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

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

The Board of Directors (the "Board") of Poly Capital Holdings Limited (the "Company") hereby announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 September 2013 together with comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2013

		Six months ended 30 September	
		2013	2012
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Continuing operations			
Revenue	*4*	**418,336**	319,637
Cost of sales		**(396,165)**	(306,759)
Gross profit		**22,171**	12,878
Net losses on investments at fair value through profit or loss	*6*	**(20,492)**	(138,910)
Other income and gains		**2,313**	2,808
Selling and distribution costs		**(386)**	(739)
Administrative expenses		**(12,793)**	(11,069)
Finance cost	*5*	**(2,843)**	–
Loss before taxation	*6*	**(12,030)**	(135,032)
Taxation	*7*	**(128)**	(150)
Loss for the period from continuing operations		**(12,158)**	(135,182)

	Notes	Six months ended 30 September 2013 HK$'000 (Unaudited)	2012 HK$'000 (Unaudited)
Discontinued operation			
Loss for the period from discontinued operation	*8*	**–**	(3,857)
Loss for the period		**(12,158)**	(139,039)
Other comprehensive expense			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**–**	(12)
Other comprehensive expense for the period, net of tax		**–**	(12)
Total comprehensive expense for the period		**(12,158)**	(139,051)
Loss for the period attributable to:			
Owners of the Company		**(12,158)**	(138,796)
Non-controlling interests		**–**	(243)
		(12,158)	(139,039)
Total comprehensive expense for the period attributable to:			
Owners of the Company		**(12,158)**	(138,807)
Non-controlling interests		**–**	(244)
		(12,158)	(139,051)
Loss per share attributable to owners of the Company	*9*		
From continuing and discontinued operations			
Basic and diluted (HK cent(s) per share)		**(0.41)**	(4.68)
From continuing operations			
Basic and diluted (HK cent(s) per share)		**(0.41)**	(4.56)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2013

	Notes	**As at 30 September 2013 HK$'000 (Unaudited)**	As at 31 March 2013 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment		**2,670**	3,152
Available-for-sale investment		**18,000**	18,000
Total non-current assets		**20,670**	21,152
Current assets			
Bills receivable	*11*	**47,411**	58,635
Prepayments, deposits and other receivables		**42,166**	50,571
Loans receivable		**72,033**	72,233
Tax recoverable		**606**	606
Investments at fair value through profit or loss		**929,506**	891,366
Pledged bank deposits		**101,363**	24,981
Cash and bank balances		**72,055**	187,997
Total current assets		**1,265,140**	1,286,389
Current liabilities			
Bills payable	*12*	**3,911**	6,469
Other payables and accruals		**11,815**	21,782
Tax payable		**341**	229
Bank advances for discounted bills	*11*	**45,097**	52,518
Total current liabilities		**61,164**	80,998
Net current assets		**1,203,976**	1,205,391
Total assets less current liabilities		**1,224,646**	1,226,543

	Notes	As at 30 September 2013 HK$'000 (Unaudited)	As at 31 March 2013 HK$'000 (Audited)
Non-current liabilities			
Notes payable	*13*	**105,408**	95,097
Deferred tax liabilities		**758**	809
Total non-current liabilities		**106,166**	95,906
Net assets		**1,118,480**	1,130,637
Capital and reserves			
Share capital		**296,564**	296,563
Reserves		**821,916**	834,074
Total equity		**1,118,480**	1,130,637

Notes:

1. Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 September 2013 have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The condensed consolidated interim financial statements have been prepared under the historical cost convention, except for financial assets and financial liabilities, which are carried at fair values. The condensed consolidated interim financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated. The condensed consolidated interim financial statements are unaudited but have been reviewed by the Audit Committee of the Company.

2. Significant accounting policies

The accounting policies adopted in preparing the condensed consolidated interim financial statements are consistent with those adopted in the preparation of the Group's annual financial statements for the year ended 31 March 2013 except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the HKICPA as discussed below.

In the current interim period, the Group has applied, for the first time, the following new or revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning 1 April 2013.

The applicable new and revised HKFRSs adopted in the condensed consolidated interim financial statements are set out below:

HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009–2011 Cycle
HKFRS 1 (Amendments)	First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans
HKFRS 7 (Amendments)	Disclosure – Offsetting Financial Assets and Financial Liabilities
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement

The application of the above new and revised HKFRSs has had no material effect on the results and financial positions of the Group prepared and presented for the current or prior accounting periods except as stated below.

Amendments to HKAS 1 "Presentation of Financial Statements"

Amendments to HKAS 1 titled Presentation of Items of Other Comprehensive Income 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.

The amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income 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 have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the change. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income of the Group.

HKFRS 13 "Fair value measurement"

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. Some of the disclosures are specifically required for financial instruments in the interim financial reports. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

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

HKFRS 7 & HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosure[2]
HKFRS 9	Financial Instruments[2]
HKFRS 10, HKFRS 12 and HKAS 27 (As revised in 2011) (Amendment)	Investment Entities[1]
HKAS 32 (Amendments)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities[1]
HKAS 36 (Amendments)	Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets[1]
HKAS 39 (Amendments)	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting[1]
HK(IFRIC) – Int 21	Levies[1]

[1] Effective for annual periods beginning on or after 1 January 2014.
[2] Effective for annual periods beginning on or after 1 January 2015.

The Group is in the process of making an assessment of the impact of the above HKFRSs upon initial application but is not yet in a position to state whether the above HKFRSs 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, convertible bonds and interest bearing notes.

During the year ended 31 March 2013, the Group disposed of its pharmaceutical business which was engaged in the 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:

	Six months ended 30 September 2013 (Unaudited) Continuing operations			
	Supply and procurement *HK$'000*	**Provision of finance** *HK$'000*	**Securities investment** *HK$'000*	**Consolidated** *HK$'000*
Segment revenue				
Sales to and income from external parties	**404,661**	**7,530**	**6,145**	**418,336**
Segment results	**9,266**	**7,339**	**(14,347)**	**2,258**
Unallocated other income and gains				**477**
Unallocated expenses				**(11,922)**
Finance cost				**(2,843)**
Loss before taxation				**(12,030)**
Taxation				**(128)**
Loss for the period				**(12,158)**

	Six months ended 30 September 2012 (Unaudited)					
	Continuing operations				Discontinued operation	
	Supply and procurement	Provision of finance	Securities investment	Sub-total	Pharmaceutical	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue						
Sales to and income from external parties	312,101	4,957	2,579	319,637	16,702	336,339
Segment results	5,417	4,924	(136,331)	(125,990)	(2,281)	(128,271)
Unallocated other income and gains				784	–	784
Unallocated expenses				(9,826)	–	(9,826)
Finance cost				–	(1,665)	(1,665)
Loss before taxation				(135,032)	(3,946)	(138,978)
Taxation				(150)	89	(61)
Loss for the period				(135,182)	(3,857)	(139,039)

4. Revenue

Continuing operations

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 income and interest income from securities investments during the period.

5. Finance cost

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Continuing operations		
Interest on:		
Notes payable *(note 13)*	**2,843**	–

6. Loss before taxation

	Six months ended 30 September 2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Continuing operations		
The Group's loss before taxation is arrived at after charging:		
Staff costs (including directors' remuneration):		
Wages and salaries	**7,149**	4,759
Pension scheme contributions	**336**	219
Total staff costs	**7,485**	4,978
Cost of inventories sold	**391,216**	303,625
Depreciation of property, plant and equipment	**518**	406
and after crediting:		
Bank interest income	**108**	728
Rental income	**390**	98
Compensation received	**1,509**	1,872
Other income	**260**	110
Exchange gain	**46**	–
Net losses on investments at fair value through profit or loss:		
Proceeds on sales of listed equity securities investment	**(134,360)**	(65,019)
Less: cost of sales	**117,348**	80,814
Net realised (gain)/loss on investment in listed equity securities	**(17,012)**	15,795
Unrealised loss on investments at fair value through profit or loss		
– Held for trading	**27,647**	117,261
– Designated as at fair value through profit or loss	**9,857**	5,854
	37,504	123,115
Net losses on investments at fair value through profit or loss	**20,492**	138,910

7. Taxation

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Continuing operations		
Current – Hong Kong		
Charge for the period	**179**	150
Deferred tax		
Credit for the period	**(51)**	–
	128	150

Hong Kong Profits Tax for the six months ended 30 September 2013 and 2012 were calculated at 16.5% of the estimated assessable profit for the period.

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 were disclosed in note 39 to the consolidated financial statements of the Company for the year ended 31 March 2013.

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

	Six months ended 30 September 2012 *HK$'000* (Unaudited)
Loss for the period from discontinued operation	
Revenue	16,702
Cost of sales	(10,444)
Gross profit	6,258
Other income and gains	66
Selling and distribution costs	(279)
Administrative expenses	(8,326)
Finance cost	(1,665)
Loss before taxation	(3,946)
Taxation	89
Loss for the period from discontinued operation	(3,857)
Loss for the period attributable to:	
Owners of the Company	(3,614)
Non-controlling interests	(243)
	(3,857)
Loss for the period from discontinued operation includes the followings:	
Staff costs (including directors' remuneration):	
Wages and salaries	866
Pension scheme contributions	258
Total staff costs	1,124
Cost of inventories sold	9,314
Depreciation of property, plant and equipment	2,738
Amortisation of prepaid lease payments	396
Bank interest income	(66)

	Six months ended 30 September 2012 *HK$'000* (Unaudited)
Cash flows from discontinued operation	
Net cash used in operating activities	(8,661)
Net cash used in investing activities	(244)
Net cash used in financing activities	(4,423)
Net cash outflows	(13,328)

9. 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:

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to owners of the Company for the purpose of basic loss per share	**(12,158)**	(138,796)

	Six months ended 30 September	
	2013	2012
	'000	*'000*
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**2,965,636**	2,965,491

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:

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to owners of the Company for the purpose of basic loss per share	**(12,158)**	(135,182)

	Six months ended 30 September	
	2013	2012
	'000	*'000*
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**2,965,636**	2,965,491

From discontinued operation

For the six months ended 30 September 2012, basic loss per share from the discontinued operation was HK0.12 cent per share, calculated based on the loss attributable to owners of the Company from the discontinued operation of HK$3,614,000 and the weighted average number of ordinary shares of 2,965,491,000.

Diluted loss per share

Basic and diluted loss per share from the above operations for the six months ended 30 September 2013 and 2012 were the same because exercise of warrants (six months ended 30 September 2012: exercise of share options and warrants) would decrease the loss per share for both periods, therefore, anti-dilutive.

10. Dividends

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2013 (six months ended 30 September 2012: nil).

11. Bills receivable

	As at 30 September 2013 *HK$'000* (Unaudited)	As at 31 March 2013 *HK$'000* (Audited)
Bills receivable	**47,411**	58,635

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. Bills receivable are non-interest bearing. The carrying amounts of the bills receivable approximate to their fair values.

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

	As at 30 September 2013 *HK$'000* (Unaudited)	As at 31 March 2013 *HK$'000* (Audited)
Within 30 days	**11,961**	32,560
31 to 60 days	**1,261**	22,017
61 to 90 days	**33,375**	2,827
91 to 180 days	**556**	973
Over 180 days	**258**	258
Total	**47,411**	58,635

A subsidiary of the Group discounted bills receivable amounting to approximately HK$45,097,000 (31 March 2013: HK$52,518,000) to banks in exchange for cash as at 30 September 2013.

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

	As at 30 September 2013 *HK$'000* **(Unaudited)**	As at 31 March 2013 *HK$'000* (Audited)
Neither past due nor impaired	**11,961**	32,560
Less than 1 month past due	**1,261**	22,017
1 to 3 months past due	**33,931**	3,800
More than 3 months past due	**258**	258
Total	**47,411**	58,635

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

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.

12. Bills payable

	As at 30 September 2013 *HK$'000* **(Unaudited)**	As at 31 March 2013 *HK$'000* (Audited)
Bills payable	**3,911**	6,469

The bills payable are non-interest bearing and are normally settled on 60 days term. As at 30 September 2013, the Group had bills payable of approximately HK$3,911,000 (31 March 2013: HK$6,469,000), which were ranged from within 30 days to over 180 days.

The following is an analysis of bills payable at the end of the reporting period, based on invoice date, is as follows:

	As at 30 September 2013 *HK$'000* **(Unaudited)**	As at 31 March 2013 *HK$'000* (Audited)
Within 30 days	**232**	1,195
31 to 60 days	**1,390**	532
61 to 90 days	**448**	2,808
91 to 180 days	**868**	961
Over 180 days	**973**	973
Total	**3,911**	6,469

13. Notes payable

On 8 November 2012, the Company entered into a 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 to independent third parties (the "Placing"). Details of the Placing were set out in the Company's announcement dated 8 November 2012. The Placing was completed and the Company had issued 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.

On 13 September 2013, the Company further issued a note of HK$10,000,000 to an investor. The note carries interest at 5% per annum and is to be redeemed on the seventh anniversary from its issue date.

As at 30 September 2013, the aggregate principal amount of the notes payable was HK$110,000,000 (31 March 2013: HK$100,000,000).

The movement of the notes payable for the six months ended 30 September 2013 is set out below:

	As at 30 September 2013 ***HK$'000***
At the beginning of the period	**95,097**
Issue of the notes payable	**10,000**
Interest charged at effective interest rate from 5% to 5.91% per annum *(note 5)*	**2,843**
Interest payable	**(2,532)**
At the end of the period	**105,408**

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 September 2013 (six months ended 30 September 2012: nil).

BUSINESS REVIEW

Continuing Operations

For the six months ended 30 September 2013, the Group reported revenue of HK$418,336,000, significantly increased by 31% from the previous period (30 September 2012: HK$319,637,000), and gross profit of HK$22,171,000, also showing a sharp rise of 72% compared to the prior period (30 September 2012: HK$12,878,000). The increase in the Group's revenue was mainly attributed to the increased volume of metal minerals traded by the supply and procurement division, whereas the surge of the Group's gross profit was the combined effect of the improved profit margin contributed by the supply and procurement division and the increased income generated by the financing and securities investment division.

During the period under review, the Group's supply and procurement division continued to focus on the sourcing, transporting and supplying of metal minerals, recyclable metal materials as well as timber logs. When compared with the previous period, the division recorded a 30% increase in revenue to HK$404,661,000 (30 September 2012: HK$312,101,000) and a 71% rise in segment profit to HK$9,266,000 (30 September 2012: HK$5,417,000). The increases in the division's revenue and profit were principally attributed to the increased volume of metal minerals transacted, which was a result of the management's successful efforts in expanding the division's supplier and customer base and enhancing its market position as well as price negotiation power.

The financing division continued to provide a stable income source to the Group for the period under review. When compared with the previous period, the interest income and segment profit generated by the financing division were up substantially by 52% to HK$7,530,000 (30 September 2012: HK$4,957,000) and 49% to HK$7,339,000 (30 September 2012: HK$4,924,000). Such material increases were mainly due to the comparatively higher average amount of loans advanced to customers over the previous period. The loan portfolio held by the Group amounted to HK$72,033,000 (31 March 2013: HK$72,233,000) at the period end.

The Group's securities investment division recorded revenue of HK$6,145,000 (30 September 2012: HK$2,579,000) representing dividend from equity securities investments, and interest income from convertible bonds and interest bearing notes. As a whole, the division reported a loss of HK$14,347,000, significantly reduced by 89% compared to the previous period (30 September 2012: HK$136,331,000). The loss incurred by the division comprised mainly unrealised loss of HK$37,504,000 (30 September 2012: HK$123,115,000) from holdings of listed equity securities, convertible bonds and interest bearing notes measured at fair values at the period end; the net realised gain of HK$17,012,000 (30 September 2012: net realised loss of HK$15,795,000) derived from divesting part of its listed equity securities portfolio; and dividend, interest from convertible bonds and interest bearing notes totaling HK$6,145,000 (30 September 2012: HK$2,579,000). During the review period, the investment sentiments in Hong Kong stock market were more positive mainly because of the market perception that the recovery of the United States economy is sustainable and as a result, the performance of the division had improved with its loss incurred being substantially reduced from the previous period. At the period end, the Group's securities portfolio comprised mainly listed equity securities in conglomerate company, infrastructure company, construction company, property company, mining and resources company, industrial materials company, consumer electronics company, healthcare services company, agricultural machinery company, apparels and accessories company, automobile retailing company, financial services company, movies and entertainment company and investments company, together with the convertible bonds and interest bearing notes on hand, the Group's securities portfolio was at fair value of HK$929,506,000 (31 March 2013: HK$891,366,000).

Discontinued Operation

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 prior period.

Overall Results

For the period ended 30 September 2013, the Group recorded loss attributable to owners of the Company of HK$12,158,000 (30 September 2012: HK$138,796,000) and basic loss per share of HK0.41 cent (30 September 2012: HK4.68 cents) from continuing and discontinued operations. The Group's supply and procurement division as well as the financing division both reported profitable segment results for the period, although partly offset by the loss incurred by the securities investment division. Nevertheless, the overall loss incurred by the Group was substantially reduced by 91% when compared to the prior period.

FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

At 30 September 2013, the Group had current assets of HK$1,265,140,000 (31 March 2013: HK$1,286,389,000) and liquid assets comprising cash and short-term securities investment of HK$1,001,561,000 (31 March 2013: HK$1,079,363,000) (excluding pledged bank deposits for trade facilities granted by banks). The Group's current ratio, calculated based on current assets of HK$1,265,140,000 (31 March 2013: HK$1,286,389,000) over current liabilities of HK$61,164,000 (31 March 2013: HK$80,998,000), was at a strong ratio of about 20.7 at the period end (31 March 2013: 15.88).

The Group's finance cost for the period represented the effective interest on notes payable. During the period ended 30 September 2013, the Company had issued a new note in the principal amount of HK$10,000,000 to an investor, at the period end, the Company had issued interest bearing notes in the aggregate principal amount of HK$110,000,000.

At the period end, equity attributable to owners of the Company amounting to HK$1,118,480,000 (31 March 2013: HK$1,130,637,000) and is equivalent to an attributable amount of approximately HK$0.38 (31 March 2013: HK$0.38) per share of the Company. The decrease in the equity attributable to owners of the Company was mainly a result of the loss incurred by the Group during the period.

As at 30 September 2013, the Group's indebtedness comprised notes payable and bank advances for discounted bills totaling HK$150,505,000 (31 March 2013: HK$147,615,000). The bank advances for discounted bills were denominated in United States dollars, due within one year, and bore interests at floating rates. The notes payable were denominated in Hong Kong dollars, due on the seventh anniversary from the respective issue dates of the notes, and bore interests at 5% fixed rate. 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% (31 March 2013: 12%).

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 sentiments of the business environments in which the Group is operating have improved during the current period mainly because of the market perception that the economic recovery of the United States is sustainable. Against this backdrop, the management will continue to manage the Group's businesses and to evaluate new business opportunities in a prudent and cautious manner with the view to ensure a stable prospect to shareholders.

CORPORATE GOVERNANCE

The Company has 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 throughout the six months ended 30 September 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 E.1.2

Code provision E.1.2 of the CG Code stipulates that the chairman of the board should attend the annual general meeting.

Deviation

The Chairman of the Board, Mr. Suen Cho Hung, Paul, was unable to attend the annual general meeting of the Company held on 13 September 2013 as he had other important business engagement. However, Mr. Sue Ka Lok, an executive director and the Chief Executive Officer of the Company, had chaired the meeting in accordance with bye-law 63 of the Company's Bye-laws.

AUDIT COMMITTEE

The unaudited condensed consolidated interim financial statements of the Company for the six months ended 30 September 2013 have not been audited, but have been reviewed by the Audit Committee of the Company and 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 six months ended 30 September 2013, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

By Order of the Board
Suen Cho Hung, Paul
Chairman

Hong Kong, 28 November 2013

As at the date of this announcement, the Board comprises Mr. Suen Cho Hung, Paul (Chairman), Mr. Sue Ka Lok (Chief Executive Officer) 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*