POLY CAPITAL HOLDINGS LIMITED
保興資本控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 1141)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2013

The Board of Directors (the "Board") of Poly Capital Holdings Limited (the "Company") hereby announces the audited consolidated results of the Company and its subsidiaries (collectively referred as the "Group") for the year ended 31 March 2013 together with comparative figures as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

	Notes	**2013** **HK$'000**	2012 HK$'000 (Restated)
Continuing operations			
Revenue	*4*	**757,600**	1,080,073
Cost of sales		**(729,123)**	(1,078,317)
Gross profit		**28,477**	1,756
Net losses on investments at fair value through profit or loss	*6*	**(67,824)**	(430,825)
Other income and gains	*4*	**6,479**	12,418
Selling and distribution costs		**(891)**	(1,499)
Administrative expenses		**(22,080)**	(19,002)
Finance costs	*5*	**(1,811)**	(7,890)
Impairment loss recognised in respect of loan receivable and other receivable	*6*	**(10,449)**	–
Loss before taxation		**(68,099)**	(445,042)
Taxation	*7*	**(1,025)**	4,418
Loss for the year from continuing operations	*6*	**(69,124)**	(440,624)

	Notes	2013 HK$'000	2012 HK$'000 (Restated)
Discontinued operation			
Profit/(loss) for the year from discontinued operation	8	**7,930**	(28,246)
Loss for the year		**(61,194)**	(468,870)
Other comprehensive income			
Exchange differences on translating foreign operations		**2**	3,488
Other comprehensive income for the year, net of tax		**2**	3,488
Total comprehensive expense for the year		**(61,192)**	(465,382)
Loss for the year attributable to:			
Owners of the Company		**(60,928)**	(467,851)
Non-controlling interests		**(266)**	(1,019)
		(61,194)	(468,870)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(60,925)**	(464,323)
Non-controlling interests		**(267)**	(1,059)
		(61,192)	(465,382)
Loss per share attributable to owners of the Company	10		
From continuing and discontinued operations			
Basic and diluted (HK cents per share)		**(2.05)**	(38.34)
From continuing operations			
Basic and diluted (HK cents per share)		**(2.33)**	(36.11)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2013

	Notes	**2013** **HK$'000**	2012 *HK$'000*
Non-current assets			
Property, plant and equipment		**3,152**	41,322
Prepaid lease payments		**–**	33,175
Other deposits		**–**	190
Intangible asset	*11*	**–**	135,558
Goodwill		**–**	9,935
Available-for-sale investment		**18,000**	–
Total non-current assets		**21,152**	220,180
Current assets			
Inventories		**–**	6,704
Accounts and bills receivable	*12*	**58,635**	57,447
Prepayments, deposits and other receivables		**50,571**	53,902
Loans receivable	*13*	**72,233**	66,838
Tax recoverable		**606**	573
Investments at fair value through profit or loss		**891,366**	715,251
Pledged bank deposits		**24,981**	15,008
Cash and bank balances		**187,997**	314,614
Total current assets		**1,286,389**	1,230,337
Current liabilities			
Accounts and bills payable	*14*	**6,469**	22,590
Other payables and accruals	*15*	**21,782**	159,053
Tax payable		**229**	52
Bank advances for discounted bills	*12*	**52,518**	31,169
Bank loans		**–**	28,751
Total current liabilities		**80,998**	241,615
Net current assets		**1,205,391**	988,722
Total assets less current liabilities		**1,226,543**	1,208,902

	Notes	**2013** *HK$'000*	2012 *HK$'000*
Non-current liabilities			
Placing notes	*16*	**95,097**	–
Deferred tax liabilities		**809**	10,953
Total non-current liabilities		**95,906**	10,953
Net assets		**1,130,637**	1,197,949
Capital and reserves			
Share capital		**296,563**	296,549
Reserves		**834,074**	903,193
Equity attributable to owners of the Company		**1,130,637**	1,199,742
Non-controlling interests		**–**	(1,793)
Total equity		**1,130,637**	1,197,949

Notes:

1. Significant accounting policies

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

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

2. Application of new and revised HKFRSs

In the current year, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (the "new and revised HKFRSs") issued by the HKICPA which are effective for the Group's financial year beginning 1 April 2012.

HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets
HKFRS 1 (Amendments)	First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets

The adoption of the above new and revised HKFRSs has had no material impact on the results and the financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment is required.

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

HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[1]
HKAS 19 (As revised in 2011)	Employee Benefits[2]
HKAS 27 (As revised in 2011)	Separate Financial Statements[2]
HKAS 28 (As revised in 2011)	Investments in Associates and Joint Ventures[2]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[3]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]
HKFRS (Amendments)	Annual Improvements to HKFRSs 2009-2011 Cycle[2]
HKFRS 1 (Amendments)	First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans[2]
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities[2]

HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosure[4]
HKFRS 9	Financial Instruments[4]
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[2]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]

1 Effective for annual periods beginning on or after 1 July 2012.
2 Effective for annual periods beginning on or after 1 January 2013.
3 Effective for annual periods beginning on or after 1 January 2014.
4 Effective for annual periods beginning on or after 1 January 2015.

The Group is in the process of making an assessment of the impact upon initial application of the new and revised HKFRSs. The Group is not yet in a position to state whether they would have a significant impact on the Group's results of operations and financial position.

3. Segment information

In a manner consistent with the way in which information is reported internally to the chief operating decision maker for the purpose of resources allocation and performance assessment, the Group is currently organised into the following operating segments:

- the supply and procurement segment represents supply and procurement activities in metal minerals, recyclable metal materials and timber logs;

- the provision of finance segment represents provision of short-term loan financing activities; and

- the securities investment segment represents investment activities in equity securities, equity-linked notes, convertible bonds and interest bearing notes.

During the current year, as described in note 17, the Group disposed of its pharmaceutical business which was engaged in production and sale of Chinese medicine. The pharmaceutical business was classified as discontinued operation as described in note 8.

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

For the year ended 31 March 2013

	Continuing operations				Discontinued operation	
	Supply and procurement *HK$'000*	**Provision of finance** *HK$'000*	**Securities investment** *HK$'000*	**Sub-total** *HK$'000*	**Pharmaceutical** *HK$'000*	**Consolidated** *HK$'000*
Segment revenue						
Sales to and income from external parties	**741,974**	**10,105**	**5,521**	**757,600**	**17,451**	**775,051**
Segment results	**14,703**	**(59)**	**(62,309)**	**(47,665)**	**(2,110)**	**(49,775)**
Unallocated other income and gains				**1,294**	**–**	**1,294**
Unallocated expenses				**(19,917)**	**–**	**(19,917)**
Finance costs				**(1,811)**	**(1,924)**	**(3,735)**
Loss before taxation				**(68,099)**	**(4,034)**	**(72,133)**
Taxation				**(1,025)**	**99**	**(926)**
Loss after taxation				**(69,124)**	**(3,935)**	**(73,059)**
Gain on disposal of subsidiaries				**–**	**11,865**	**11,865**
(Loss)/profit for the year				**(69,124)**	**7,930**	**(61,194)**

For the year ended 31 March 2012

	Continuing operations				Discontinued operation	
	Supply and procurement *HK$'000*	Provision of finance *HK$'000*	Securities investment *HK$'000*	Sub-total *HK$'000*	Pharmaceutical *HK$'000*	Consolidated *HK$'000*
Segment revenue						
Sales to and income from external parties	1,059,617	4,418	16,038	1,080,073	34,490	1,114,563
Segment results	(15,165)	4,235	(414,792)	(425,722)	(8,053)	(433,775)
Unallocated other income and gains				3,727	–	3,727
Unallocated expenses				(15,157)	–	(15,157)
Finance costs				(7,890)	(3,966)	(11,856)
Impairment loss recognised in respect of intangible asset				–	(21,704)	(21,704)
Loss before taxation				(445,042)	(33,723)	(478,765)
Taxation				4,418	5,477	9,895
Loss for the year				(440,624)	(28,246)	(468,870)

Geographical information

The following table presents segment revenue from continuing operations and non-current assets for the Group's geographical segments for the years ended 31 March 2013 and 2012:

	Hong Kong		The People's Republic of China (excluding Hong Kong)		Consolidated	
	2013	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue						
Sales to and income from external parties	**15,626**	20,456	**741,974**	1,059,617	**757,600**	1,080,073
Other segment information						
Non-current assets	**21,152**	2,716	**–**	217,464	**21,152**	220,180

Segment revenue reported above represents revenue generated from external parties. There were no inter-segment sales in the current year (2012: nil).

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment results represents the profit/loss earned by each segment which do not include intercompanies income and expenses, unallocated other income and gains, unallocated expenses, finance costs, impairment loss recognised in respect of intangible asset, taxation and gain on disposal of subsidiaries. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Information about major customers

Revenue from customers contributing over 10% of the total sales of the Group is mainly derived from the supply and procurement segment in both years. For the year ended 31 March 2013, there were three major customers contributing over 10% of the total sales amounting to approximately HK$205,225,000, HK$79,892,000 and HK$75,812,000 respectively. For the year ended 31 March 2012, there were four major customers contributing over 10% of the total sales amounting to approximately HK$284,330,000, HK$200,309,000, HK$119,924,000 and HK$113,591,000 respectively.

4. Revenue, other income and gains

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts, income from provision of finance, and dividend and interest income from securities investments during the year.

An analysis of revenue, other income and gains is as follows:

	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Revenue		
Sale of goods	**741,974**	1,059,617
Interest income from provision of finance	**10,105**	4,418
Dividend income on investment in listed equity securities	**2,325**	15,361
Interest income on investment in convertible bonds	**3,196**	609
Interest income on investment in equity-linked notes	**–**	68
	757,600	1,080,073
Other income and gains		
Bank interest income	**939**	1,206
Other interest income	**–**	13
Rental income	**488**	120
Gain on disposal of property, plant and equipment	**–**	87
Gain on repurchase of convertible notes	**–**	2,159
Compensation received	**4,442**	8,473
Sundry income	**610**	360
	6,479	12,418

5. Finance costs

	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Interest on:		
Convertible notes	**–**	7,890
Placing notes *(note 16)*	**1,811**	–
	1,811	7,890

6. Loss for the year

	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
The Group's loss for the year is arrived at after charging:		
Staff costs (including directors' remuneration):		
Wages and salaries	**9,953**	9,673
Pension scheme contributions	**459**	408
Total staff costs	**10,412**	10,081
Auditor's remuneration	**691**	805
Cost of inventories sold	**718,205**	999,510
Depreciation of property, plant and equipment	**934**	603
Minimum lease payments in respect of land and buildings	**2,503**	1,263
Impairment loss recognised in respect of loan receivable and other receivable *(note 13)*	**10,449**	–
Net losses on investments at fair value through profit or loss:		
Proceeds on sales of listed equity securities investments	**(391,808)**	(230,820)
Less: cost of sales	**390,381**	251,399
Net realised (gain)/loss on investment in listed equity securities	**(1,427)**	20,579
Unrealised loss on investments at fair value through profit or loss		
– Held for trading	**63,307**	409,871
– Designated as at fair value through profit or loss	**5,944**	375
	69,251	410,246
Net losses on investments at fair value through profit or loss	**67,824**	430,825

7. Taxation

	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Current – Hong Kong		
Charge for the year	**240**	215
Over provision in prior years	**(24)**	(54)
	216	161
Deferred tax		
Current year	**809**	(4,579)
	1,025	(4,418)

Hong Kong Profits Tax for the year ended 31 March 2013 was calculated at 16.5% (2012: 16.5%) of the estimated assessable profit for the year.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

8. Discontinued operation

On 7 September 2012, the Group entered into a conditional sale and purchase agreement to dispose of its pharmaceutical business at a consideration of HK$100,000,000. The disposal was approved by shareholders of the Company on 22 October 2012 and completed on 2 November 2012. Details of the disposal are disclosed in note 17.

The profit/(loss) from the discontinued operation which has been included in the consolidated statement of comprehensive income and consolidated statement of cash flows are set out below:

	2013	2012
	HK$'000	*HK$'000*
Profit/(loss) for the year from discontinued operation		
Revenue	**17,451**	34,490
Cost of sales	**(9,382)**	(15,922)
Gross profit	**8,069**	18,568
Other income and gains	**66**	48
Selling and distribution costs	**(304)**	(8,668)
Administrative expenses	**(9,941)**	(18,001)
Finance costs	**(1,924)**	(3,966)
Impairment loss recognised in respect of intangible asset	**–**	(21,704)
Loss before taxation	**(4,034)**	(33,723)
Taxation	**99**	5,477
Loss after taxation	**(3,935)**	(28,246)
Gain on disposal of subsidiaries *(note 17)*	**11,865**	–
Profit/(loss) for the year from discontinued operation	**7,930**	(28,246)
Profit/(loss) for the year attributable to:		
Owners of the Company	**8,196**	(27,227)
Non-controlling interests	**(266)**	(1,019)
	7,930	(28,246)
Profit/(loss) for the year from discontinued operation includes the following:		
Staff costs (including directors' remuneration):		
Wages and salaries	**1,005**	1,491
Pension scheme contributions	**322**	432
Total staff costs	**1,327**	1,923
Cost of inventories sold	**7,894**	14,469
Depreciation of property, plant and equipment	**3,004**	2,826
Amortisation of prepaid lease payments	**463**	793
Minimum lease payments in respect of land and buildings	**1,289**	2,233
Impairment loss recognised in respect of intangible asset	**–**	21,704
Interest expense on:		
Bank loans and other loan wholly repayable within five years	**1,924**	3,966
Bank interest income	**(66)**	(48)
Gain on disposal of subsidiaries *(note 17)*	**(11,865)**	–
Cash flows from discontinued operation		
Net cash (used in)/generated from operating activities	**(9,379)**	7,021
Net cash used in investing activities	**(314)**	(2,621)
Net cash used in financing activities	**(5,161)**	(8,100)
Net cash outflows	**(14,854)**	(3,700)

9. Dividend

The Board does not recommend the payment of any dividend for the year ended 31 March 2013 (2012: nil).

10. Loss per share attributable to owners of the Company

From continuing and discontinued operations

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

	2013	2012
	HK$'000	*HK$'000*
Loss		
Loss attributable to owners of the Company for the purpose of basic loss per share	**(60,928)**	(467,851)

	2013	2012
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**2,965,534**	1,220,356

Basic and diluted loss per share from the continuing and discontinued operations for the years ended 31 March 2013 and 2012 were the same because exercise of share options and warrants (2012: exercise of share options and conversion of convertible notes) would decrease the loss per share for both years, therefore, anti-dilutive.

From continuing operations

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

	2013	2012
	HK$'000	*HK$'000*
Loss		
Loss attributable to owners of the Company for the purpose of basic loss per share	**(69,124)**	(440,624)

	2013	2012
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**2,965,534**	1,220,356

Basic and diluted loss per share from the continuing operations for the years ended 31 March 2013 and 2012 were the same because exercise of share options and warrants (2012: exercise of share options and conversion of convertible notes) would decrease the loss per share for both years, therefore, anti-dilutive.

From discontinued operation

Basic loss per share from the discontinued operation is HK0.12 cent per share (excluding gain on disposal of subsidiaries (note 8)) (2012: basic loss of HK2.23 cents per share), calculated based on the loss attributable to owners of the Company from the discontinued operation of HK$3,669,000 (excluding gain on disposal of subsidiaries of HK$11,865,000 (note 8)) (2012: loss of HK$27,227,000) and the weighted average number of ordinary shares of 2,965,534,000 (2012: 1,220,356,000).

Basic and diluted loss per share from the discontinued operation for the years ended 31 March 2013 and 2012 were the same because exercise of share options and warrants (2012: exercise of share options and conversion of convertible notes) would decrease the loss per share for both years, therefore, anti-dilutive.

11. Intangible asset

	HK$'000
Cost	
At 1 April 2011	152,320
Exchange realignment	5,120
At 31 March 2012 and 1 April 2012	157,440
Elimination on disposal of subsidiaries *(note 17)*	(157,440)
At 31 March 2013	**–**
Impairment	
At 1 April 2011	–
Impairment loss recognised in profit or loss	21,704
Exchange realignment	178
At 31 March 2012 and 1 April 2012	21,882
Elimination on disposal of subsidiaries *(note 17)*	(21,882)
At 31 March 2013	**–**
Carrying value	
At 31 March 2013	**–**
At 31 March 2012	135,558

Notes:

The intangible asset represented an intellectual property relating to the production and sale of 金花清感 (Jinhua Qinggan) which was a prescription drug for clinic use. Jinhua Qinggan was a Chinese medicine aimed at treating patients infected with Influenza A (H1N1) and other types of influenza.

The above intangible asset had definite useful life and was amortised on a straight-line basis over its useful life of 20 years commencing from the date of granting of the new drug certificate.

12. Accounts and bills receivable

	2013	2012
	HK$'000	*HK$'000*
Accounts receivable	–	21,260
Bills receivable	**58,635**	36,187
	58,635	57,447

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally for a period of one month, extending up to three to six months for major customers. Each customer has a maximum credit limit. Overdue balances are reviewed regularly by senior management. Accounts and bills receivable are non-interest bearing. The carrying amounts of the accounts and bills receivable approximate to their fair values.

An aged analysis of the accounts and bills receivable at the end of the reporting period, based on invoice date, and net of impairment, is as follows:

	2013	2012
	HK$'000	*HK$'000*
Within 30 days	**32,560**	6,443
31 to 60 days	**22,017**	37,443
61 to 90 days	**2,827**	2,744
91 to 180 days	**973**	3,627
Over 180 days	**258**	7,190
Total	**58,635**	57,447

A subsidiary of the Group discounted bills receivable amounting to approximately HK$52,518,000 (2012: HK$31,169,000) to banks in exchange for cash as at 31 March 2013.

The aged analysis of the accounts and bills receivable that are not considered to be impaired is as follows:

	2013	2012
	HK$'000	*HK$'000*
Neither past due nor impaired	**32,560**	6,443
Less than 1 month past due	**22,017**	37,443
1 to 3 months past due	**3,800**	6,371
More than 3 months past due	**258**	7,190
	58,635	57,447

Accounts and bills receivable that were neither past due nor impaired related to customers for whom there were no recent history of default.

Accounts and bills receivable that were past due but not impaired related to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

13. Loans receivable

	2013	2012
	HK$'000	*HK$'000*
Loans receivable	**82,233**	66,838
Less: Impairment loss recognised	**(10,000)**	–
	72,233	66,838

Movement of impairment loss recognised:

	2013	2012
	HK$'000	*HK$'000*
Balance at beginning of the year	**–**	–
Impairment loss recognised during the year	**10,000**	–
Balance at end of the year	**10,000**	–

The range of effective interest rates (which are equal to contractual interest rates) on the Group's loans receivable is 8% to 36% (2012: 8% to 24%) per annum.

During the year ended 31 March 2013, the Group recognised an impairment loss for loan receivable and other receivable for the outstanding loan principal of HK$10,000,000 and loan interest of HK$449,000 totalling HK$10,449,000 (2012: nil) due from one borrower. Such loan principal and loan interest was past due for more than one year. The Group had taken legal action against the borrower for the outstanding amounts, although the court judged that the borrower need to pay for the amounts, however, according to information collected by the receiver which was appointed by the Group, the borrower would not have sufficient realisable assets to pay for the outstanding amounts. Full amounts of the outstanding loan principal and loan interest have been recognised as an impairment loss in the current year.

Except for the loan receivable as described above, all other loans receivable, which are recoverable within one year, are neither past due nor impaired.

14. Accounts and bills payable

	2013	2012
	HK$'000	*HK$'000*
Accounts payable	**–**	17,108
Bills payable	**6,469**	5,482
	6,469	22,590

The accounts and bills payable are non-interest bearing and are normally settled on 60 days term. As at 31 March 2013, the Group had bills payable of approximately HK$6,469,000 (2012: HK$5,482,000), which were ranged from within 30 days to over 180 days.

An aged analysis of the accounts and bills payable at the end of the reporting period, based on invoice date, is as follows:

	2013	2012
	HK$'000	*HK$'000*
Within 30 days	**1,195**	2,422
31 to 60 days	**532**	3,802
61 to 90 days	**2,808**	2,118
91 to 180 days	**961**	3,767
Over 180 days	**973**	10,481
	6,469	22,590

15. Other payables and accruals

	2013	2012
	HK$'000	*HK$'000*
Other payables *(note)*	**6,490**	156,904
Accruals	**15,292**	2,149
	21,782	159,053

Note: At 31 March 2012, included in other payables of approximately HK$114,698,000 was the balance payment of the consideration for the transfer of intangible asset. For details of the intangible asset, please refer to note 11.

16. Placing notes

On 8 November 2012, the Company entered into a placing agreement (the "Placing Agreement") with a placing agent (the "Placing Agent"), pursuant to which the Company agreed to place, through the Placing Agent, on a best effort basis, the notes up to an aggregate amount of HK$100,000,000 to be issued by the Company in the denomination of HK$10,000,000 each (the "Placing Notes") to independent third parties (the "Placing").

Pursuant to the Placing Agreement, the Placing Notes carry interest at 5% per annum and are to be redeemed on the seventh anniversary from the respective issue dates of the Placing Notes. Details of the Placing were set out in the Company's announcement dated 8 November 2012.

The movement of the Placing Notes for the year ended 31 March 2013 is set out below:

	2013
	HK$'000
At beginning of the year	**–**
Issue of the Placing Notes	**100,000**
Transaction cost directly attributable to the Placing Notes	**(5,100)**
Net proceeds received from issue of the Placing Notes	**94,900**
Interest charged at effective interest rate of 5.91% per annum *(note 5)*	**1,811**
Interest payable	**(1,614)**
At end of the year	**95,097**

17. Disposal of subsidiaries

On 7 September 2012, the Group entered into a conditional sale and purchase agreement to dispose of (i) the entire issued share capital of Poly Fortune Enterprises Limited ("Poly Fortune") and (ii) the benefit of and the interest in loans owed by Poly Fortune and its subsidiaries ("Poly Fortune Group") to the Company and Able Market Profits Limited, an direct wholly-owned subsidiary of the Company for a consideration of HK$100,000,000. Details of the transaction were summarised in the Company's announcement dated 7 September 2012 and the Company's circular dated 28 September 2012. The disposal was approved by shareholders of the Company on 22 October 2012 and completed on 2 November 2012. The disposal of Poly Fortune Group constituted a discontinued operation of the Group's pharmaceutical business as described in note 8.

The aggregated net assets of the subsidiaries at the date of disposal were as follows:

	HK$'000
Net assets disposed of:	
Property, plant and equipment	**36,338**
Prepaid lease payments	**33,509**
Intangible asset	**135,558**
Goodwill	**9,935**
Inventories	**5,563**
Accounts receivable	**18,184**
Prepayments, deposits and other receivables	**32,011**
Cash and cash equivalents	**23,575**
Accounts payable	**(11,255)**
Other payables and accruals	**(155,742)**
Bank loans	**(23,585)**
Deferred tax liabilities	**(10,848)**
	93,243
Non-controlling interests	**2,060**
Realisation of other reserve	**124**
Realisation of translation reserve	**(8,084)**
Gain on disposal of subsidiaries *(note 8)*	**11,865**
Net proceeds received from disposal of subsidiaries	**99,208**
Satisfied by:	
Cash consideration	**100,000**
Expenses directly attributable to disposal of subsidiaries	**(792)**
Net proceeds received from disposal of subsidiaries	**99,208**
Net cash inflow from disposal of subsidiaries:	
Cash consideration received	**100,000**
Cash and cash equivalents disposed of	**(23,575)**
Expenses directly attributable to the disposal of subsidiaries	**(792)**
	75,633

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2013 (2012: nil).

BUSINESS REVIEW

In September 2012, the Group entered into a conditional sale and purchase agreement to dispose of its pharmaceutical business at a consideration of HK$100,000,000. The transaction was approved by shareholders in the Company's special general meeting in October 2012 and the disposal was completed in November 2012. Accordingly, the results of the pharmaceutical division were accounted for as discontinued operation in the consolidated statement of comprehensive income for the current year and results of last year have also been restated.

Continuing operations

For the year ended 31 March 2013, the Group reported revenue of HK$757,600,000, decreased by 30% from the previous year (2012: HK$1,080,073,000), and gross profit of HK$28,477,000, showing a surge of over 15 times compared to last year (2012: HK$1,756,000). The decrease in revenue was mainly attributed to the decline in price of metal minerals traded by the Group's supply and procurement division, whereas the increase of gross profit was primarily due to the improved profitability of the Group's supply and procurement division, despite the drop of its revenue.

During the year under review, the Group's supply and procurement division continued to focus on the sourcing, transporting and supplying of metal minerals and recyclable metal materials. In addition, the division has expanded its business to supply and procurement of timber logs during the year. The division recorded a 30% decrease in revenue to HK$741,974,000 when comparing to the previous year (2012: HK$1,059,617,000). The decrease of the division's revenue was primarily attributed to the general decline in price of metal minerals in the Mainland, which in turn was mainly caused by the drop in demand for building materials resulting from the financial tightening measures imposed on the property sector by the Chinese government. In contrast to the drop in revenue, the division's results turned from loss of HK$15,165,000 in last year to profit of HK$14,703,000 in the current year. The turnaround of the division's results was mainly due to the absence of approximately HK$8 million loss incurred in the previous year resulting from the minerals content deviation of a shipment of iron ore transacted, and the efforts of the management in successfully increased profitability of the division through expanding its supplier and customer base and hence its market position as well as price negotiation power.

The Group's financing division recorded interest income of HK$10,105,000, showing a substantial increase of 129% when comparing to last year (2012: HK$4,418,000). Despite the rise of its revenue, the division's results turned from profit of HK$4,235,000 in last year to loss of HK$59,000 in the current year. The increase in the division's revenue was principally due to the comparatively higher average amount of loans advanced to customers over the previous year, whereas the loss results of the division was mainly attributed to an impairment loss of HK$10,449,000 (2012: nil) recognised for a loan made to a borrower with long track record. The Group had taken legal action against the borrower and a judgment was awarded by the court that the borrower should repay all sums owed to the Group. However, based on information provided by the receiver of the borrower, the borrower would not have sufficient realisable assets to repay the debts owed to the Group and accordingly, an impairment loss was recognised for the debts owed. The impairment loss had fully offset the division's profit for the review year, with the result that a small loss was recorded by the division. The loan portfolio held by the Group, after accounted for the impairment loss, amounted to HK$72,233,000 (2012: HK$66,838,000) at the year end.

The Group's securities investment division recorded revenue of HK$5,521,000 (2012: HK$16,038,000) representing mainly dividend from equity securities investments and interest income from convertible bonds earned during the year. As a whole, the division reported a loss of HK$62,309,000 (2012: HK$414,792,000) constituted mainly of the unrealised holding loss totaling HK$69,251,000 (2012: HK$410,246,000) from holdings of listed equity securities, convertible bonds and interest bearing notes measured at fair values at the year end, the net realised gain from selling listed equity securities of HK$1,427,000 (2012: loss of HK$20,579,000), and dividend and convertible bonds interest income aggregated to HK$5,521,000 (2012: HK$16,038,000, including equity-linked notes interest income). During the review year, although the conditions of the United States economy have been stabilised, the Hong Kong stock market was still clouded with uncertainties mainly resulting from the continuation of the unstable financial and economic conditions in Europe and the slowdown of GDP growth of the Mainland economy. Investment sentiments were weak for a considerable period during the year and put pressure on prices of listed securities invested by the Group. At the year end, the Group's securities, convertible bonds and interest bearing notes portfolio was valued at HK$891,366,000 (2012: HK$715,251,000). The management expects that the division will perform better when investor confidence and positive market sentiments improve in the investment markets.

Discontinued operation

For the review year, the pharmaceutical division reported revenue of HK$17,451,000 (2012: HK$34,490,000) and incurred segment loss of HK$2,110,000 (2012: HK$8,053,000). On 7 September 2012, the Group entered into a conditional sale and purchase agreement to dispose of its pharmaceutical business at a consideration of HK$100,000,000. The transaction was approved by shareholders on 22 October 2012 in the Company's special general meeting and completed on 2 November 2012. A gain on disposal of the pharmaceutical business amounting to HK$11,865,000 (2012: nil) was recognised by the Group in the current year. As mentioned in the Company's circular dated 28 September 2012, as the pharmaceutical division had been incurring losses in the past years, the Board was of the view that the disposal would enable the Group to deploy resources in other business with better prospects, and was in the interests of the Company and its shareholders as a whole.

For the year ended 31 March 2013, the Group recorded loss attributable to owners of the Company of HK$60,928,000 (2012: HK$467,851,000) and basic loss per share of HK2.05 cents (2012: HK38.34 cents) from continuing and discontinued operations. The loss incurred by the Group was substantially reduced from last year and was mainly attributed to the decrease in loss incurred by the Group's securities investment division during the year.

FINANCIAL REVIEW

At 31 March 2013, the Group had current assets of HK$1,286,389,000 (2012: HK$1,230,337,000) and liquid assets comprising cash and bank balances and short-term securities investment totalling HK$1,079,363,000 (2012: HK$1,029,865,000) (excluding pledged bank deposits for trade facilities granted by banks). The Group's current ratio, calculated based on current assets of HK$1,286,389,000 (2012: HK$1,230,337,000) over current liabilities of HK$80,998,000 (2012: HK$241,615,000), was at a strong ratio of about 15.88 at the year end (2012: 5.09).

The Group's finance costs for last year included an interest on convertible notes of HK$7,890,000 calculated in accordance with the Group's accounting policy on financial instruments, yet only part of that interest of HK$912,000 required cash settlement and the rest of that amount was not associated with any cash outlay. In September 2011, the Company repurchased all outstanding convertibles notes in an aggregate principal amount of HK$189,100,000 at the price of HK$187,209,000, representing a discount of 1% on the aggregate principal amount of such notes. The net gain on repurchase of the convertible notes amounted to HK$2,159,000 and was included as other income in last year.

At the year end, equity attributable to owners of the Company amounting to HK$1,130,637,000 (2012: HK$1,199,742,000) and is equivalent to an attributable amount of approximately HK$0.38 (2012: HK$0.40) per share of the Company. The decrease of the equity attributable to owners of the Company was mainly a result of the loss incurred by the Group during the year.

During the year ended 31 March 2013, the Company had issued the Placing Notes in the aggregate principal amount of HK$100,000,000 which carry interest at 5% per annum and are to be redeemed on the seventh anniversary from the respective issue dates of the Placing Notes. Details of the Placing were stated in the Company's announcement dated 8 November 2012.

As at 31 March 2013, the Group's indebtedness comprised the Placing Notes and bank advances for discounted bills totalling HK$147,615,000 (2012: HK$59,920,000 included bank advances for discounted bills and bank loans of the discontinued pharmaceutical division). The Group's gearing ratio, calculated on the basis of total indebtedness divided by the sum of total indebtedness and equity attributable to the Company's owners, was at a low ratio of about 12% (2012: 5%).

With the amount of liquid assets on hand as well as credit facilities granted by banks, the management is of the view that the Group has sufficient financial resources to meet its ongoing operational requirements.

PROSPECTS

The business environments in which the Group is operating in are still filled with uncertainties and challenges, as such, the management will continue to manage the Group's businesses in a prudent and cautious manner with the view to ensure a stable prospect to shareholders. Looking ahead, the Group will continue to engage in its three remaining businesses, namely, supply and procurement of commodities, provision of finance and securities investment after disposal of its pharmaceutical business.

CORPORATE GOVERNANCE

The Company had adopted the principles and complied with all the applicable provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules for the year ended 31 March 2013 except for the following deviations with reasons as explained:

Code Provision A.4.1

Code provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

Deviation

The independent non-executive directors of the Company are not appointed for a specific term but shall retire from office by rotation at least once every three years as referred to in bye-law 87 of the Company's Bye-laws which provides that at each annual general meeting one-third of the directors of the Company for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance is no less exacting than those set out in the CG Code.

Code Provision A.6.7

Code provision A.6.7 of the CG Code stipulates that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders.

Deviation

Two independent non-executive directors of the Company were unable to attend the annual general meeting of the Company held on 24 September 2012 as they had other important business engagements and one independent non-executive director of the Company was unable to attend the special general meeting of the Company held on 22 October 2012 as he had an overseas engagement.

AUDIT COMMITTEE

The audited consolidated financial statements of the Company for the year ended 31 March 2013 have been reviewed by the Audit Committee of the Company before they are duly approved by the Board under the recommendation of the Audit Committee.

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

During the year ended 31 March 2013, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

By Order of the Board
Suen Cho Hung, Paul
Chairman

Hong Kong, 27 June 2013

As at the date of this announcement, the Board comprises Mr. Suen Cho Hung, Paul (Chairman), Mr. Sue Ka Lok (Chief Executive Officer), Mr. Bai Jianjiang and Ms. Lee Chun Yeung, Catherine as Executive Directors and Mr. Wong Kwok Tai, Mr. Weng Yixiang and Mr. Lu Xinsheng as Independent Non-executive Directors.

* *For identification purpose only*