天行國際(控股)有限公司*
Simsen International Corporation Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 993)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2013

The board of directors (the "**Directors**") (the "**Board**") of Simsen International Corporation Limited (the "**Company**") is pleased to present to its shareholders the unaudited condensed consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 31 October 2013 together with the comparative figures. The condensed consolidated interim financial statements have not been audited, but have been reviewed by the Company's auditor, Zenith CPA Limited, 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, and by the Company's audit committee (the "**Audit Committee**").

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 31 October 2013

	Notes	For the six months ended 31 October 2013 HK$'000 (Unaudited)	2012 HK$'000 (Unaudited)
REVENUE	4	**92,787**	41,961
Other income and gains or losses, net		**3,400**	(1,213)
Brokerage and commission expenses		**(6,203)**	(11,058)
Fair value gain/(loss) on convertible notes designated as at fair value through profit or loss		**36,986**	(24,674)
Gain on bargain purchase of a subsidiary	12	**2,861**	–
Loss on disposal of available-for-sale equity investments		**(21,567)**	–
Administrative and other operating expenses		**(61,436)**	(55,821)
Loss on disposal of items of property, plant and equipment		**(177)**	(1,771)
Write-back of provision for impairment on loans and accounts receivable, net		**6,573**	1,883
Finance costs		**(20)**	(41)
PROFIT/(LOSS) BEFORE TAX	5	**53,204**	(50,734)
Income tax expense	6	**(5,818)**	(695)
PROFIT/(LOSS) FOR THE PERIOD		**47,386**	(51,429)
Attributable to:			
Owners of the Company		**47,386**	(51,473)
Non-controlling interests		**–**	44
		47,386	(51,429)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	7		*(Restated)*
Basic and diluted			
— For profit/(loss) for the period (dollars per share)		**HK$0.75**	HK$(3.01)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 31 October 2013

	For the six months ended 31 October	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit/(loss) for the period	**47,386**	(51,429)
Other comprehensive income/(loss):		
Items to be reclassified to the consolidated income statement in subsequent period:		
Available-for-sale equity investments:		
— Change in fair value	**(46,234)**	(20,400)
— Reclassification adjustment for loss upon disposal included in the consolidated income statement	**21,567**	–
	(24,667)	(20,400)
Exchange differences on translation of foreign operations	**5,194**	1,646
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	**(19,473)**	(18,754)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**27,913**	(70,183)
Attributable to:		
Owners of the Company	**27,913**	(70,221)
Non-controlling interests	**–**	38
	27,913	(70,183)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 October 2013

	Notes	31 October 2013 HK$'000 (Unaudited)	30 April 2013 HK$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**4,643**	5,692
Goodwill		**21,442**	21,442
Other long term assets		**4,205**	4,275
Intangible assets		**2,350**	2,350
Convertible notes designated as at fair value through profit or loss	*8*	**30,216**	93,230
Investment in senior notes	*9*	**80,000**	–
Available-for-sale equity investments		**64,080**	78,555
Loans and accounts receivable	*10*	**47,302**	576
Total non-current assets		**254,238**	206,120
CURRENT ASSETS			
Loans and accounts receivable	*10*	**849,950**	348,854
Prepayments, deposits and other receivables		**18,912**	110,408
Equity investments at fair value through profit or loss		**1,709**	1,599
Bank trust account balances		**175,157**	172,049
Pledged bank deposits		**5,000**	5,000
Cash and cash equivalents		**237,946**	570,119
Total current assets		**1,288,674**	1,208,029
CURRENT LIABILITIES			
Accounts payable	*11*	**288,185**	185,100
Other payables and accruals		**20,561**	25,516
Finance leases payable		**135**	121
Tax payable		**3,778**	694
Total current liabilities		**312,659**	211,431
NET CURRENT ASSETS		**976,015**	996,598
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,230,253**	1,202,718
NON-CURRENT LIABILITIES			
Finance leases payable		**12**	83
Deferred tax liabilities		**80**	80
Provision for long service payments		**569**	577
Provision for reinstatement		**1,966**	2,265
Total non-current liabilities		**2,627**	3,005
NET ASSETS		**1,227,626**	1,199,713
EQUITY			
Equity attributable to owners of the Company			
Issued capital		**64**	2,543
Reserves		**1,227,562**	1,197,170
TOTAL EQUITY		**1,227,626**	1,199,713

Notes:

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 31 October 2013 have been prepared in accordance with Hong Kong Accounting Standard ("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 the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

2. SIGNIFICANT ACCOUNTING POLICIES

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

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

In the current interim period, the Group has adopted, for the first time, the following new or revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA:

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards Government Loans*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 — Transition Guidance
HKFRS 13	*Fair Value Measurement*
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements — Presentation of Items of Other Comprehensive Income*
HKAS 19 (2011)	*Employee Benefits*
HKAS 27 (2011)	*Separate Financial Statements*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
HK(IFRIC) -Int 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements 2009–2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

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. However, the adoption of HKAS 1 Amendments has resulted in a modification of the presentation of the condensed consolidated statement of comprehensive income.

The amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (i) items that will not be reclassified to profit or loss and (ii) items that may be reclassified subsequently to profit or loss when specific conditions are met. The adoption of amendments to HKAS 1 does not result in a change in the Group's accounting policy. The Group has modified the presentation of other comprehensive income in these condensed consolidated financial statements accordingly.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has reportable operating segments as follows:

(a) the securities segment represents the broking and dealing of securities, futures and options contracts, the provision of margin financing, advisory on corporate finance, asset management and insurance consultancy services, and results of investment holding and proprietary trading of securities;

(b) the bullion segment represents the broking and dealing of bullion contracts;

(c) the forex segment represents the broking and dealing of forex contracts;

(d) the money lending segment represents provision of loan financing;

(e) the finance lease segment represents provision for finance lease services;

(f) the pawn loan segment represents provision of pawn loan services; and

(g) the corporate and others segment includes corporate revenue and expenses and results of unallocated operations.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

The following tables present revenue and profit/(loss) for the six months ended 31 October 2013 and 2012 for the Group's business segments. The comparative figures have been re-presented to confirm with the current period's presentation.

For the six months ended 31 October 2013

	Securities	Bullion	Forex	Money lending	Finance lease	Pawn loan	Corporate and others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue:								
Revenue from external customers	**18,846**	**2,482**	**2,241**	**45,404**	**5,633**	**14,409**	**3,772**	**92,787**
Other income and gains or losses, net	**532**	**(95)**	**(25)**	**44**	**(1,156)**	**1,035**	**3,065**	**3,400**
	19,378	**2,387**	**2,216**	**45,448**	**4,477**	**15,444**	**6,837**	**96,187**
Segment profit/(loss)	**(3,793)**	**(329)**	**(1,886)**	**42,236**	**4,046**	**8,759**	**(14,089)**	**34,944**
Fair value gain on convertible notes designated as at fair value through profit or loss								**36,986**
Gain on bargain purchase of a subsidiary								**2,861**
Loss on disposal of available-for-sale equity investments								**(21,567)**
Finance costs								**(20)**
Profit before tax								**53,204**
Income tax expense								**(5,818)**
Profit for the period								**47,386**

For the six months ended 31 October 2012

	Securities *HK$'000*	Bullion *HK$'000*	Forex *HK$'000*	Money lending *HK$'000*	Pawn loan *HK$'000*	Corporate and others *HK$'000*	Total *HK$'000*
Segment revenue:							
Revenue from external customers	19,454	153	2,720	18,522	1,112	–	41,961
Other income and gains or losses, net	645	(278)	(1,637)	–	20	37	(1,213)
	20,099	(125)	1,083	18,522	1,132	37	40,748
Segment profit/(loss)	(9,130)	(14,683)	(5,364)	21,559	801	(19,202)	(26,019)
Fair value loss on convertible notes designated as at fair value through profit or loss							(24,674)
Finance costs							(41)
Loss before tax							(50,734)
Income tax expense							(695)
Loss for the period							(51,429)

4. REVENUE

Revenue, which is also the Group's turnover, represents (i) fees, commission and premium income from securities, bullion, forex, futures and options contracts broking; (ii) gain or loss on trading of securities, bullion, forex and futures contracts; (iii) interest income and handling fee income from loan and margin financing activities; and (iv) service fee income from asset management, advisory and consultancy services provided. An analysis of the Group's revenue is as follows:

	For the six months ended 31 October	
	2013	2012
	HK$'000	*HK$'000*
Revenue		
Fees, commission and premium income, net, from securities, bullion, forex, futures and options contracts broking	**15,249**	16,763
Trading gain/(loss) on securities, bullion, forex and futures contracts, net	**1,988**	(4,779)
Interest income from loan and margin financing activities	**56,222**	24,079
Handling fee income	**208**	121
Other service income	**19,120**	5,777
	92,787	41,961

5. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	For the six months ended 31 October	
	2013	2012
	HK$'000	*HK$'000*
Depreciation	**2,000**	3,214
Minimum lease payments under operating leases on rental of office premises	**10,402**	9,472
Employee benefit expenses (including directors' remuneration)	**28,198**	28,028
Foreign exchange differences, net	**(1,465)**	(15)

6. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	For the six months ended 31 October	
	2013	2012
	HK$'000	*HK$'000*
Current		
— Hong Kong	**3,084**	598
— The People's Republic of China (the "PRC")	**2,734**	97
	5,818	695

7. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic and diluted earnings per share is based on the profit for the period attributable to the ordinary equity holders of the Company of approximately HK$47,386,000 (2012: loss of approximately HK$51,473,000) and approximately 63,567,000 (2012: 17,124,000 (restated)) weighted average number of ordinary shares in issued during the period, as adjusted to reflect the consolidation of shares in October 2013. The amount of basic and diluted loss per share for the six months ended 31 October 2012 has been adjusted to reflect the consolidation of shares in October 2013 and the rights issue in April 2013.

No adjustment has been made to the amount of basic loss per share presented for the six months ended 31 October 2012 in respect of dilution as the impact of the warrants outstanding had an anti-dilutive effect on the amount of basic loss per share presented.

8. CONVERTIBLE NOTES DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013	30 April 2013
	HK$'000	*HK$'000*
Convertible notes	**30,216**	93,230

During the six months ended 31 October 2013, a gain on change in fair value of approximately HK$36,986,000 (2012: loss of approximately HK$24,674,000) regarding the investment in zero coupon redeemable convertible notes issued by King Stone Energy Group Limited ("King Stone") was recognised by the Group in the profit or loss. As at 31 October 2013, the fair value of the investment in King Stone's convertible notes of approximately HK$30,216,000 (30 April 2013: HK$93,230,000) is determined by the Directors with reference to a valuation performed by an independent qualified professional valuer, using Black-Scholes Option Pricing model and discounted cash flow approach for conversion option component and debt component respectively.

During the current period, a total principal amount of HK$100,000,000 of the convertible notes held by the Group was redeemed by King Stone (2012: Nil).

9. INVESTMENT IN SENIOR NOTES

	31 October 2013	30 April 2013
	HK$'000	*HK$'000*
Senior notes	**80,000**	–

On 1 May 2013, the Group subscribed for senior notes issued by Million Wealth Capital Investment Limited ("Million Wealth") in the principal amounts of HK$80 million at the subscription price of HK$80 million. These senior notes are interest-bearing at 10% per annum and have a maturity term of five years. Million Wealth has the right at any time after the issuance date to redeem the senior notes in whole or in part.

As at 31 October 2013, the senior notes held by the Group are with maturity of over one year and are therefore classified as non-current assets on the consolidated statement of financial position. Details of which are set out in the announcement of the Company dated 2 May 2013.

10. LOANS AND ACCOUNTS RECEIVABLE

	31 October 2013	30 April 2013
	HK$'000	*HK$'000*
Loans and accounts receivable		
— from securities, futures, options, bullion and forex dealing services	**130,672**	107,220
— from money lending operations	**685,359**	235,730
— from finance lease services	**58,733**	–
— from pawn loan services	**50,578**	37,325
— from trading operations	**160**	160
— from corporate and other operations	**280**	4,308
	925,782	384,743
Provision for impairment	**(28,530)**	(35,313)
	897,252	349,430
Analysed as:		
Current loans and accounts receivable	**849,950**	348,854
Non-current loans and accounts receivable	**47,302**	576
	897,252	349,430

An aged analysis of the Group's loans and accounts receivable at the end of the reporting period, based on the settlement due date and net of provision for impairment, is as follows:

	31 October 2013	30 April 2013
	HK$'000	*HK$'000*
Current to 1 month	**750,198**	199,094
1 to 3 months	**36,771**	6,753
3 months to 1 year	**68,381**	129,596
Over 1 year	**41,902**	13,987
	897,252	349,430

The movements in provision for impairment of loans and accounts receivable are as follows:

	31 October 2013	31 October 2012
	HK$'000	*HK$'000*
At beginning of period	**35,313**	20,015
Impairment losses recognised	**3,026**	6,124
Impairment losses reversed	**(9,599)**	(8,007)
	(6,573)	(1,883)
Amount written off as uncollectible	**(210)**	–
At end of period	**28,530**	18,132

11. ACCOUNTS PAYABLE

An aged analysis of the Group's accounts payable at the end of the reporting period, based on the settlement due date, is as follows:

	31 October 2013	30 April 2013
	HK$'000	*HK$'000*
Current to 1 month	**288,185**	185,100

12. ACQUISITION OF A SUBSIDIARY

On 20 June 2013, the Group acquired the entire equity interest of Beijing Dong Fang Hui Investment Consulting Co., Ltd ("Beijing Dong Fang Hui"), at a total consideration of HK$314,362,500, which is principally engaged in the provision of medium and short term financing services, including personal loans, entrusted loans and financial consultation services in the PRC.

The fair values of identifiable assets and liabilities of Beijing Dong Fang Hui recognised at the date of acquisition were as follows:

	HK$'000
Net assets acquired of:	
Property, plant and equipment	33
Loans and accounts receivable	236,755
Prepayments, deposits and other receivables	837
Cash and cash equivalents	80,173
Other payables and accruals	(574)
Tax payable	–
	317,224
Gain on bargain purchase recognised in the consolidated income statement	(2,861)
Consideration transferred	314,363
Satisfied by:	
Cash	314,363

Net cash outflow arising on acquisition

	HK$'000
Consideration paid in cash	314,363
Less: Cash and cash equivalent balances acquired	(80,173)
	234,190

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the period under review, the Group continues its existing principal activities including securities, bullion, forex and money lending operations. In addition, the Group has embarked on a wide spectrum of financing activities including the pawn shop and finance lease business in Mainland China and was pleased to see that the businesses were having positive contribution to the Group for the same period.

The Group recorded an unaudited profit of approximately HK$47,386,000 (2012: loss of approximately HK$51,429,000) for the six months ended 31 October 2013. Revenue for the period under review was approximately HK$92,787,000 (2012: approximately HK$41,961,000), representing an increase of approximately 121%.

It is also worth noting that the fund raised from rights issue in April 2013 has been deployed towards the planned business expansion including the major acquisition like Beijing Dong Fang Hui Investment Consulting Co., Ltd ("**Beijing Dong Fang Hui**") leading to the additional source of income to the Group. The overall improvement in the Group performance is primarily due to the increases in the revenues from the money lending (Hong Kong and Mainland China), finance lease and pawn loan business segments of the Group as well as a change in fair value on financial assets held by the Group.

Also, the Group has made some investments in Hong Kong listed stocks and convertible notes. For the period under review, the Group has recorded a loss on disposal of available-for-sale equity investments of approximately HK$21,567,000 (2012: Nil) in relation to a single stock holding of China Agri-Products Exchange Limited (stock code: 149) and a fair value gain on convertible notes of approximately HK$36,986,000 (2012: loss of approximately HK$24,674,000).

Securities

The securities segment comprises broking and dealing of securities, futures and options contracts, provision of margin financing, advisory on corporate finance, asset management and insurance consultancy services, and results of investment holding and proprietary trading of securities. Revenue from the securities segment was approximately HK$18,846,000 for the period under review (2012: approximately HK$19,454,000) with loss of approximately HK$3,793,000, compared to the loss of approximately HK$9,130,000 in the corresponding period last year, where the improvement was mainly due to the effect of the cost reduction effort to improve the bottom line of the activities.

Bullion

The bullion segment comprises broking and dealing of bullion contracts, which recorded a revenue of approximately HK$2,482,000 and a loss of approximately HK$329,000 respectively for the period under review (2012: a revenue of approximately HK$153,000 and a loss of approximately HK$14,683,000 respectively). The improved performance as compared to the same period last year was to a large extent due to the result of cost reduction effort and some risky business deployed on white labeling basis to reduce the risky positions.

Forex

The forex segment comprises broking and dealing of forex contracts, which recorded a revenue of approximately HK$2,241,000 and a loss of approximately HK$1,886,000 respectively for the period under review (2012: a revenue of approximately HK$2,720,000 and a loss of approximately HK$5,364,000 respectively). The improved performance as compared to the same period last year was mainly due to the result of cost reduction effort and more dynamic hedging on risky positions to reduce the risk in volatile market.

Money Lending

The money lending business has been growing steadily during the period and the demand remains strong. According to the nature of business, Dong Fang Hui medium and short term financing business has been included under money lending category. The total amount of loans receivable from the entire money lending business reached approximately HK$633,785,000 as at 31 October 2013 (30 April 2013: approximately HK$208,354,000), resulting in an interest revenue and a profit for the period under review to approximately HK$45,404,000 and approximately HK$42,236,000 respectively (2012: a revenue of approximately HK$18,522,000 and a profit of approximately HK$21,559,000 respectively).

Dong Fang Hui, being a major acquisition for the period under review, has contributed a revenue and a profit for the period to the segment to approximately HK$17,948,000 and approximately HK$11,497,000 respectively. No revenue and profit were arisen in the corresponding period last year.

Pawn Loan

Pawn loan business has recorded favorable growth in Mainland China and it is more or less in line with the Group's expectation. It has recorded a revenue and a profit for the period under review to approximately HK$14,409,000 and approximately HK$8,759,000 respectively (2012: a revenue of approximately HK$1,112,000 and a profit of approximately HK$801,000 respectively).

As the pawn shops are expected to have considerable growth potential in Mainland China, the Group has and would continue to allocate financial resources to support the business growth and expansion.

Finance Lease

As the setup of finance lease business was completed and business has gradually started up, it has recorded positive contribution for the period under review and the outlook for this business segment remains positive. The revenue and profit for the six months ended 31 October 2013 was HK$5,633,000 and HK$4,046,000 respectively. No revenue and profit from finance lease segment were arisen in the corresponding period last year.

PROSPECTS

Notwithstanding the fact that Hong Kong was influenced significantly by the United States quantitative easing policy and China economic reform in the past few months, it is becoming clearer that both economies are having positive outlook. Hong Kong is expecting to benefit from this in the short and medium term despite that the uncertainties remain apparent in the next couples of months and need to be managed carefully from a business perspective. It is worth noting that the direction that the Group's expansion of business profile in Mainland China primarily via acquisition which could promptly capitalise our business opportunities and increase our revenue, coupled with our continuous effort to reduce cost via streamlining of business processes, have proven to be pragmatic in respect of business diversification and enhancing our operating result.

CAPITAL STRUCTURE

During the period under review, there was no change to the authorised share capital of the Company. During the period under review, the share capital of the Company has been reorganised by share consolidation on the basis that every 40 issued shares of HK$0.001 each be consolidated into 1 consolidated share of HK$0.04 each and reduction of the par value of each consolidated share from HK$0.04 to HK$0.001. As at 31 October 2013, the total number of the issued ordinary shares with the par value of HK$0.001 each was 63,567,288 (30 April 2013: 2,542,691,520) and total equity attributable to owners of the Company was approximately HK$1,227,626,000 (30 April 2013: approximately HK$1,199,713,000).

LIQUIDITY AND FINANCIAL RESOURCES

The Group had total cash and cash equivalents amounting to approximately HK$237,946,000 (30 April 2013: approximately HK$570,119,000), which already excludes approximately HK$175,157,000 (30 April 2013: approximately HK$172,049,000) of client funds that were kept in separately designated bank accounts as at 31 October 2013.

The Group's gearing ratio, which is measured on the basis of the Group's total interest-bearing loans net of own cash reserves over the Company's shareholders' equity, did not exist as at 31 October 2013 and 30 April 2013 as the Group had net surplus cash as at the reporting date.

The Group's banking facilities amount to HK$40,000,000, none of which were utilised and outstanding at the end of the reporting period. Included in these banking facilities, an overdraft facility amounting to HK$10,000,000 (30 April 2013: HK$10,000,000) is secured by certain of the Group's bank deposits amounting to approximately HK$5,000,000 (30 April 2013: approximately HK$5,000,000). The remaining facility amounting to HK$30,000,000 (30 April 2013: HK$30,000,000) represents a margin facility and the availability of this facility is conditional upon the execution of charges over securities by a subsidiary of the Company.

FOREIGN EXCHANGE EXPOSURES

The normal operations and investments of the Group are mainly in Hong Kong and the PRC, with revenue and expenditure denominated in Hong Kong dollars and Renminbi. The Directors believe that the Group does not have significant foreign exchange exposure. However, the Group will closely monitor this risk exposure as required.

CONTINGENT LIABILITY

United Simsen Securities Limited ("**USSL**"), an indirectly wholly owned subsidiary of the Company, has been joined as the 10th defendant to the High Court action HCA 64/2012 commenced by Mayer Holdings Limited (stock code: 1116) ("**Mayer**") as plaintiff (the "**Action**") and has just been served with the Re-amended Writ of Summons and Re-amended Statement of Claim for the Action.

Mayer is claiming against USSL for damages for, among other things, breach of contract. USSL has sought legal advice on the alleged claims against it but based on their understanding of the factual background concerning the alleged claims against USSL, the Directors consider that USSL has a defence of merit and will therefore defend the alleged claims strenuously. The parties to the Action are in the course of providing relevant information to the High Court and there is no substantial progress as at 31 October 2013.

Save as disclosed above, the Group had no other material contingent liability at 31 October 2013.

SIGNIFICANT TRANSACTIONS

During the period under review, the Group had the following significant transactions:

(1) On 1 May 2013, Simsen Capital Finance Limited as the lender (an indirect wholly-owned subsidiary of the Company) entered into the loan agreement with the borrower, pursuant to which the lender has agreed to provide the loan of HK$82 million to the borrower subject to the terms and conditions of the loan agreement. Details of which were set out in the announcement of the Company dated 1 May 2013.

(2) On 1 May 2013, Key Gains Investments Limited ("**Key Gains**") (a wholly-owned subsidiary of the Company) as the subscriber, entered into the subscription agreement with Million Wealth Capital Investment Limited ("**Million Wealth**") as the issuer and Pure Profit Holdings Limited as the guarantor of Million Wealth, pursuant to which Key Gains has conditionally agreed to subscribe for and Million Wealth has conditionally agreed to issue the Million Wealth senior notes in the principal amounts of HK$80 million at the subscription price of HK$80 million. Details of which were set out in the announcement of the Company dated 1 May 2013.

(3) On 3 May 2013, the Company acquired for an additional 100,000,000 shares of Hao Tian Resources Group Limited (stock code: 474) ("**HT**") at the total consideration of approximately HK$43 million (excluding transaction costs) (equivalent to approximately HK$0.43 per HT share). Details of which were set out in the announcements of the Company dated 3 May 2013.

(4) On 8 September 2011, Simsen Capital Finance Limited, an indirect wholly-owned subsidiary of the Company, as lender entered into a loan agreement with Profit Port Investments Limited ("**Profit Port**") as borrower and the ultimate beneficial owner of Profit Port as guarantor in relation to the provision of a loan of HK$100,000,000 ("**Profit Port Loan Agreement**"). On 12 April 2012, the parties to the Profit Port Loan Agreement agreed to extend the repayment date of the loan to 10 August 2012, which is subject to agreement between the parties thereto for a further extension of 120 days. On 9 May 2013, the parties to the Profit Port Loan Agreement conditionally agreed to extend the repayment date of the Profit Port Loan Agreement to 9 May 2014, subject to Profit Port having repaid all the accrued interests of approximately HK$10.95 million of the loan up to 9 May 2013. Details of which were set out in the announcements of the Company dated 8 September 2011, 12 April 2012 and 9 May 2013.

(5) On 13 June 2013, King Stone Energy Group Limited (stock code:663) ("**King Stone**") served on the Company a notice of redemption of the King Stone convertible notes held by the Group with a principal amount of HK$100,000,000. After the redemption, the outstanding principal amount of the King Stone convertible notes held by the Group is HK$39,205,000. Details of which are set out in the announcement of the Company dated 13 June 2013.

(6) In December 2012, the Company announced that the Group entered into a sale and purchase agreement (the "**Sale and Purchase Agreement**") in respect of the acquisition of the entire share capital of Beijing Dong Fang Hui Investment Consulting Co., Ltd* ("**Beijing Dong Fang Hui**"), which is engaged in the provision of medium and short term financing services in the PRC, at a consideration of HK$314,362,500. Details of the acquisition are disclosed in the Company's announcement dated 24 December 2012 and circular dated 12 March 2013. The Company announced that all the conditions precedent as set out under the Sale and Purchase Agreement have been fulfilled and completion of the acquisition has taken place on 20 June 2013. Details of which were set out in the announcement of the Company dated 24 December 2012.

(7) On 21 June 2013, Beijing Dong Fang Hui, an indirectly wholly-owned subsidiary of the Company, entered into a loan agreement with Mr. Gong Hongwei ("**Mr. Gong**"). Pursuant to the loan agreement, Beijing Dong Fang Hui has agreed to grant a guaranteed loan in the amount of RMB50,000,000 (equivalent to approximately HK$63,000,000) to Mr. Gong. Details of which were set out in the announcement of the Company dated 21 June 2013.

(8) On 27 June 2013, Beijing Dong Fang Hui entered into a loan agreement with Mr. Guan Shijun ("**Mr. Guan**"). Pursuant to the loan agreement, Beijing Dong Fang Hui has agreed to grant a guaranteed loan in the amount of RMB50,000,000 (equivalent to approximately HK$63,000,000) to Mr. Guan. Details of which were set out in the announcement of the Company dated 27 June 2013.

(9) On 8 July 2013, Beijing Dong Fang Hui entered into a loan agreement with Ms. Guo Yuexin ("**Ms. Guo**"). Pursuant to the loan agreement, Beijing Dong Fang Hui has agreed to grant a guaranteed loan in the amount of RMB46,000,000 (equivalent to approximately HK$57,960,000) to Ms. Guo. Details of which were set out in the announcement of the Company dated 8 July 2013.

(10) On 23 August 2013, Solomon International Leasing (Tianjin) Co., Ltd* ("**Solomon**"), an indirectly wholly-owned subsidiary of the Company, has entered into a finance lease agreement with Shandong Long Li Bio-technology Company Limited* ("**Shandong Long Li**"). Pursuant to the finance lease agreement, Solomon has agreed to purchase part of the 15,000 tons xylitol production line located in Shandong, PRC (the "**Equipment**") from Shandong Long Li for a total consideration of RMB44,000,000 (equivalent to approximately HK$55,440,000) and lease the Equipment back to Shandong Long Li for a term of 60 months. Details of which were set out in the announcement of the Company dated 23 August 2013.

(11) On 29 August 2013, Beijing Dong Fang Hui, an indirectly wholly-owned subsidiary of the Company, has entered into a second agency agreement with Ms. Yin Zhaojun ("**Ms. Yin**") and therefore Ms. Yin has (on behalf of Beijing Dong Fang Hui) entered into a second loan agreement and a second pledge agreement with Ms. Liu Rujun ("**Ms. Liu**") on 30 August 2013. On 29 August 2013, Beijing Dong Fang Hui has also entered a second tri-parte cooperative agreement with Ms. Yin and Ms. Liu in relation to the second loan agreement. Pursuant to the second agency agreement, Beijing Dong Fang Hui has appointed Ms. Yin as its agent to grant a secured second loan to Ms. Liu on its behalf and act on its instructions in relation to the second loan agreement. Pursuant to the second loan agreement, Ms. Yin has agreed to grant the secured second loan to Ms. Liu. In addition, pursuant to the second pledge agreement entered into by Ms. Liu and Ms. Yin on the same date, Ms. Liu has pledged a security with an agreed appraised value of RMB12,000,000 (equivalent to approximately HK$15,324,000) in favour of Ms. Yin to secure the performance of Ms. Liu's obligations under the second loan agreement. Details of which were set out in the announcement of the Company dated 30 August 2013.

(12) On 30 August 2013, Yoho Shine Limited ("**Yoho Shine**") (an indirect wholly-owned subsidiary of the Company) and Ms. Li Cong ("**Ms. Li**") and Mr. Zhang Yong Jie ("**Mr. Zhang**") entered into a sale and purchase agreement, on the terms and subject to the conditions of which Yoho Shine has agreed to acquire from Ms. Li and Mr. Zhang the entire share capital of Beijing Jinshengtai Financial Consulting Company Limited*, which is engaged in the provision of medium and short term financing services in PRC, at a consideration of HK$66,608,320. Details of the acquisition were disclosed in the announcement of the Company dated 30 August 2013.

(13) On 3 September 2013, Beijing Dong Fang Hui, an indirectly wholly-owned subsidiary of the Company, has entered into a loan agreement with Ms. Hao Junmei ("**Ms. Hao**"). Pursuant to the loan agreement, Beijing Dong Fang Hui has agreed to grant an unsecured loan in the amount of RMB13,000,000 (equivalent to approximately HK$16,601,000) to Ms. Hao. Details of which were set out in the announcement of the Company dated 3 September 2013.

(14) On 18 September 2013, Beijing Dong Fang Hui, an indirectly wholly-owned subsidiary of the Company, has entered into a loan agreement with Mr. Wu Bing ("**Mr. Wu**"). Pursuant to the loan agreement, Beijing Dong Fang Hui has agreed to grant an unsecured loan in the amount of RMB10,000,000 (equivalent to approximately HK$12,600,000) to Mr. Wu. Details of which were set out in the announcement of the Company dated 18 September 2013.

(15) On 2 October 2013, Success Path Corporation Limited ("**Success Path**") (an indirect wholly-owned subsidiary of the Company) as purchaser and Mr. Wan Lei, Mr. Hao Peng Fei and Mr. Yang Xiao Yung (collectively "**Vendors**") entered into the Sale and Purchase Agreement, on the terms and subject to the conditions of which Success Path has agreed to acquire from the Vendors the entire share capital of the Beijing Hong Tian Chuang Ming Investment Consulting Co., Ltd*, which is engaged in the provision of medium and short term financing services in PRC, at a consideration of HK$260,500,000. Details of the acquisition are disclosed in the Company's announcement dated 2 October 2013.

(16) On 4 October 2013, the Company placed a sale order to dispose of the shares of China Agri-Products Exchanges Limited, a company whose shares are listed on the main board of the Stock Exchange with stock code: 149 ("**CAP Shares**") on the open market. A total number of 180 million CAP Shares was disposed through a series of sales on open market from 4 October 2013 to 9 October 2013. On 17 October 2013, the Company further disposed of 57 million CAP Shares through a sale order in the open market and on 18 October 2013 further disposed of 3 million CAP Shares through a sale order in the open market. Details of which were set out in the announcement of the Company dated 9 October 2013, 17 October 2013 and 18 October 2013.

(17) On 17 October 2013, the Company and United Simsen Securities Limited (the "**Placing Agent**") entered into a placing agreement pursuant to which the Placing Agent has conditionally agreed to procure placee(s), on a best effort basis, to subscribe for the convertible notes with an aggregate principal amount of up to HK$500 million. The initial conversion price shall be HK$5.00 per conversion share. Details of which were set out in the announcement of the Company dated 17 October 2013 and 25 October 2013 and the circular of the Company dated 29 October 2013.

CHARGES ON GROUP ASSETS

As at 31 October 2013, the obligations under finance leases amounted to approximately HK$147,000 (30 April 2013: approximately HK$204,000) and were secured by the leased assets acquired under the finance leases.

EMPLOYEE AND REMUNERATION POLICY

As at 31 October 2013, the Group employed a total of about 180 employees as compared to 98 employees in 2012. The Group's staff recruitment and promotion are primarily based on individuals' merits, relevant experiences, development potentials for the positions offered and performance. Staff remuneration and benefit policies, which are formulated by reference to the market, are competitive and performance based.

EVENTS AFTER THE END OF THE REPORTING PERIOD

On 27 December 2013, Beijing Dong Fang Hui, an indirectly wholly-owned subsidiary of the Company, has entered into a loan extension agreement with Mr. Guan Shijun ("**Mr. Guan**") and Beijing Caijintianlan Trading Company Limited* as Guarantor. Pursuant to the loan extension agreement, Beijing Dong Fang Hui has agreed to extend the repayment date of a guaranteed loan by Mr. Guan in the amount of RMB50,000,000 (equivalent to approximately HK$64,000,000) to 26 December 2014. Details of which were set out in the announcement of the Company dated 27 December 2013.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 31 October 2013 (2012: Nil).

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

Neither the Company, nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the period under review.

CORPORATE GOVERNANCE

The Company has applied the principles and complied with the applicable code provisions (the "**Code Provision**") of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules during the period under review, except the following deviation:

Under Code Provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Zhu Chengwu, Mr. Yeung Siu Keung and Mr. Chen Wai Chung, Edmund, independent non-executive directors, could not attend the annual general meeting of the Company held on 2 October 2013 and the special general meeting on 15 November 2013 because of other business commitments.

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. The Company had made specific enquiries of all Directors regarding any non-compliance with the Model Code during the period under review, and received confirmations from all Directors that they had fully complied with the standards asset out in the Model Code.

AUDIT COMMITTEE

The Audit Committee of the Company was established in accordance with the requirements of the Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls systems, and compliance with the relevant rules and regulations. The Audit Committee comprises three independent non-executive Directors of the Company. The unaudited financial statements for the six months ended 31 October 2013 have been reviewed by the Audit Committee.

APPRECIATION

I would like to take this opportunity to thank the shareholders of the Company for their continuing support and all the staff for their dedication and hard work.

By order of the Board
Simsen International Corporation Limited
Fu Jiwen
Executive Director

Hong Kong, 27 December 2013

As at the date of this announcement, the Board comprises the executive directors of the Company are Mr. Fu Jiwen and Ms. Zhou Baoying and the independent non-executive directors are Mr. Zhu Chengwu, Mr. Yeung Siu Keung and Mr. Chen Wai Chung, Edmund.

* *for identification purposes only*