of HK\$47.1 million (corresponding period in 2012: loss of HK\$15.9 million), the share of profit of joint ventures for the Period amounted to HK\$57.7 million (corresponding period in 2012: share of loss of HK\$15.9 million).

The operations regarding financial leasing and financing services carried out by the Rongzhong Capital Group prior to Completion have been treated as “discontinued operations” and presented separately in the Group’s condensed consolidated statement of profit or loss and other comprehensive income and note to condensed consolidated financial statements. The profit for the Period from discontinued operations amounted to HK\$47.2 million (corresponding period in 2012: HK\$35.0 million), which composed of profit from financial leasing and financing service operations of Rongzhong Capital Group of HK\$18.4 million for the period prior to Completion (corresponding period in 2012: HK\$35.0 million) and a gain on deemed disposal of Rongzhong Capital Group of HK\$28.8 million (corresponding period in 2012: nil). Such gain was computed on the basis of, among others, the estimated fair value and carrying amount of the Rongzhong Capital Group on the date of Completion.

As a result of the foregoing, together with absence of an adjustment to write down the carrying amount of a loan to joint venture and the negative financial impact of change in fair values of financial liabilities of HK\$7.6 million (corresponding period in 2012: positive financial impact of HK\$19.9 million), the Group generated a total profit for the Period attributable to the owners of the Company of HK\$108.8 million (corresponding period in 2012: HK\$3.9 million), representing an increase of about 2,702%.

# Management Discussion and Analysis

## ***Total Comprehensive Income for the Period Attributable to the Owners of the Company***

The Group generated a total comprehensive income for the Period attributable to the owners of the Company of HK\$147.2 million (corresponding period in 2012: HK\$3.9 million), representing an increase of about 3,678%. The significant increase during the Period was mainly due to (1) the increase in Profit for the Period attributable to the owners of the Company as details in the section headed "Results of Operations", (2) the share of other comprehensive income of a joint venture of HK\$15.4 million (corresponding period in 2012: nil) and (3) the increase of exchange gain arising on translation as there was significant appreciation gain of Renminbi of HK\$28.7 million (corresponding period in 2012: nil) during the Period.

## ***Financial Resources and Capital Structure***

The Group always maintains healthy cash position and sufficient capital for business development. As at 30 September 2013, the aggregate sum of cash, bank balances and short term bank deposits amounted to HK\$453.3 million (31 March 2013: HK\$591.8 million). The working capital (current assets less current liabilities) and the total equity of the Group were HK\$582.8 million (31 March 2013: HK\$940.1 million) and HK\$2,224.1 million (31 March 2013: HK\$2,336.8 million) respectively.

As at 30 September 2013, the Group had no bank borrowings. As at 31 March 2013, the bank borrowing of HK\$1,020.8 million was granted by banks in China to Rongzhong Capital Group to support the operation regarding the provision of the financial leasing service. The Group has not entered into any hedging instruments to reduce interest rate risk exposure.

## ***Liquidity and Gearing Ratio***

The Group liquidity position is further improved with the derecognition of all the bank borrowings upon Completion. As at 30 September 2013, the current ratio (current assets/current liabilities) of the Group jumped to 19.13 times (31 March 2013: 2.59 times) and both the debt-to-equity ratio (total bank borrowings/total equity) and the net debt-to-equity ratio of the Group were reduced to zero (31 March 2013: 43.7% and 29.1% respectively).

## ***Charges on Group Assets***

As at 30 September 2013, there was no charge on the Group's assets.

As at 31 March 2013, certain finance leases receivable with an aggregate carrying value of HK\$1,261.7 million and security deposits of HK\$17.8 million were pledged to banks in China to secure the bank borrowings of the Group.

## ***Exposure to Fluctuations in Exchange Rates***

The Group reports its operating result in Hong Kong dollar but major operations of the Group are carried out in China, transacted and recorded in Renminbi with some monetary assets and liabilities denominated in other foreign currencies. The Group is, thus, exposed to the fluctuation in exchange rates between Renminbi, Hong Kong dollar and other currencies. At present, the Group has not entered into any hedging or other instrument to reduce currency risks. However, the management will closely monitor the Group's exposure to the fluctuation of exchange rates and take appropriate measures as necessary to minimise any adverse impact that may be caused by such fluctuation.

## ***Contingent Liabilities***

As at 30 September 2013, the Company had given a guarantee to bank borrowings of RMB92.6 million equivalent to approximately HK\$117.2 million (31 March 2013: RMB100 million equivalent to approximately HK\$123.5 million) to a joint venture of the Group. The guarantee provided by the Company was approximately 47.94% (31 March 2013: 50.055%) of all sums payable by the borrower.

## ***Employees and Remuneration Policy***

As at 30 September 2013, the Group had approximately 26 staff located in both Hong Kong and China. The Group remunerates these employees based on their performance, experience and prevailing industry practices. Other benefits offered to these employees include medical insurance, retirement scheme and training subsidies. In addition, the Group has set up a share option scheme for the purpose of providing incentives to the eligible employees.



The Board and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The corporate governance principles of the Company emphasize a quality Board, sound internal controls, and transparency and accountability to all shareholders.

Save as disclosed below, the Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Corporate Governance Code (“CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout the Period. Pursuant to Code E.1.2 of the CG Code, the chairman should attend the annual general meeting of the Company (“AGM”). Mr. Wang Jun, the Chairman of the Board (the “Chairman”), was unable to attend the AGM held on 30 August 2013 due to other prior business engagement.

## **BOARD COMPOSITION AND BOARD PRACTICES**

The Board is collectively responsible for the oversight of the management of the business and affairs of the Group with the objective of enhancing shareholders’ value. The Board consists of a total of eight Directors, comprising five Executive Directors, and three Independent Non-executive Directors. At least one-third of the Board are Independent Non-executive Directors of which more than one have appropriate professional qualifications, or accounting or related financial management expertise as required by the Listing Rules. All Directors (including Independent Non-executive Directors) are subject to retirement by rotation once every three years and are subject to re-election in accordance with the Company’s Articles of Association and the CG Code.

The positions of the Chairman and the Chief Executive Officer are currently held by separate individuals with a view to maintaining an effective segregation of duties respecting management of the Board and the day-to-day management of the Group’s business.

All Directors have made active contribution to the affairs of the Board and the Board has always acted in the best interests of the Group. In addition to regular Board meetings, the Chairman meets with the Independent Non-executive Directors) without the presence of Executive Directors at least once every year.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the model code for securities transactions by directors of listed issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry, all Directors confirmed that they fully complied with the Model Code throughout the Period.

## **AUDIT COMMITTEE**

The Company established its audit committee (the “Audit Committee”) in June 2003 and has formulated its written terms of reference, which have from time to time been modified, in accordance with the prevailing provisions of the CG Code. The Audit Committee comprises three Independent Non-executive Directors, namely, Mr. Cheng Yuk Wo (Chairman of the Audit Committee), Mr. Ma Ho Fai SBS JP and Mr. Ng Chi Keung MH. The principal duties of the Audit Committee include the review and supervision of the Group’s financial reporting system and internal control procedures, review of the Group’s financial information, review of the relationship with the external auditor of the Company and performance of the corporate governance functions delegated by the Board.

The Group’s interim report for the six months ended 30 September, 2013 has been reviewed by the Audit Committee.

## REMUNERATION COMMITTEE

The Company established its remuneration committee (the “Remuneration Committee”) in March 2005 with a majority of the members thereof being Independent Non-executive Directors. The Remuneration Committee comprises two Independent Non-executive Directors, namely, Mr. Cheng Yuk Wo (Chairman of the Remuneration Committee) and Mr. Ma Ho Fai SBS JP, and one Executive Director, Mr. Ding Chung Keung.

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company’s policy and structure for the remuneration of Directors and the senior management, and reviewing the remuneration packages of all Executive Directors and the senior management with reference to the corporate goals and objectives of the Board resolved from time to time.

## NOMINATION COMMITTEE

In compliance with the CG Code, the Company established its nomination committee (the “Nomination Committee”) in March 2012 with a majority of the members thereof being Independent Non-executive Directors. The Nomination Committee comprises two Independent Non-executive Directors, namely, Mr. Ng Chi Keung MH (Chairman of the Nomination Committee) and Mr. Cheng Yuk Wo, and one Executive Director, Mr. Ding Chung Keung.

The primary objectives of the Nomination Committee are to review the size, structure and composition of the Board, identify suitably qualified individual for appointment to the Board, assess the independence of independent non-executive Directors and to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors.

## INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company establishes different communication channels with shareholders and investors, including (i) printed copies of corporate communications (including but not limited to annual reports, interim reports, notices of meetings, circulars and proxy forms) required under the Listing Rules, and shareholders can choose to receive such documents using electronic means through the Company’s website; (ii) the annual general meeting provides a forum for shareholders to raise comments and exchange views with the Board; (iii) updated and key information on the Group is available on the website of the Company; (iv) the Company’s website offers a communication channel between the Company and its shareholders and stakeholders; (v) briefing meetings with analysts are arranged from time to time to update interested parties on the performance of the Group; and (vi) the Company’s Registrar deals with shareholders for share registration and related matters.

## CHANGE IN INFORMATION OF DIRECTORS

Save as disclosed below, there is no other information of the Directors which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules:

On 1 July 2013, the monthly emoluments of Independent Non-executive Directors, namely, Mr. Ma Ho Fai SBS JP, Mr. Cheng Yuk Wo and Mr. Ng Chi Keung MH, increased from HK\$10,000 to HK\$20,000.

**Deloitte.**

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## TO THE BOARD OF DIRECTORS OF GOLDBOND GROUP HOLDINGS LIMITED

### Introduction

We have reviewed the condensed consolidated financial statements of Goldbond Group Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 11 to 35, which comprise the condensed consolidated statement of financial position of 30 September 2013 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 months ended 30 September 2013, and certain explanatory notes. The Main Board Listing 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 the Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### Scope of review

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

### Conclusion

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

**Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

28 November 2013

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2013

	Notes	1.4.2013 to 30.9.2013 HK\$'000 (Unaudited)	1.4.2012 to 30.9.2012 HK\$'000 (Unaudited)
<b>Continuing operations</b>			
Revenue	3	31,355	27,169
Other income		7,652	7,901
Staff costs		(8,016)	(9,479)
Other operating expenses		(8,722)	(3,568)
Adjustment to the carrying amount of a loan to a joint venture	10	–	(39,506)
Change in fair values of financial liabilities		(7,630)	19,920
Finance costs		(230)	(200)
Share of profit (loss) of joint ventures		57,716	(15,858)
Profit (loss) before taxation	4	72,125	(13,621)
Taxation	5	(1,345)	–
Profit (loss) for the period from continuing operations		70,780	(13,621)
<b>Discontinued operations</b>			
Profit for the period from discontinued operations	6	47,188	34,968
Profit for the period		117,968	21,347
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Exchange differences arising on translation		28,726	14
Share of other comprehensive income of a joint venture		15,356	–
Other comprehensive income for the period		44,082	14
Total comprehensive income for the period		162,050	21,361
Profit for the period attributable to:			
Owners of the Company		108,763	3,882
Non-controlling interests		9,205	17,465
		117,968	21,347
Total comprehensive income for the period attributable to:			
Owners of the Company		147,172	3,896
Non-controlling interests		14,878	17,465
		162,050	21,361
Earnings (loss) per share	8		
From continuing and discontinued operations			
– Basic		3.96 cents	0.14 cents
– Diluted		3.96 cents	N/A
From continuing operations			
– Basic		2.58 cents	(0.50) cents
– Diluted		2.58 cents	N/A

# Condensed Consolidated Statement of Financial Position

At 30 September 2013

	Notes	30.9.2013 HK\$'000 (Unaudited)	31.3.2013 HK\$'000 (Audited)
<b>Non-current assets</b>			
Equipment	9	2,444	2,255
Interests in joint ventures	10	1,487,407	1,149,458
Loan to a joint venture	10	444,874	424,171
Finance leases receivable	11	–	982,322
Club debentures		18,639	18,179
		<b>1,953,364</b>	<b>2,576,385</b>
<b>Current assets</b>			
Loans to a joint venture	10	53,643	248,334
Amount due from a joint venture	10	–	388
Advances provided to customers	12	103,298	–
Finance leases receivable	11	–	661,100
Prepayments, deposits and other receivables		4,632	11,316
Security deposits	13	–	17,835
Short term bank deposits			
– with original maturity within three months		143,330	305,585
– with original maturity more than three months		91,812	251,813
Bank balances and cash		218,187	34,437
		<b>614,902</b>	<b>1,530,808</b>
<b>Current liabilities</b>			
Other payables and accrued charges		22,531	31,603
Deposits from finance lease customers	11	–	71,766
Deferred income		–	20,859
Taxation		1,249	889
Bank borrowings	14	–	457,606
Liabilities under shareholders' agreements	15	8,364	7,948
		<b>32,144</b>	<b>590,671</b>
<b>Net current assets</b>		<b>582,758</b>	<b>940,137</b>
<b>Total assets less current liabilities</b>		<b>2,536,122</b>	<b>3,516,522</b>

# Condensed Consolidated Statement of Financial Position

At 30 September 2013

	Notes	30.9.2013 HK\$'000 (Unaudited)	31.3.2013 HK\$'000 (Audited)
<b>Capital and reserves</b>			
Share capital		274,501	274,501
Reserves		1,949,616	1,841,627
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Equity attributable to owners of the Company		2,224,117	2,116,128
Non-controlling interests		–	220,721
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Total equity		2,224,117	2,336,849
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<b>Non-current liabilities</b>			
Deposits from finance lease customers	11	–	291,751
Deferred income		–	20,136
Bank borrowings	14	–	563,225
Liabilities under shareholders' agreements	15	308,601	301,387
Redeemable convertible preference shares	16	3,404	3,174
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		312,005	1,179,673
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		2,536,122	3,516,522
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# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2013

	Attributable to owners of the Company										Attributable to non-controlling interest	Total
	Share capital	Share premium	Investment revaluation reserve	Employee share-based compensation reserve	General reserve	Capital reserve	Statutory surplus reserve	Translation reserve	Retained profits	Sub-total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2012 (audited)	274,501	547,932	3,000	50,385	6,000	35,035	1,967	111,676	960,546	1,991,042	187,237	2,178,279
Exchange differences arising on translation	-	-	-	-	-	-	-	14	-	14	-	14
Profit for the year	-	-	-	-	-	-	-	-	119,884	119,884	33,484	153,368
Total comprehensive income for the year	-	-	-	-	-	-	-	14	119,884	119,898	33,484	153,382
Lapse of share options	-	-	-	(1,201)	-	-	-	-	1,201	-	-	-
Recognition of equity-settled share-based payments	-	-	-	5,188	-	-	-	-	-	5,188	-	5,188
Transferred to statutory surplus reserve	-	-	-	-	-	-	3,740	-	(3,740)	-	-	-
At 31 March 2013 (audited)	274,501	547,932	3,000	54,372	6,000	35,035	5,707	111,690	1,077,891	2,116,128	220,721	2,336,849
Exchange differences arising on translation	-	-	-	-	-	-	-	23,053	-	23,053	5,673	28,726
Share of other comprehensive income of a joint venture	-	-	-	-	-	-	-	15,356	-	15,356	-	15,356
Profit for the period	-	-	-	-	-	-	-	-	108,763	108,763	9,205	117,968
Total comprehensive income for the period	-	-	-	-	-	-	-	38,409	108,763	147,172	14,878	162,050
Dividends recognised as distribution (Note 7)	-	-	-	-	-	-	-	-	(41,175)	(41,175)	-	(41,175)
Derecognised upon deemed disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	(235,599)	(235,599)
Realisation of reserve upon deemed disposal of subsidiaries	-	-	-	-	-	(35,035)	(5,707)	(6,093)	46,835	-	-	-
Recognition of equity-settled share-based payments (Note 17)	-	-	-	1,992	-	-	-	-	-	1,992	-	1,992
At 30 September 2013 (unaudited)	274,501	547,932	3,000	56,364	6,000	-	-	144,006	1,192,314	2,224,117	-	2,224,117

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2013

	Attributable to owners of the Company										Attributable to non-controlling interest	Total
	Share capital	Share premium	Investment revaluation reserve	Employee share-based compensation reserve	General reserve	Capital reserve	Statutory surplus reserve	Translation reserve	Retained profits	Sub-total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2012 (audited)	274,501	547,932	3,000	50,385	6,000	35,035	1,967	111,676	960,546	1,991,042	187,237	2,178,279
Exchange differences arising on translation	-	-	-	-	-	-	-	14	-	14	-	14
Profit for the period	-	-	-	-	-	-	-	-	3,882	3,882	17,465	21,347
Total comprehensive income for the period	-	-	-	-	-	-	-	14	3,882	3,896	17,465	21,361
Recognition of equity-settled share-based payments (Note 17)	-	-	-	3,403	-	-	-	-	-	3,403	-	3,403
At 30 September 2012 (unaudited)	274,501	547,932	3,000	53,788	6,000	35,035	1,967	111,690	964,428	1,998,341	204,702	2,203,043

Note: Pursuant to the articles of association of the group companies established in the People's Republic of China ("China"), the group companies are required to appropriate 10% or an amount to be determined by the directors of their respective profits after taxation in accordance with the relevant China accounting rules and financial regulations before any distribution of dividends to equity holders each year to the statutory surplus reserve until their balances reach 50% of their respective registered capital.



# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2013

Notes	1.4.2013 to 30.9.2013 HK\$'000 (Unaudited)	1.4.2012 to 30.9.2012 HK\$'000 (Unaudited)
<b>Net cash from operating activities</b>		
Decrease (increase) in finance leases receivable	31,901	(131,387)
Increase in advances provided to customers	(103,298)	–
Increase in deposits from finance lease customers	9,917	67,637
Other operating activities	79,646	78,859
	<b>18,166</b>	15,109
<b>Net cash from investing activities</b>		
Decrease in short term bank deposits with original maturity more than three months	160,001	66,866
Loan repaid from a joint venture	–	10,013
Interest received	7,306	7,745
Decrease in amount due from a joint venture	–	138
Proceeds from disposal of equipment	254	–
Net cash outflow from deemed disposal of subsidiaries	18 (10,164)	–
Purchase of equipment	(1,241)	(2)
	<b>156,156</b>	84,760
<b>Net cash used in financing activities</b>		
Bank loans raised	41,728	226,728
Repayment of bank loans	(143,378)	(202,754)
Dividends paid	7 (41,175)	–
Other financing activities	(18,420)	(42,317)
	<b>(161,245)</b>	(18,343)
<b>Net increase in cash and cash equivalents</b>	<b>13,077</b>	81,526
<b>Cash and cash equivalents at beginning of the period</b>	<b>340,022</b>	524,316
<b>Effect of foreign exchange rate changes</b>	<b>8,418</b>	–
<b>Cash and cash equivalents at end of the period</b>	<b>361,517</b>	605,842
<b>Analysis of balances of cash and cash equivalents</b>		
Bank balances and cash	218,187	37,084
Short term bank deposits with original maturity within three months	143,330	568,758
	<b>361,517</b>	605,842

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2013

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as 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”).

## 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, as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2013 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2013.

In the current interim period, the Group has applied, for the first time, the following new or revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosure of interests in other entities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interest in other entities: Transition guidance
HKFRS 13	Fair value measurement
HKAS 19 (as revised in 2011)	Employment benefits
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities
Amendments to HKAS 1	Presentation of items of other comprehensive income
Amendments to HKFRSs	Annual improvements to HKFRSs 2009 – 2011 cycle
HK(IFRIC) – INT 20	Stripping costs in the production phase of a surface mine

### **New and revised standards on consolidation, joint arrangements, associates and disclosures**

In the current interim period, the Group has applied for the first time HKFRS 10, HKFRS 11, HKFRS 12 and HKAS 28 (as revised in 2011) together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding the transitional guidance. HKAS 27 (as revised in 2011) is not applicable to these condensed consolidated financial statements as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

## 2. PRINCIPAL ACCOUNTING POLICIES (continued)

### **New and revised standards on consolidation, joint arrangements, associates and disclosures (continued)**

#### ***Impact of the application of HKFRS 11***

HKFRS 11 replaces HKAS 31 Interests in Joint Ventures, and the guidance contained in a related interpretation, HK(SIC)-INT 13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers, has been incorporated in HKAS 28 (as revised in 2011). HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under HKFRS 11, there are only two types of joint arrangements – joint operations and joint ventures. The classification of joint arrangements under HKFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, HKAS 31 had three types of joint arrangements – jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under HKAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was classified as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations are different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable standards.

The directors of the Company reviewed and assessed the classification of the Group's investments in joint arrangements in accordance with the requirements of HKFRS 11. The directors concluded that the Group's interests in jointly controlled entities should be classified as interests in joint ventures under HKFRS 11 and accounted for using the equity method.

#### ***HKFRS 13 Fair Value Measurement***

The Group has applied HKFRS 13 for the first time in the current interim period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs. Consequential amendments have been made to HKAS 34 to require certain disclosures to be made in the interim condensed consolidated financial statements.

The scope of HKFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. HKFRS 13 contains a new definition for 'fair value' and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively. Disclosures of fair value information are set out in note 15.

## 2. PRINCIPAL ACCOUNTING POLICIES (continued)

### **New and revised standards on consolidation, joint arrangements, associates and disclosures (continued)**

#### ***Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income***

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements.

However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive section such that items of other comprehensive income are grouped into two categories:

- (a) items that will not be reclassified subsequently to profit or loss; and
- (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

#### ***Amendments to HKAS 34 Interim Financial Reporting (as part of the Annual Improvements to HKFRSs 2009-2011 Cycle)***

The Group has applied the amendments to HKAS 34 Interim Financial Reporting as part of the Annual Improvements to HKFRSs 2009 – 2011 Cycle for the first time in the current interim period. The amendments to HKAS 34 clarify that the total assets and total liabilities for a particular reportable segment would be separately disclosed in the interim financial statements only when the amounts are regularly provided to the chief operating decision maker (CODM) and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

Except as described above, the application of the above new or revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied new or revised standards and amendments that have been issued but are not yet effective.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2013

## 3. SEGMENT INFORMATION

Operations regarding provision of financial leasing service (previously a separate reportable segment) were discontinued on 21 June 2013 (described in more detail in Note 6).

The Group currently has one operating segment, based on the information reported to the Chief Executive Officer, the chief operating decision maker for the purposes of resources allocation and performance assessment, which is the aggregated results of the Group, including all income, expenses and tax charges.

As a result, there is only one reportable segment for the Group. For information regarding this segment, reference can be made to the condensed consolidated financial statements as a whole.

The segment result of the Group represents profit after taxation set out in the condensed consolidated statement of profit or loss and other comprehensive income.

Revenue from continuing operations represents income generated from external customers in China of HK\$4,596,000 (Nil for the six months ended 30 September 2012) and loan interest income generated from a joint venture incorporated outside China of HK\$26,759,000 (HK\$27,169,000 for the six months ended 30 September 2012).

## 4. PROFIT (LOSS) BEFORE TAXATION – CONTINUING OPERATIONS

Profit (loss) before taxation from continuing operations has been arrived at after charging (crediting) the following items:

### Continuing operations

	1.4.2013 to 30.9.2013 HK\$'000 (Unaudited)	1.4.2012 to 30.9.2012 HK\$'000 (Unaudited)
Imputed interest on redeemable convertible preference shares	230	200
Depreciation of equipment	375	321
Interest income from bank deposits	(7,267)	(7,633)
Operating lease rentals in respect of properties	1,300	1,148
Net exchange loss (gain)	4,327	(77)
Gain on disposal of equipment	(254)	–

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2013

## 5. TAXATION

### Continuing operations

	1.4.2013 to 30.9.2013 HK\$'000 (Unaudited)	1.4.2012 to 30.9.2012 HK\$'000 (Unaudited)
The current tax charge comprises:		
Enterprise Income Tax in China	1,345	–

Taxation for subsidiaries in China is calculated at the appropriate current rate of taxation in China.

Deferred taxation has not been recognised in respect of the temporary differences attributable to the accumulated profits of the subsidiaries in China since 1 January 2008 totalling HK\$4,036,000 (31 March 2013: HK\$1,719,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

## 6. DISCONTINUED OPERATIONS

On 2 May 2013, Rongzhong Capital Holdings Limited ("Rongzhong Capital"), entered into the subscription agreement with the subscribers, pursuant to which the subscribers conditionally agreed to subscribe for and Rongzhong Capital conditionally agreed to allot and issue the subscription shares, being 4,422 Rongzhong Capital's new shares, at an aggregate consideration of US\$3.0 million (equivalent to approximately HK\$23.4 million).

Details of the subscription were disclosed in the circular dated 24 May 2013 issued by the Company.

On 21 June 2013, upon completion of the above transaction, the Company's equity interest in Rongzhong Capital and its subsidiaries (collectively the "Disposal Group") was reduced to approximately 47.94% and Rongzhong Capital was ceased to be a subsidiary of the Company. The financial results and position of Disposal Group were deconsolidated from, and then accounted for as a joint venture using equity method in the condensed consolidated financial statements of the Group thereafter.

The operations regarding financial leasing and financing services carried out by the Disposal Group have been treated as discontinued operations. The comparative figures relating to the discontinued operations have also been re-presented.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2013

## 6. DISCONTINUED OPERATIONS (continued)

### Profit for the period from discontinued operations

	1.4.2013 to 21.6.2013 HK\$'000 (Unaudited)	1.4.2012 to 30.9.2012 HK\$'000 (Unaudited)
Revenue	51,093	91,509
Other income	39	112
Staff costs	(626)	(1,131)
Other operating expenses	(909)	(1,608)
Direct finance costs	(24,918)	(42,317)
Profit before taxation	24,679	46,565
Taxation	(6,249)	(11,597)
Profit from financial leasing and financing service operations	18,430	34,968
Gain on deemed disposal of subsidiaries (Note 18)	28,758	–
<b>Profit for the period from discontinued operations</b>	<b>47,188</b>	<b>34,968</b>
Profit for the period from discontinued operations attributable to:		
Owners of the Company	37,983	17,503
Non-controlling interests	9,205	17,465
	47,188	34,968
Profit for the period from discontinued operations included the following:		
Interest on bank borrowings	18,420	30,864
Depreciation of equipment	142	170
Interest income from bank deposits	(39)	(112)
Operating lease rentals in respect of properties	155	294
Net exchange loss	82	–

### Cash flows from discontinued operations

	1.4.2013 to 21.6.2013 HK\$'000 (Unaudited)	1.4.2012 to 30.9.2012 HK\$'000 (Unaudited)
Net cash from operating activities	95,568	13,213
Net cash (used in) from investing activities	(69)	112
Net cash used in financing activities	(120,070)	(6,890)
<b>Net cash (outflows) inflows</b>	<b>(24,571)</b>	<b>6,435</b>

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2013

## 7. DIVIDENDS

	<b>1.4.2013 to 30.9.2013 HK\$'000 (Unaudited)</b>	1.4.2012 to 30.9.2012 HK\$'000 (Unaudited)
Dividends recognised as distribution and paid during the period:		
Final dividends of HK1.5 cents per share in respect of the year ended 31 March 2013 (2012: In respect of the year ended 31 March 2012 of nil per share)	<b>41,175</b>	–

The directors of the Company do not recommend the payment of an interim dividend in respect of the six months ended 30 September 2013 (Nil for the six months ended 30 September 2012).

## 8. EARNINGS (LOSS) PER SHARE

### From continuing and discontinued operations

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

	<b>1.4.2013 to 30.9.2013 HK\$'000 (Unaudited)</b>	1.4.2012 to 30.9.2012 HK\$'000 (Unaudited)
Earnings:		
Earnings for the purposes of basic and diluted earnings per share (profit for the period attributable to owners of the Company)	<b>108,763</b>	3,882
Number of shares:	<b>'000</b>	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>2,745,013</b>	2,745,013
Effect of dilutive potential ordinary shares:		
Share options	<b>1,212</b>	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<b>2,746,225</b>	2,745,013

The computation of diluted earnings per share for the prior period did not assume the exercise of the Company's outstanding share options since their assumed exercise would result in decrease in loss per share from continuing operations for the prior period.



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2013

## 8. EARNINGS (LOSS) PER SHARE (continued)

### From continuing operations

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

	<b>1.4.2013 to 30.9.2013 HK\$'000 (Unaudited)</b>	1.4.2012 to 30.9.2012 HK\$'000 (Unaudited)
Earnings (loss) figures are calculated as follows:		
Profit for the period attributable to owners of the Company	<b>108,763</b>	3,882
Less: Profit for the period from discontinued operations attributable to owners of the Company (Note 6)	<b>(37,983)</b>	(17,503)
Earnings (loss) for the purpose of basic and diluted earnings (loss) per share from continuing operations	<b>70,780</b>	(13,621)

The denominators used are the same as those detailed above for both basic and diluted earnings per share from continuing and discontinued operations.

### From discontinued operations

Basic and diluted earnings per share for the discontinued operations is HK1.38 cents per share (HK0.64 cents per share for the six months ended 30 September 2012), based on the profit for the period from the discontinued operations attributable to owners of the Company of HK\$37,983,000 (HK\$17,503,000 for the six months ended 30 September 2012) and the denominators detailed above for both basic and diluted earnings per share.

## 9. MOVEMENTS IN EQUIPMENT

During the period, the Group incurred HK\$1,241,000 (HK\$2,000 for the six months ended 30 September 2012) to acquire equipment for its business use.

In addition, the Group disposed of certain equipment with an aggregate carrying amount of nil (nil for the six months ended 30 September 2012) for cash proceeds of HK\$254,000 (nil for the six months ended 30 September 2012), resulting in a gain on disposal of HK\$254,000 (nil for the six months ended 30 September 2012).

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2013

## 10. INTERESTS IN JOINT VENTURES/LOANS TO A JOINT VENTURE/AMOUNT DUE FROM A JOINT VENTURE

As at 30 September 2013 and 31 March 2013, the Group had interests in the following significant joint ventures:

Name of entity	Form of business structure	Place of incorporation	Principal place of operation	Effective ownership interest indirectly held by the Company		Proportion of voting power held by the Group (Note)		Principal activity
				30.9.2013	31.3.2013	30.9.2013	31.3.2013	
Rongzhong Group Limited	Limited Liability	British Virgin Islands	China	40%	40%	40%	40%	Provision for financing and loan guarantee services
Rongzhong Capital (Note 6)	Limited Liability	British Virgin Islands	China	47.94%	N/A	47.94%	N/A	Provision for financing leasing services

Note: Based on the legal form and terms of the contractual arrangements, the interests in Rongzhong Group Limited and Rongzhong Capital are classified as joint ventures as the major decisions require the unanimous consent among the shareholders.

	30.9.2013 HK\$'000 (Unaudited)	31.3.2013 HK\$'000 (Audited)
Cost of investments in joint ventures, unlisted	1,316,317	1,051,440
Share of post-acquisition profit and other comprehensive income, net of dividends received	171,090	98,018
	<b>1,487,407</b>	<b>1,149,458</b>

As at the date of issuance of the condensed consolidated financial statements, the fair value assessment of certain underlying assets and liabilities of Rongzhong Capital has not been finalised and thus, the initial accounting for the aforesaid acquisition of equity interest in Rongzhong Capital has been determined provisionally.

As at 30 September 2013, the unsecured loan to the joint venture, Rongzhong Group Limited ("Rongzhong Group"), of HK\$53,643,000 (31 March 2013: HK\$75,062,000) bearing a fixed interest rate of 20% (31 March 2013: 10%) per annum, was overdue and expected to be repaid within one year while the remaining loan of HK\$444,874,000 (31 March 2013: HK\$424,171,000) bearing a fixed interest rate of 5% per annum, which was reduced from 10% per annum on 26 October 2011 pursuant to the terms of the introduction (the "Introduction") with details disclosed in the circular dated 23 September 2011 (the "2011 Circular"), was unsecured and not expected to be repaid within one year. With respect to the loan of HK\$53,643,000, HK\$50,889,000 was settled subsequent to the reporting period. With respect to the loan of HK\$444,874,000, the carrying amount was written down by HK\$39,506,000 on 30 September 2012 as a result of the change of expected repayment date to 2015 and was discounted at interest rate of 10% per annum.

In addition, the loan to the joint venture of HK\$177,532,000 bearing a fixed interest rate of 3% per annum and the amount due from the joint venture of HK\$709,000 were derecognised upon deemed disposal of subsidiaries (Note 18) on 21 June 2013.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2013

## 11. FINANCE LEASES RECEIVABLE/DEPOSITS FROM FINANCE LEASE CUSTOMERS

	Minimum lease payments		Present value of minimum lease payments	
	30.9.2013 HK\$'000 (Unaudited)	31.3.2013 HK\$'000 (Audited)	30.9.2013 HK\$'000 (Unaudited)	31.3.2013 HK\$'000 (Audited)
Finance leases receivable comprise:				
Within one year	–	778,974	–	661,100
In more than one year but not more than five years	–	1,068,135	–	982,322
	–	1,847,109	–	1,643,422
Less: Unearned finance income	–	(203,687)		
Present value of minimum lease payment	–	1,643,422		
Analysed for reporting purposes as:				
Current assets			–	661,100
Non-current assets			–	982,322
			–	1,643,422

The Group's finance leases receivable were in Renminbi ("RMB") which is the functional currency of the relevant group entity.

Finance leases receivable were mainly secured by leased assets which were used in laser processing, plastics, industrial processing, textile and garment industries, customers' deposits and leased assets repurchase arrangement where applicable. As at 31 March 2013, finance leases receivable of HK\$164,204,000 were past due but not impaired and the customers' deposits of HK\$363,517,000 were repayable by the end of lease periods. The finance leases receivable of HK\$1,653,485,000 and deposits from finance lease customers of HK\$388,331,000 were derecognised upon deemed disposal of subsidiaries (Note 18) on 21 June 2013. There was no unguaranteed residual value of leased assets and no contingent rent arrangement that needed to be recognised in the prior period.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2013

## 11. FINANCE LEASES RECEIVABLE/DEPOSITS FROM FINANCE LEASE CUSTOMERS (continued)

The following was an ageing analysis of finance leases receivable which were past due but not impaired:

	30.9.2013 HK\$'000 (Unaudited)	31.3.2013 HK\$'000 (Audited)
Less than one month	–	6
More than one month but less than three months	–	164,198
	–	164,204

Management reviewed and assessed for impairment individually based on customers' repayment history and the values of the assets pledged. As at 31 March 2013, an aggregate carrying amount of HK\$164,204,000 was past due but the Group did not provide for impairment loss as management considered there was no significant change in credit quality for these customers.

## 12. ADVANCES PROVIDED TO CUSTOMERS

	30.9.2013 HK\$'000 (Unaudited)	31.3.2013 HK\$'000 (Audited)
Advances provided to customers	103,298	–

As at 30 September 2013, the advances provided to customers bore fixed coupon interest at a rate of not more than 16.8% per annum and were repayable according to the loan agreements which usually cover periods of two to six months. The balances were not overdue and secured by assets such as properties and equity interests in certain private entities in China where applicable.

The following is an ageing analysis of advances provided to customers determined based on the advance payment date, as at the end of the reporting period:

	30.9.2013 HK\$'000 (Unaudited)	31.3.2013 HK\$'000 (Audited)
Less than one month	65,550	–
More than one month but less than three months	32,724	–
More than three months but less than six months	5,024	–
	103,298	–

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2013

## 13. SECURITY DEPOSITS

Security deposits of HK\$2,707,000 were placed by the Group with banks to secure the Group's due performance in relation to the financial leasing business in China and were derecognised upon deemed disposal of subsidiaries (Note 18) on 21 June 2013.

## 14. BANK BORROWINGS

During the period, the Group obtained new bank borrowings of HK\$41,728,000 (HK\$226,728,000 for the six months ended 30 September 2012) and repaid bank borrowings of HK\$143,378,000 (HK\$202,754,000 for the six months ended 30 September 2012). All the bank borrowings of HK\$944,817,000 were derecognised upon deemed disposal of subsidiaries (Note 18) on 21 June 2013.

As at 31 March 2013, the Group's bank borrowings of HK\$793,683,000 were variable-rate borrowings which carry annual interest at the range of the rate of 100% to 130% of the rate offered by the People's Bank of China and the remaining balance of HK\$227,148,000 were fixed-rate borrowings which carry annual interest at the rate of 6.15% to 6.65% per annum.

As at 31 March 2013, the Group's bank borrowings of RMB805,873,000 equivalent to approximately HK\$994,905,000 were secured by charges over certain finance leases receivable of the Group with an aggregate carrying value of HK\$1,261,670,000 and the remaining balance of RMB21,000,000 equivalent to approximately HK\$25,926,000 was unsecured. These unsecured bank borrowings were obtained for certain financial leasing service transactions and the relevant customers of these transactions had given a guarantee to the bank for the granting of these bank borrowings in full.

## 15. LIABILITIES UNDER SHAREHOLDERS' AGREEMENTS

	30.9.2013 HK\$'000 (Unaudited)	31.3.2013 HK\$'000 (Audited)
<b>Current</b>		
Call option	8,364	7,948
<b>Non-current</b>		
Provision for share subscription	290,871	284,387
Estimated liability	17,730	17,000
Performance target	–	–
	<b>308,601</b>	<b>301,387</b>
<b>Total</b>	<b>316,965</b>	<b>309,335</b>

As a result of the Introduction, the Group, on 26 October 2011, entered into two shareholders' agreements pursuant to which the following financial instruments in relation to the Group were issued. Definitions of the capitalised terms and other details are set forth in the 2011 Circular.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2013

## 15. LIABILITIES UNDER SHAREHOLDERS' AGREEMENTS (continued)

### Call option

Pursuant to the terms of the shareholders' agreements, a call option (the "Call Option") was granted to Mr. Xie Xiao Qing ("Mr. Xie"), a former executive director of the Company, to purchase 342,500 shares of Rongzhong Group from Perfect Honour Limited ("Perfect Honour") before completion of a proposed event, but in any event no later than 31 December 2015, at a price per share equal to (I) the price per share of Rongzhong Group under the Xie's S&P Agreement plus (II) an interest of 6% per annum, compounded annually, on the price per share of Rongzhong Group under the Xie's S&P Agreement from 26 October 2011 to the exercise date.

As at 30 September 2013, the fair value of the Call Option was derived after taking into consideration the expected completion date of a proposed event, the underlying business value of Rongzhong Group and the adoption of the Black-Scholes model with the following details.

Date of valuation	30.9.2013	31.3.2013
Fair value at measurement dates (HK\$)	8,364,000	7,948,000
Exercise price (HK\$)	82.03	82.03
Expected volatility	41.296%	40.452%
Expected dividends	–	–
Risk-free interest rate (based on Hong Kong Exchange Fund Notes)	0.374%	0.217%

### Provision for share subscription

Pursuant to the terms of the shareholders' agreements, Perfect Honour has undertaken to, subject to the happening of any one of the two triggering events as set forth in the 2011 Circular, subscribe additional shares of Rongzhong Group at a subscription price of HK\$315,240,000 (the "Share Subscription").

As at 30 September 2013, the fair value of the provision for the Share Subscription was measured based on the discounted cash flow method with the following details:

Date of valuation	30.9.2013	31.3.2013
Fair value at measurement dates (HK\$)	290,871,000	284,387,000
Expected date of a triggering event to occur	31.12.2015	31.12.2015
Subscription price (HK\$)	315,240,000	315,240,000
Discount rate (prevailing market lending rate in Hong Kong)	4.705%	4.684%

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2013

## 15. LIABILITIES UNDER SHAREHOLDERS' AGREEMENTS (continued)

### Estimated liability

Pursuant to the terms of the shareholders' agreements, the Investor may, subject to the happening of a triggering event as set forth in the 2011 Circular by 31 December 2015, request Perfect Honour, Yong Hua International Limited ("Yonghua"), Legend Crown International Limited ("Legend Crown") and Plenty Boom Investments Limited ("Plenty Boom") either (I) to immediately fulfill their respective obligations for the Share Subscription; or (II) at their sole and absolute discretion jointly elect to either purchase or procure Rongzhong Group and/or Rongzhong Capital to redeem all their respective shares of Rongzhong Group and/or Rongzhong Capital owned by the Investor resulting from the Introduction at a price equal to the Investor's investment cost plus the higher of (a) 12% on such investment cost and (b) the undistributed profits of Rongzhong Group and Rongzhong Capital attributable to the Investor, and, in the case of redemption of shares of Rongzhong Group, minus the consideration paid, if any, by Mr. Xie to the Investor as a result of the exercise of a call option granted by the Investor to Mr. Xie under the shareholders' agreements.

As at 30 September 2013, the fair value of the estimated liability attributable to the Group with respect to (II) (a) was measured based on the discounted cash flow method with the following details:

<b>Date of valuation</b>	<b>30.9.2013</b>	<b>31.3.2013</b>
Fair value at measurement dates (HK\$)	<b>17,730,000</b>	17,000,000
Probability of the triggering event to occur	<b>20%</b>	20%
Time to extinguishment of the estimated liability	<b>2.5 years</b>	3 years
Investment return to the Investor (HK\$)	<b>102,397,000</b>	102,397,000
Discount rate (Note)	<b>6.134%</b>	6.568%

Note: The discount rate is the sum of risk-free interest rate, credit spread and liquidity risk premium as at the date of valuation.

If the unobservable input regarding the probability of the triggering event to occur to the valuation model was 5% higher/lower while all the other variables were held constant, the carrying amount of the estimated liability would increase/decrease by HK\$4,433,000.

### Performance target

Pursuant to the terms of the shareholders' agreements, the Investor may, subject to the happening of a triggering event on the operating results of the Rongzhong Group for the year ended 31 March 2013, request Perfect Honour, Mr. Xie, Yonghua, Legend Crown and Plenty Boom to procure Rongzhong Group and/or Rongzhong Capital to redeem all their respective shares of Rongzhong Group and/or Rongzhong Capital owned by the Investor resulting from the Introduction at a price equal to the Investor's investment cost plus an interest of 30% per annum, compounded annually, on the Investor's investment cost from 26 October 2011 to the date of such redemption, and, in the case of redemption of shares of Rongzhong Group, minus the consideration paid, if any, by Mr. Xie to the Investor as a result of the exercise of a call option granted by the Investor to Mr. Xie under the shareholders' agreements.

As at 31 March 2013, the triggering event on the operating results of the Rongzhong Group did not happen that would trigger the redemption of respective shares of Rongzhong Group and/or Rongzhong Capital owned by the Investor. Accordingly, no liability was recognised.

## 15. LIABILITIES UNDER SHAREHOLDERS' AGREEMENTS (continued)

### Performance target (continued)

The Group used valuation techniques to determine the fair value certain derivatives when it is unable to obtain the open market quotation in active markets.

For the six months ended 30 September 2013 and year ended 31 March 2013, there were no transfers in/out for level 3 of the fair value hierarchy. The change in fair value of HK\$7,630,000 (HK\$19,920,000 for the six months ended 30 September 2012) was recognised in profit or loss in the condensed consolidated statement of profit or loss and other comprehensive income.

## 16. REDEEMABLE CONVERTIBLE PREFERENCE SHARES

As at 30 September 2013, 68,400,000 (31 March 2013: 68,400,000) preference shares were in issue.

Pursuant to the terms and conditions of the preference shares, the preference shares may be redeemed by the holders of the preference shares at any time subsequent to 50 years after the date of issue on 18 September 2001 at a redemption value of HK\$10.00 per preference share. The preference shares carry no right to dividend distributions to the holders. The preference shares were convertible until 17 September 2004 and the conversion rights attached to the preference shares lapsed with no conversion then.

The liability component of the preference shares is carried at amortised cost based on an effective interest rate of 13.97% per annum.

## 17. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

A share option scheme was adopted by the Company on 18 September 2002 (the "2002 Share Option Scheme") with amendments made on 29 August 2003 to give clarity to it. Upon a new share option scheme of the Company came into effect on 31 August 2012, the 2002 Share Option Scheme was terminated and no further share options will be granted thereunder, but the provisions of the 2002 Share Option Scheme will remain in full force and effective to the extent necessary to give effect to the exercise of the share options (to the extent not already exercised) granted prior to its termination.

The Company has a share option scheme for eligible directors of the Company and eligible employees of the Group and other participants. Details of the share options outstanding during the current period are as follows:

	Number of share options
Outstanding at 1 April 2013	249,400,000
Granted during the period	31,400,000
Outstanding at 30 September 2013	280,800,000



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2013

## 17. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

The following assumptions were used to calculate the fair value of share options granted during the period:

	Independent non-executive director	Employees
Grant dates	28.6.2013	28.6.2013
Fair value at measurement dates (HK\$)	0.103	0.078
Share price (HK\$)	0.295	0.295
Exercise price (HK\$)	0.295	0.295
Expected volatility (expressed as a weighted average volatility used in the modelling under trinomial lattice model)	48.04%	48.04%
Option life	10 years	10 years
Expected dividends	4.88%	4.88%
Risk-free interest rate (based on Exchange Fund Notes)	2.00%	2.00%
Post-vesting exit rate	—	7.49%
Exercise cap	180%	120%

The expected volatility is based on the historical volatility of the Company's share price over the previous 5 years, adjusted for any expected changes to future volatility due to publicly available information. Expected dividends are based on historical dividends. The trinomial lattice model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Changes in the subjective input assumptions could materially affect the fair value estimate.

The closing price of the Company's shares immediately before 28 June 2013, the date of the grant, was HK\$0.27. The exercise price is HK\$0.295. The estimated fair value of the share options granted on that date was HK\$2,514,000.

During the period, the Group recognised total expenses of HK\$1,992,000 (HK\$3,403,000 for the six months ended 30 September 2012) in relation to share options granted by the Company.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2013

## 18. DEEMED DISPOSAL OF SUBSIDIARIES

On 21 June 2013, the Group disposed of the Disposal Group which carried out the financial leasing service and financing service businesses.

	21.6.2013 HK\$'000 (Unaudited)
Equipment	618
Loan to a joint venture (Note 10)	177,532
Amount due from a joint venture (Note 10)	709
Finance leases receivable (Note 11)	1,653,485
Prepayments, deposits and other receivables	9,103
Security deposits (Note 13)	2,707
Bank balances and cash	10,164
<b>Assets disposed of</b>	<b>1,854,318</b>
Other payables and accrued charges	7,679
Deposits from finance lease customers (Note 11)	388,331
Deferred income	39,589
Taxation	2,184
Bank borrowings (Note 14)	944,817
<b>Liabilities disposed of</b>	<b>1,382,600</b>
<b>Net assets disposed of</b>	<b>471,718</b>

### Gain on deemed disposal of subsidiaries

	21.6.2013 HK\$'000 (Unaudited)
Interest in a joint venture	264,877
Net assets disposed of	(471,718)
Non-controlling interests	235,599
<b>Gain on deemed disposal (Note 6)</b>	<b>28,758</b>

The gain on deemed disposal is included in the profit for the period from discontinued operations in the condensed consolidated statement of profit or loss and other comprehensive income (Note 6).

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2013

## 18. DEEMED DISPOSAL OF SUBSIDIARIES (continued)

Net cash outflow on deemed disposal of subsidiaries

	21.6.2013 HK\$'000 (Unaudited)
Consideration received in cash and cash equivalents	–
Less: cash and cash equivalent balances disposed of	(10,164)
	<b>(10,164)</b>

## 19. OPERATING LEASE COMMITMENTS

As at 30 September 2013, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

### As lessee

The Group is the lessee of a number of properties held under operating leases. The leases typically run for an initial period of one to three years, with an option to renew the lease upon expiry when all terms are re-negotiated.

	30.9.2013 HK\$'000 (Unaudited)	31.3.2013 HK\$'000 (Audited)
Within one year	2,628	322
After one year but within five years	4,456	288
	<b>7,084</b>	610

## 20. CONTINGENT LIABILITIES

As at 30 September 2013, the Company had given a guarantee to bank borrowings of RMB92,600,000 equivalent to approximately HK\$117,215,000 (31 March 2013: RMB100,000,000 equivalent to approximately HK\$123,457,000) to a joint venture of the Group. The guarantee provided by the Company was approximately 47.94% (31 March 2013: 50.055%) of all sums payable by the borrower.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2013

## 21. RELATED PARTY TRANSACTIONS

Save as disclosed in the condensed consolidated financial statements, the Group had the following transactions with related parties included in results from continuing operations during both periods.

### (a) Key management personnel remuneration

	1.4.2013 to 30.9.2013 HK\$'000 (Unaudited)	1.4.2012 to 30.9.2012 HK\$'000 (Unaudited)
Short-term employee benefits	3,573	3,600
Post-employment benefits	22	28
Share-based payments	1,502	3,194
	<b>5,097</b>	<b>6,822</b>

### (b) Transactions with related parties

	1.4.2013 to 30.9.2013 HK\$'000 (Unaudited)	1.4.2012 to 30.9.2012 HK\$'000 (Unaudited)
Loan interest income received from a joint venture	26,759	27,169
Rental expense paid to a related company with common controlling shareholders	(1,280)	(1,107)

## Other Information

### SHARE OPTION SCHEMES

On 31 August 2012, the Company terminated the old share option scheme (the “2002 Scheme”) which was adopted on 18 September 2002, and adopted a new share option scheme (the “2012 Scheme”) on the same date with similar terms for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. No further share options will be granted under the 2002 Scheme, but the provisions of the 2002 Scheme remain in full force and effect to the extent necessary to give effect to the exercise of the share options (to the extent not already exercised) granted prior to its termination.

Details of the movements of share options under the 2002 Scheme during the Period were as follows:

Grantee	Date of grant	Exercise price (HK\$)	Exercise period (Note 2)	Outstanding at 31/3/13	Outstanding at 30/9/13
<b>Directors</b>					
Mr. Wang Jun ("Mr. Wang")	17/8/2007	1.014	17/8/2010 – 16/8/2017	25,000,000	25,000,000
Mr. Wong Yu Lung, Charles ("Mr. Wong")	17/8/2007	1.014	17/8/2010 – 16/8/2017	25,000,000	25,000,000
	13/10/2009	0.500	13/10/2012 – 12/10/2019	26,000,000	26,000,000
	1/2/2011	0.410	1/2/2014 – 31/1/2021	26,000,000	26,000,000
Mr. Ding Chung Keung ("Mr. Ding")	17/8/2007	1.014	17/8/2010 – 16/8/2017	25,000,000	25,000,000
	13/10/2009	0.500	13/10/2012 – 12/10/2019	26,000,000	26,000,000
	1/2/2011	0.410	1/2/2014 – 31/1/2021	26,000,000	26,000,000
Ms. Wong, Michelle Yatyee ("Ms. Michelle Wong")	1/2/2011	0.410	1/2/2014 – 31/1/2021	13,000,000	13,000,000
Mr. Melvin Jitsumi Shiraki ("Mr. Shiraki")	1/2/2011	0.410	1/2/2014 – 31/1/2021	1,500,000	1,500,000
Mr. Ma Ho Fai SBS JP ("Mr. Ma")	1/2/2011	0.410	1/2/2014 – 31/1/2021	1,500,000	1,500,000
Mr. Cheng Yuk Wo ("Mr. Cheng")	23/5/2008	0.692	23/5/2011 – 22/5/2018	1,600,000	1,600,000
	1/2/2011	0.410	1/2/2014 – 31/1/2021	2,600,000	2,600,000
<b>Eligible employees</b>					
(in aggregate)	29/3/2007	0.256	29/3/2010 – 28/3/2017	16,000,000	16,000,000
	17/8/2007	1.014	17/8/2010 – 16/8/2017	15,300,000	15,300,000
	23/5/2008	0.692	23/5/2011 – 22/5/2018	3,000,000	3,000,000
	13/3/2009	0.360	13/9/2011 – 12/3/2019	1,000,000	1,000,000
	13/3/2009	0.360	13/3/2012 – 12/3/2019	1,900,000	1,900,000
	13/10/2009	0.500	13/10/2012 – 12/10/2019	250,000	250,000
	1/2/2011	0.410	1/2/2014 – 31/1/2021	12,750,000	12,750,000
				<u>249,400,000</u>	<u>249,400,000</u>

Details of the share options granted under the 2012 Scheme during the Period were as follows:

Grantee	Date of grant	Exercise price (HK\$)	Exercise period (Note 2)	Outstanding at 31/3/13	Granted during the Period	Outstanding at 30/9/13
<b>Director</b>						
Mr. Ng Chi Keung MH ("Mr. Ng")	28/6/2013	0.295 (Note 3)	28/6/2015 – 27/6/2023	–	2,600,000	2,600,000
<b>Eligible employees</b> (in aggregate)	28/6/2013	0.295 (Note 3)	28/6/2015 – 27/6/2023	–	28,800,000	28,800,000
				–	31,400,000	31,400,000

Notes:

1. During the Period, no share options were granted, exercised, lapsed or cancelled under the 2002 Scheme and no share options were exercised, lapsed or cancelled under the 2012 Scheme;
2. The vesting period of the share options is from the date of grant until the commencement of the exercise period; and
3. The closing price of the Company's shares immediately before the date on which the options were granted was HK\$0.27 each.

### INDEPENDENT REVIEW

The interim results for the Period are unaudited, but have been reviewed 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, by the Company's auditor, whose independent review report has been included in page 10 of this report.

### PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares.

## DISCLOSURE OF INTERESTS

### Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 September, 2013, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors adopted by the Company (the "Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

### Long positions in shares ("Shares")/underlying Shares of the Company

Name of Director	Capacity	Number of Shares/underlying Shares			Total	Approximate % of Shareholding
		Personal Interest	Corporate Interest	Other Interest		
Mr. Wong	Beneficial owner, founder & trustee of a discretionary trust	77,000,000 (Note 1)	–	855,808,725 (Note 2)	932,808,725	33.98%
Ms. Michelle Wong	Beneficial owner, interest of controlled corporations & beneficiary of a trust	13,000,000 (Note 3)	715,846,792 (Note 4)	855,808,725 (Note 2)	1,584,655,517	57.73%
Mr. Wang	Beneficial owner & interest of controlled corporations	25,000,000 (Notes 5)	101,251,300 (Note 6)	–	126,251,300	4.60%
Mr. Ding	Beneficial owner	123,000,000 (Note 7)	–	–	123,000,000	4.48%
Mr. Shiraki	Beneficial owner	7,040,000 (Note 8)	–	–	7,040,000	0.26%
Mr. Ma	Beneficial owner	2,700,000 (Note 9)	–	–	2,700,000	0.10%
Mr. Cheng	Beneficial owner	4,200,000 (Note 10)	–	–	4,200,000	0.15%
Mr. Ng	Beneficial owner	2,600,000 (Note 11)	–	–	2,600,000	0.09%

### Notes:

1. Such interests are underlying Shares derived from share options granted to Mr. Wong under the 2002 Scheme.
2. The two references to 855,808,725 Shares relate to the same block of Shares held by Allied Luck Trading Limited (“Allied Luck”). Mr. Wong and his spouse are the settlors and the trustees of a discretionary trust (the “Trust”) and the property of the Trust includes the issued shares of Allied Luck. The discretionary beneficiaries of the Trust are Ms. Wong, Michelle Yatyee and Miss Wong, Jacqueline Yue Yee (“Miss Jacqueline Wong”), together with, in certain circumstances, their issue. By virtue of the above, both Mr. Wong and Ms. Michelle Wong are taken to have a duty of disclosure in relation to these Shares held by Allied Luck under the SFO as Directors of the Company.
3. Such interests are underlying Shares derived from share options granted to Ms. Michelle Wong under the 2002 Scheme.
4. Such Shares are held by Ace Solomon Investments Limited, which was owned as to 50% by Aceyork Investment Limited (a company wholly-owned by Ms. Michelle Wong) and as to 50% by Allied Golden Investment Limited (a company wholly owned by Miss Jacqueline Wong). By virtue of the above, Ms. Michelle Wong is taken to have a duty of disclosure in relation to the said Shares under the SFO.
5. Such interests are underlying Shares derived from share options granted to Mr. Wang under the 2002 Scheme.
6. Such Shares are held by a company of which Mr. Wang is interested in the entire issued share capital.
7. Such interests include 46,000,000 Shares and 77,000,000 underlying Shares derived from share options granted to Mr. Ding under the 2002 Scheme.
8. Such interests include 5,540,000 Shares and 1,500,000 underlying Shares derived from share options granted to Mr. Shiraki under the 2002 Scheme.
9. Such interests include 1,200,000 Shares and 1,500,000 underlying Shares derived from share options granted to Mr. Ma under the 2002 Scheme.
10. Such interests are underlying Shares derived from share options granted to Mr. Cheng under the 2002 Scheme.
11. Such interests are underlying Shares derived from share options granted to Mr. Ng under the 2012 Scheme.

Save as disclosed above, as at 30 September 2013, none of the Directors or chief executive of the Company or any of their respective associates had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



## Other Information

### Interests and Short Positions of Substantial Shareholders

So far as is known to any Director or chief executive of the Company, as at 30 September, 2013, shareholders (other than Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying Shares 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 were as follows:

### Long positions in the Shares/underlying Shares of the Company

Name of substantial shareholder	Capacity	Number of Shares/ underlying Shares	Total	Approximate % of Shareholding
Mrs. Wong Fang Pik Chun ("Mrs. Wong")	(i) Interest of spouse	77,000,000 (Note 1)	932,808,725	33.98%
	(ii) Trustee	855,808,725 (Note 2)		
Miss Jacqueline Wong	(i) Interest in controlled corporation	715,846,792 (Note 3)	1,571,655,517	57.25%
	(ii) Beneficiary of a trust	855,808,725 (Note 2)		
Mr. Kwok Wing-Sien ("Mr. Kwok")	Interest of spouse	1,584,655,517 (Note 4)		57.73%
Allied Luck Trading Limited ("Allied Luck")	Beneficial owner	855,808,725 (Note 2)		31.18%
Ace Solomon Investments Limited ("Ace Solomon")	Beneficial owner	715,846,792 (Note 3)		26.08%
Aceyork Investment Limited ("Aceyork")	Interest in controlled corporation	715,846,792 (Note 3)		26.08%
Allied Golden Investment Limited ("Allied Golden")	Interest in controlled corporation	715,846,792 (Note 3)		26.08%

Notes:

- Mrs. Wong is deemed to be interested in these underlying Shares held by Mr. Wong, her spouse, for the purpose of the SFO.
- The three references to 855,808,725 Shares relate to the same block of Shares held by Allied Luck. Please refer to Note 2 on page 39 of this report for further details. By virtue of the above, both Mrs. Wong and Miss Jacqueline Wong are taken to have a duty of disclosure in relation to these Shares held by Allied Luck.
- The four references to 715,846,792 Shares relate to the same block of Shares held by Ace Solomon. Please refer to Note 4 on page 39 of this report for further details. By virtue of the above, Miss Jacqueline Wong, Aceyork and Allied Golden are taken to have a duty of disclosure in relation to these Shares held by Ace Solomon.
- Mr. Kwok is deemed to be interested in these Shares/underlying Shares held by Ms. Michelle Wong, his spouse, for the purpose of the SFO.

Save as disclosed above, as at 30 September, 2013, the Company had not been notified by any persons (other than Directors or chief executives of the Company) 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.